



#### In this issue:

**Marketing your practice in a difficult economy**  
Page 1

**8 key elements to an effective EHR system action plan**  
Page 2

**Making the most of Medicare/Medicaid incentives**  
Page 3 – Page 4

As we pass the halfway point of 2009, it is time to focus on the American Recovery and Reinvestment Act of 2009 (also known as the stimulus bill) and how the upcoming benefits can be most advantageous to your practice. As you know, electronic health records (EHRs) are a major component of the bill, so if an EHR system is in your practice's plan, it is very important to start assessing and planning for implementation. Many practices will begin this process so that they can be ready by 2010, which may cause a run on available products and service offerings in the next six to 12 months. In this issue, we outline key elements of an effective EHR system action plan. We also discuss the incentives that your practice could receive from Medicare and Medicaid starting in 2011. No matter what the stimulus bill offers, every practice should do a financial analysis on the cost, effect of implementation and potential savings of an EHR system to see whether it is a good investment — even without government dollars.

The economic climate remains unsteady, and the health care field is drastically evolving before our eyes. Some practices are planning for major changes and overhauls, while others are merely trying to survive. Our article on marketing offers suggestions for those practices in one of these situations and everywhere in between. Regardless of how well your practice is faring, a downturn in the economy offers many opportunities for your practice to step back and assess where it is and where it wants to be. Informed decisions and creative ideas are the best way to help you get there.

## Marketing your practice in a difficult economy

Medicine is about to change considerably. The economy is affecting practices and patients. Congress, the president and most Americans agree that the health care system needs to be revised. No matter what changes come to the system, a basic reality is that all medical practices will need patients to exist. Great opportunities exist in this time of change. Marketing your practice is a crucial way of keeping up your patient base. It doesn't always have to cost money, but it does require energy and focus.

First, we need to determine the reasons you might be experiencing a dwindling patient base or cash flow. There are likely to be a number of them. Often the referral base you depend on today is the same as when you first started your practice. There is a high probability that a lot of those physicians aren't even around. Some may have relocated and others may have retired, while still others may have left the medical profession altogether.

At the same time, word-of-mouth referrals often decline as your patients age or move away from the area. Add to this patients who have lost insurance coverage or cannot afford copayments, and the shrinkage becomes obvious. Solo practices are particularly vulnerable. Once you look at the factors involved in the practice decline, however, you can explore various remedies.

#### Network, network, network

Begin by developing relationships with young physicians who are entering your community. New primary care physicians want to find specialists for patient referrals. They'll gain confidence in your ability to treat their patients from both a personal and a clinical point of view once you open the lines of communication and strengthen the relationship.

Look to the medical staff office at your hospital for a roster of new staff members. Develop an approach to become familiar with the new doctors in town. If there are only a few, your job will be simple. If there are many, you'll need to set a goal on how many you want to contact each month and what criteria you'll use to prioritize the list.

Stay actively involved in hospital activities and committee work. Use this as a source to work in tandem with some of the newer physicians. Hospital grand rounds and committee involvement can pay off in connecting with newer doctors.

Encourage your office manager to be active in community organizations. Pay for him or her to join a local service group as your representative and to volunteer you as a program speaker.

In addition, suggest to your office manager that he or she become active in local chapters of practice management organizations, such as the Professional Association of Health Care Office Management or the Medical Group Management Association. If there aren't chapters of the organizations in your community, perhaps your practice manager could establish one. Contact with other office managers is vital to keeping your practice alive.

#### Get your name out there

It's also very effective to tap into the media. Contact the health and medicine editor of your local paper. Inquire about a possible byline and invite the editors to call you for an interview whenever a hot health care topic is ready to hit the news.

Invest in a Web site that patients can use to learn about your practice, policies and procedures, as well as how to contact you. You can hire a company to develop a site or look to your medical societies for shared Web site opportunities.

#### Keep up your standards of service

The most important asset in your practice is the people. This includes you and your staff as well as your patients. Be sure your service is superior and that you and everyone working for you are committed to making the patients feel important. Don't be afraid to let patients know that you are accepting referrals.

Do everything you can to take care of and attract patients of varying age ranges. Above all, be as open and responsive as possible. Patients love the personal touch and will always refer their friends and family to a practice that offers them quality care with a sense of well-being.



# 8 key elements to an effective EHR system action plan

The American Recovery and Reinvestment Act of 2009 (also known as the stimulus bill) includes a section known as the Health Information Technology for Economic and Clinical Health Act (HITECH) that devotes \$17 billion to the implementation of electronic health records (EHR). The good news is that funding for implementation is finally available to physicians and health systems. The bad news is that the funding is the easy part — the hard part is the implementation of an EHR system.

Every corner of the practice will be affected in an EHR implementation, so it's vital that the entire implementation process be planned thoroughly. Here is an outline of eight key elements to an effective EHR system action plan:

## I. A project manager.

- A. This person should initiate and assist in the selection of a vendor for the EHR system.
- B. The project manager should direct the practice regarding schedule changes required to implement the EHR system as well as help staff complete productive training sessions. This needs to be accomplished with as little disruption to patient care as possible.

## II. A champion physician.

- A. You need a strong physician with good leadership skills to help gather buy-in from other physicians and staff members.

## III. Effective equipment.

- A. At the time of selecting a vendor, you should decide whether the practice intends to be wireless or hardwired by running network cables throughout the office. Always have an IT person determine the availability of the wireless option early in the project, because some buildings still have issues with wireless capability.
- B. Determine what type of hardware (such as laptops, desktops, tablets) will work with the vendor's software and be the best fit for your providers.
- C. If you choose to have computers installed, determine the availability of space in each exam room.
  1. Will there be a wall mount or are you placing the unit on a counter?
  2. Will the provider end up with his or her back to the patient?
  3. How easy will it be for the clinical staff and providers to sign in and out to document their portions of the visit?
  4. How secure is the data while the patient is in the exam room waiting to be seen?
- D. Think about faxing and scanning.
  1. Will your fax have the capability to electronically store and interface information into the EHR system?
  2. Who will be in charge of directing patient information received through faxing into the medical record appropriately?
  3. Do you have scanning capability? What will you scan? Will you need additional staff to help during implementation for scanning existing patient information?
  4. Have your providers decided on the amount of historical data that needs to be scanned into the EHR system? Be realistic; this will help determine staffing needs.
- E. Also consider printers and printing.
  1. Are your printers compatible with the software?
  2. Will you be printing prescriptions?
    - i. Although you'll be using e-prescribing, you'll still need special prescription paper to print those unable to be sent electronically. This may require that your printer have more than one paper tray. One tray would print visit records and patient education materials, while the second would be dedicated to prescribing.
  3. Where will the printers be placed?
    - i. The location will need to be easily accessible to the provider(s) while facilitating patient flow. And along with being easily accessible, it will still need to be protected from patient view to comply with HIPAA guidelines.



## IV. Effective interfacing.

- A. This needs to be decided at the time of vendor selection to make sure all software (practice management, lab services, hospital services) works together smoothly.
- B. Always have the interfaces go through appropriate testing before going live.

## V. A feasible timeline.

- A. Make sure your timeline is realistic. It should be solid, changing for only the most important issues that arise.
- B. The project manager should work to keep everyone on the timeline and delegate each task appropriately. For example, the physicians should take a major role in customization.

## VI. Smooth patient-care workflow.

- A. Keep an open mind to changing the way you see patients. You may need to adjust your workflow to make using the EHR system more efficient. Many offices try to keep the same workflow, which creates inefficiency and doesn't use the system to its full capability.
- B. Remember, the EHR system will affect everything from how you move patients through your office to how phone calls are handled.

## VII. Strategic communication and planning.

- A. Actively listen to all staff concerns and address them.
- B. Prepare your physicians for an initial decrease in productivity.
- C. Expect to also have an initial decrease in revenue and plan ways to handle expenses during this period.
- D. Hold effective and timely meetings to discuss current issues, note upcoming timeline goals and promote the success of implementation.
- E. Plan for the worst and hope for the best!

## VIII. Accurate cash flow projections.

- A. All EHR system implementations will cause a practice to decrease the number of patients the physician schedules for a period of time until all functions of the practice have adapted to it. Be sure to run a cash flow projection for practice revenue decreases of 25% and 40% for 30 days, 60 days and 90 days.
- B. Make the appropriate budgetary decisions for a short-term decrease in cash flow.

If an EHR system isn't carefully planned for and implemented, the results can be disastrous for a practice. Fortunately, committed physicians and staff can make for a smooth implementation and a good return on your investment. Just remember that signing the purchase order is only the beginning!

# The \$65,000 question

## Will your practice get all it can from Medicare/Medicaid incentives?

The Health Information Technology for Economic and Clinical Health Act (HITECH), which came about as part of the American Recovery and Reinvestment Act of 2009 (also known as the stimulus bill), has significantly increased the potential return physicians may receive from either Medicare or Medicaid, depending on their payor mix. But to get the most from this opportunity, practice leaders will need to stay on top of the details.

Incentive payments from Medicare and Medicaid will begin in 2011 and continue for an additional four years — or longer in the case of Medicaid. Those who currently participate in the e-prescribing and Physician Quality Reporting Initiative (PQRI) incentives may continue to do so and receive payment during the interim period.

Once a provider starts collecting electronic health record (EHR) incentive payments, however, they'll no longer be able to participate in the e-prescribing incentive program. As currently envisioned, providers will still be eligible for PQRI once HITECH payments commence.

The legislation doesn't differentiate between currently installed and yet-to-be-installed EHR systems. Those practices already using an EHR system will clearly be ahead of the game; however, they'll need to focus on the details of HITECH to ensure they meet all of the criteria for receiving the incentive. Additional modules or training on a practice's current system may be necessary to ensure qualifying use.

### Participation criteria

What are the criteria for participation in HITECH? To be eligible for the incentives, a qualified physician must demonstrate meaningful use of certified EHR technology.

Qualifying physicians may be solo practitioners or part of a group and may work in hospital-owned practices.

Physicians who don't accept Medicare and don't meet the payor mix threshold for Medicaid will

Medicare or Medicaid — not both. Providers should assess the criteria for each program and their own payor mix to determine their qualification status. Those qualifying for both will need to do some further review to determine which is best suited to their needs.

As presently understood, meaningful use involves e-prescribing, electronic exchange of information and reporting back on quality measures. To meet these criteria your system will need to be fully implemented and functional. Qualifying EHR systems will likely be required to include other features that support meaningful use by providers including patient demographic and clinical health information, such as:

- Medical history and problem list,
- The capacity to provide clinical decision support,
- Support for physician order entry, and
- Capture and query information relevant to health care quality.

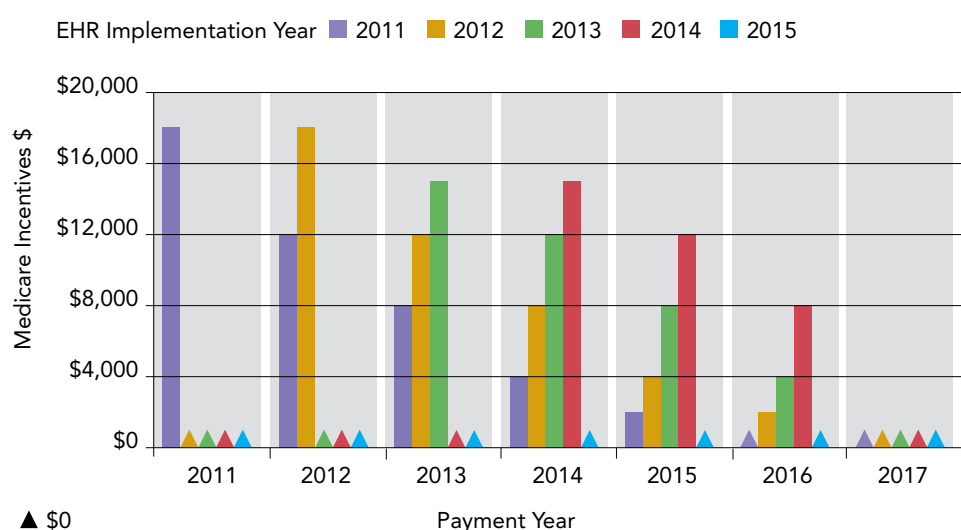
The Department of Health and Human Services (HHS) may add other criteria over the next year, so stay tuned.

Finally, physicians must use certified EHR technology. While criteria are still being determined, it is anticipated that the certifying standards will be initially based on the standards set by the Certification Commission for Healthcare Information Technology (CCHIT). Those physicians with existing systems should ask their vendors whether they're currently in compliance with CCHIT standards. Systems meeting more recent (2008 or 2009) CCHIT standards are more likely to be compliant with the new standards.

### Incentive details

Medicare incentives can total as high as \$44,000 for early adopters. Medicare billings must be 125% of the total incentive received over the five-year period. An additional 10% incentive is available from Medicare for those practicing in a designated Health Professional Shortage Area.

HITECH Act of 2009  
Medicare Payment Schedule



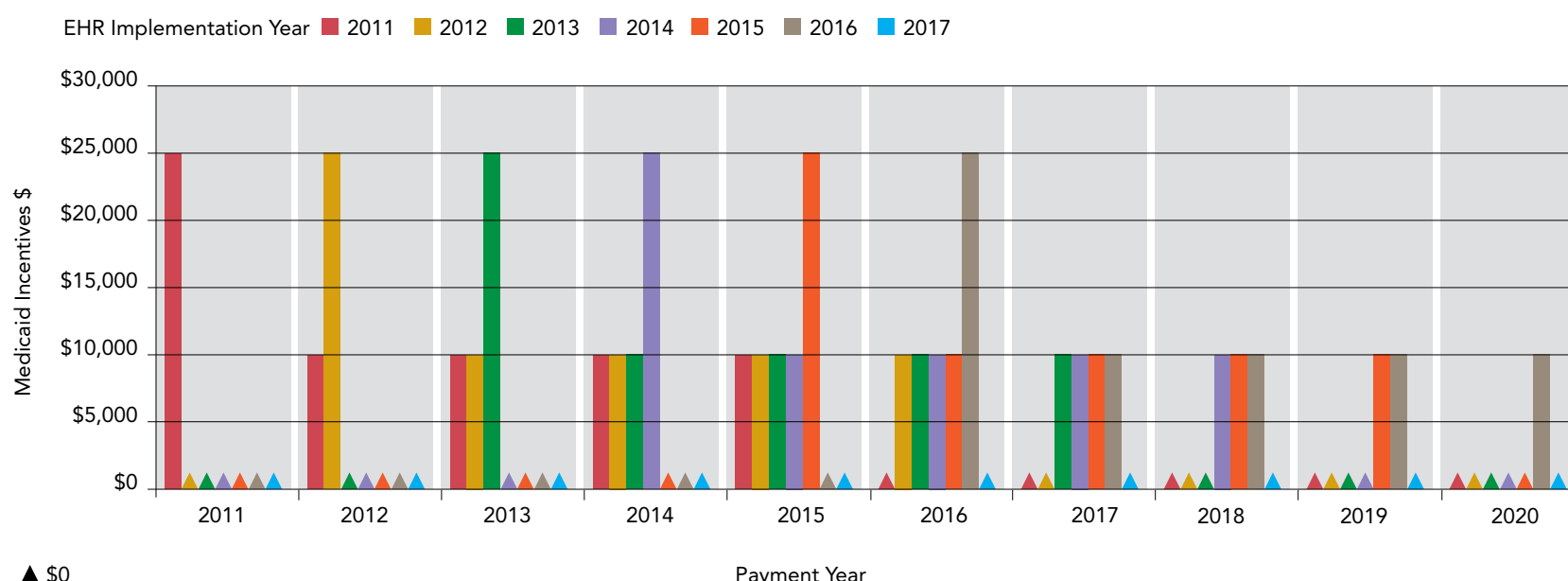
### Act now, don't wait

Why is this so important now? There is plenty of time before 2011, right? Not exactly. Early adopters will benefit the most because the largest incentives — nearly 70% — are structured into the first two years of the program. If you're not currently using an EHR, it will take time (in some cases up to 12 months) to review available systems, buy one and implement it. Training and system fine-tuning can also be time-intensive. Vendors will be quite busy, and it may take time to get a slot in their startup schedule — especially as 2011 gets closer.

be ineligible for the incentives. Additionally, hospital-based physicians — including pathologists, emergency physicians and anesthesiologists — aren't eligible for the incentives. Midlevel providers don't qualify for the Medicare incentive either. Nurse midwives and nurse practitioners qualify under the Medicaid program. Physician assistants may qualify under Medicaid if they are practicing in a rural health clinic or Federally Qualified Health Center.

While hospitals are eligible for funds under both programs, the physician incentive, as noted earlier, may be received from either

HITECH Act of 2009  
Medicaid Payment Schedule



Continued on page 4



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...continued from page 3

Medicaid providers must reach a threshold of 30% of their payor mix to be eligible for incentives totaling up to \$65,000 over the five-year period. Pediatricians with a 20% Medicaid payor mix qualify for incentives up to \$42,500 over six years. Medicaid payments will be based on 85% of average allowable costs, as defined by the HHS secretary.

Since Medicaid's first-year dollars are expected to be used for purchase, installation and training, any nongovernment monies received for the EHR purchase or implementation will be deducted from this payment.

**Considerations and penalties**

Many of the finer details of the program are still being developed. The exact timing and method of distribution for incentive payments will be determined by HHS through the federal rule-making process. As to be expected, Centers for Medicare and Medicaid Services (CMS) will levy penalties on physicians who don't meet the "meaningful user" criteria. These penalties will be calculated as a percentage of allowed charges, beginning in 2015 with a 1% penalty. The penalties increase each year up to a maximum cap of 5% per year for 2017 and beyond.

One final consideration in securing funds is that incentives will also be provided to hospitals. Some of this funding may be used to assist their medical staff with EHRs. The Stark Laws have also been relaxed so that this assistance to physicians with EHR technology will be considered a safe harbor.



As the use of electronic documentation increases, HITECH strengthens federal privacy and security laws (HIPAA) to provide additional protection for patient health information. The act extends certain HIPAA privacy rules to "business associates" who work with medical records on behalf of doctors, hospitals and other covered entities and invokes civil and criminal penalties

for violations. Breaches, including inadvertent disclosures, are clearly defined, and standards of notification have been heightened with federal standards preempting less stringent state laws.

Last, the civil monetary penalties for HIPAA violations have been increased and state-level attorneys general have been given authority for prosecution. On the other hand, providers and group practices using EHRs and receiving incentive payments will have their names, addresses and phone numbers posted on the CMS Web site.

**A significant decision**

As you can see, the incentives for implementing an EHR system can be significant. Be sure to keep this in mind as you make the decision about the future of Medicare and Medicaid for your practice.