The Meaning Behind Meaningful Use Stage 2
What You Need to Know
Meaningful Use Stage 2

Stage 2 of the Meaningful Use (MU) program officially began January 1, 2014. Eligible Professionals (EPs) who have successfully attested for Stage 1, now have the opportunity to earn additional financial incentives only if they properly prepare their practices to meet the new requirements within Stage 2 and use a 2014 Edition ONC Certified EHR technology (Office of the National Coordinator Certified Electronic Health Record).

Stage 1 established a core and menu structure for objectives that EPs had to achieve in order to demonstrate meaningful use. In comparison, Stage 2 focuses on advanced clinical processes and increases the number of examined core and menu measures. EPs will report on three times as many clinical quality measures (CQM) and achieve higher levels of electronic health record (EHR) usage in several areas, such as computerized provider order entry (CPOE).

Of particular importance is a new requirement in Stage 2 mandating EPs utilize EHR solutions that are tested and certified to meet 2014 Edition Certification Criteria. EPs that do not use a 2014 ONC Certified EHR are not eligible for attestation and cannot earn Stage 2 financial incentives. This new requirement is a substantial challenge, since a relatively small number of EHR vendors have earned 2014 Edition ONC Certification for a complete EHR.

To help physician practices prepare for MU Stage 2, this white paper provides an overview of the differences between Stage 1 and Stage 2, evaluates EHR requirements needed to attest for Stage 2, and provides tips to identify whether or not an EHR vendor is 2014 ONC Certified.

**MU Stage 2 Requires 2014 Edition EHR ONC Certification**

To be eligible for MU2 incentive funding, EPs must use an EHR that meets 2014 Edition Certification Criteria. Physician practices that continue to use EHRs with 2011 Edition Certification will not be eligible to attest for MU2 or earn incentive funding until their current EHR vendor achieves 2014 ONC Certification. Alternatively, EP’s can select an EHR vendor that has already obtained 2014 Edition ONC Certification.

The EHR certification program is managed by the Office of the National Coordinator for Health Information Technology (ONC). In the ONC HIT Certification Program, certification and testing activities are performed by separate entities. Testing is performed by Accredited Testing Laboratories (ATLs), and certification is conducted by ONC-Authorized Certification Bodies (ONC-ACBs). Entities may serve as both ATLs and ONC-ACBs if they demonstrate that they maintain a sufficient firewall between the testing and certification processes. Entities that provide both testing and certification services are called ONC-Authorized Testing and Certification Bodies (ONC-ATCBs).

Developers and vendors first test their product with an ATL, and if their product meets the requirements, they work with an ONC-ACB to certify the product. Once the product is certified, it is submitted to ONC, which posts approved products to the Certified Health IT Product List (CHPL).

A new logo for 2014 Edition ONC Certified Electronic Health Records technology is available for EHR products that have been certified by an ONC-ACB and indicates that the product meets the 2014 Edition Standards and Certification Criteria. EHRs can be 2011 or 2014 ONC Certified as either a “Complete EHR,” meaning that it satisfies all MU requirements, or as a “Modular EHR,” which denotes the requirement of additional software to meet all MU requirements.

**Current ONC-ATCBs**

Here is a list of current ONC-ATCBs:
- Drummond Group
- ICSA Labs
- InfoGard Laboratories
- SLI Global Solution

The Certification Commission for Health Information Technology (CCHIT) was previously an ONC-ATCB, however the organization recently announced that they will discontinue their EHR testing and certification programs, effective mid-2014.

In order to determine whether or not an EHR is 2014 ONC Certified, simply look for the ONC seal on the website of the vendor’s EHR product page.

To access the ONC’s Certified Health IT Product List (CHPL) please follow this link and click on 2014 Edition: [http://oncchpl.force.com/ehrcert/CHPLHome](http://oncchpl.force.com/ehrcert/CHPLHome)
**Deadlines, Financial Incentives and Penalties**

Stage 2 commences on different dates depending upon organization type. October 1, 2013 marked the start date of the fiscal calendar for the Centers for Medicare & Medicaid Services (CMS), which is when eligible hospitals and critical access hospitals (CAHs) could begin their participation in Stage 2. EPs began participating in Stage 2 on January 1, 2014. EPs who were early demonstrators of MU in 2011, need to meet three consecutive years of MU under Stage 1 criteria before advancing to the Stage 2 criteria in either fiscal or calendar years 2014. Other EPs, who demonstrated MU after 2011, need to meet two years of MU Stage 1 criteria before advancing to the Stage 2 criteria in their third year.

**Financial Incentives**

After attesting for MU Stage 1 for a minimum of two years, EPs can attest for Stage 2 to earn $4,000 to $12,000 through Medicare, or up to $25,500 through Medicaid. The maximum amount that an EP can earn for all stages is $44,000 over five years through Medicare, or up to $63,750 over six years through Medicaid.

Medicare EHR incentive payments are subject to the mandatory reductions in federal spending known as sequestration. This 2% reduction will be applied to any Medicare EHR incentive payment for a reporting period that ends on or after April 1, 2013. If the final day of the reporting period occurs before April 1, 2013, those incentive payments will not be subject to the reduction.

### Payment by Start Year

<table>
<thead>
<tr>
<th>Payment by Start Year</th>
<th>Annual Incentive Payment by Stage of Meaningful Use</th>
</tr>
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<tbody>
<tr>
<td><a href="http://www.cms.gov">www.cms.gov</a></td>
<td>Medicare incentive payment sequestration schedule*</td>
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*This 2% reduction will be applied to any Medicare EHR incentive payment for a reporting period on or after April 1, 2013. If the final day of the reporting period occurs before April 1, 2013, those payments will not be subject to the reduction.

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<tbody>
<tr>
<td>2011</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>$44,000 (43,720)</td>
<td>$18,000</td>
<td>$12,000</td>
<td>$7,840 Reduction ($160)</td>
<td>$3,920 Reduction ($80)</td>
<td>$1,960 Reduction ($40)</td>
<td></td>
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<tr>
<td>2012</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>$44,000 (43,480)</td>
<td>$18,000</td>
<td>$11,760 Reduction ($240)</td>
<td>$7,840 Reduction ($160)</td>
<td>$3,920 Reduction ($80)</td>
<td>$1,960 Reduction ($40)</td>
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<tr>
<td>2013</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>$39,000 (38,220)</td>
<td>$14,700 Reduction ($300)</td>
<td>$11,760 Reduction ($240)</td>
<td>$7,840 Reduction ($160)</td>
<td>$3,920 Reduction ($80)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$24,000 (23,520)</td>
<td>$11,760 Reduction ($240)</td>
<td>$7,840 Reduction ($160)</td>
<td>$3,920 Reduction ($80)</td>
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Financial Penalties
EPs who have attested for a minimum of two years of MU Stage 1 through 2013, and do not attest with a 2014 Edition ONC Certified EHR beginning in 2014, are subject to penalty. Penalties start at 2% of Medicare fee-for-service reimbursement beginning in 2016, and escalate an additional percentage point each year through 2019. The following table details penalties by year:

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penalty</td>
<td>2%</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
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CMS allows for the following hardship exemptions for EPs to avoid penalties:

✚ Infrastructure exception (e.g., lack of internet access or infrastructure)
✚ New practicing EPs
✚ Unforeseen circumstances (e.g., natural disaster, etc.)
✚ Specialist/provider type exception
✚ Hospital-based EPs who perform more than 90% of their services in inpatient settings

EHR System Considerations
EPs are mandated to use EHR solutions that are tested and certified to meet 2014 Edition ONC Certification Criteria. Physician practices that do not use a 2014 ONC Certified EHR are not eligible for attestation and cannot earn Stage 2 financial incentives.

Since the majority of EHR solutions are not 2014 ONC Certified, EPs should engage their EHR vendors as soon as possible to determine if their solution is 2014 ONC Certified, and if not, when the vendor intends to achieve 2014 certification.

The Stage 2 2014 ONC Certification requirements are causing a shakeout in the EHR market. Many EHR vendors have quietly decided to forego 2014 testing and certification. Other vendors – including some of the major industry vendors – have discontinued specific EHR product lines or modules to avoid 2014 certification requirements.

These issues leave EPs in a quandary. Discontinued solutions clearly require replacement if the physician organization intends to participate in Stage 2. Those using a 2011 certified solution need to determine if their vendors have concrete plans to obtain 2014 certification in the near future, and when those solutions will be available for implementation. EHR upgrades that are too costly or tedious may necessitate the need for change. Replacement may be the most prudent option in scenarios where EPs are using an EHR that is not 2014 ONC Certified, and the vendor has not clearly articulated when the solution will become certified. If your current EHR vendor is not yet 2014 ONC Certified and has not informed you on when they are going to become certified, then it is time to find a 2014 ONC Certified EHR Vendor so your practice can attest for Meaningful Use Stage 2 and collect the incentive funding from the government.

In addition to being 2014 ONC Certified, EPs should evaluate EHR functionality to determine if it will meet new Stage 2 requirements. Beginning in 2014, all Medicare EPs beyond their first year of demonstrating MU must electronically report their CQM data to CMS. EPs need to evaluate whether or not their EHR has the ability to meet the new CQM reporting requirements.

Changes to MU Stage 1, Starting in 2014
For EPs who are still working to achieve Stage 1 requirements, there are some changes in the criteria for calendar year 2014, including:

✚ EPs must make a patient’s health information available online within four business days of the information being available to the physician. This information must include 15 specific data elements required by CMS.
✚ CMS replaced the “provide patients with an electronic copy of their health information” measure with a “view online, download and transmit” core measure.
✚ A new document format, the Consolidated Clinical Document Architecture (C-CDA), is required for EPs to deliver a summary of care for transitions of care or referrals. The C-CDA contains specific data fields required by CMS.
✚ Reporting on a greater number of CQMs is required, regardless of organization type or stage. EPs must report nine CQMs, instead of six from previous years.
EPs must capture height and weight for all patients regardless of age, and blood pressure for patients three years of age and older.

Changes to the CPOE measure allow EPs to report on an alternate measure based on the number of medication orders, rather than the number of unique patients with at least one medication in the medication list. This alternate measure is optional for EPs attesting for Stage 1 in the years following 2013.

Elimination of the “exchange of key clinical information” core measure, and replacement with “transitions of care” core measure that requires electronic exchange of summary of care documents.

### Comparing Stage 1 and Stage 2 Core and Menu Requirements

There are significant differences in the number of core and menu measures EPs must meet in Stage 1 and Stage 2, including:

- **MU Stage 1** – EPs are required to meet 15 core measures and an additional five measures of their choice from a menu set of 10 measures.
- **MU Stage 2** – EPs are required to meet 17 core measures and an additional three measures of their choice from a menu set of six measures.

Nearly all of the Stage 1 core and menu measures are included in Stage 2. There are also multiple Stage 1 measures that are combined under Stage 2, and many percentages have been increased for measures that have been retained from Stage 1 to Stage 2. For example, Stage 1 requires CPOE usage for more than 30% of medication orders. Stage 2 requires 60% CPOE usage for medications, more than 30% for labs, and more than 30% for radiology orders.

### MU2 Certification Criteria – Ambulatory

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>MEANINGFUL USE OBJECTIVE</th>
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<tbody>
<tr>
<td>Electronic notes</td>
<td>Record electronic notes in patient records.</td>
</tr>
<tr>
<td>Image results</td>
<td>Imaging results and information are accessible through 2014 Edition ONC Certified EHR technology.</td>
</tr>
<tr>
<td>Family health history</td>
<td>Record patient family health history as structured data.</td>
</tr>
<tr>
<td>Amendments</td>
<td>Protect electronic health information created or maintained by the 2014 Edition ONC Certified EHR technology through the implementation of appropriate technical capabilities.</td>
</tr>
<tr>
<td>Patient Portal</td>
<td>Provide patients the ability to view online, download, and transmit their health information within four business days of the information being available to the physician.</td>
</tr>
<tr>
<td>Secure messaging</td>
<td>Use secure electronic messaging to communicate with patients on their health metrics, test results, etc.</td>
</tr>
<tr>
<td>Cancer case information</td>
<td>Capability to identify and report cancer cases to a state cancer registry, except where prohibited, and in accordance with applicable law and practice.</td>
</tr>
<tr>
<td>Transmission to cancer registries</td>
<td></td>
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</tbody>
</table>
Stage 1 and Stage 2 CQM Reporting

EPs participating in Stage 1 through the end of 2013 must report on three core CQMs. If the denominator for one or more of the core measures is zero, EPs must report results for up to three alternate core or clinical measures.

Starting in 2014, EPs are required to report on a total of nine CQMs from at least three of the National Quality Strategy domains, out of a potential list of 64 CQMs across six domains. Reporting must be submitted electronically for all EPs beyond their first year of demonstrating MU, and the reporting of CQM data must use the new 2014 criteria, regardless of whether they are participating in Stage 1 or Stage 2. Alternatively, EPs can report their CQMs via submission through the Physician Quality Reporting System’s (PQRS) EHR Reporting Option. Nevertheless, EPs must submit 12 months of data.

Preparing your Practice for Stage 2 Success

EPs across the industry are in various phases of their MU preparations. While some are just beginning Stage 1, others are gearing up for Stage 2. Regardless of their current MU phase, EPs need to keep in mind that MU requirements will continue to expand. Today’s EHR functionality limitations – data gathering, usability and reporting – may create substantial challenges ahead. Therefore, EPs should ask their vendors the following questions:

✚ Is the EHR 2014 Edition ONC Certified?
✚ If the EHR is not 2014 Edition ONC Certified, is the vendor committed to making the solution 2014 compliant?
✚ When will a 2014 certified version be available for implementation?
✚ Is the EHR capable of submitting data electronically to CMS and cancer registries?
✚ Does the EHR support the Consolidated Clinical Document Architecture (C-CDA) to electronically provide summary of care documents?
✚ What reporting enhancements is the vendor looking to make in the future?
The EPs that properly prepare their organizations for Stage 2 not only have the opportunity to earn additional financial incentives, but also improve the quality of care they deliver while getting ready for new MU requirements in the future.

**Pulse can help your practice attest for Meaningful Use Stage 1 and 2**

Pulse Systems, Inc., is an industry-leading provider of Electronic Health Records (EHR), Practice Management and Revenue Cycle Management solutions. The Pulse Complete EHR, version 4.2, is compliant with the ONC 2014 Edition criteria and was certified as a Complete EHR solution on August 7, 2013, by the Certification Commission for Health Information Technology (CCHIT), an ONC-ACB, in accordance with the eligible provider certification criteria adopted by the Secretary of Health and Human Services.

The ONC 2014 Edition criteria supports both Stage 1 and Stage 2 MU measures required to qualify EPs and hospitals for funding under the American Recovery and Reinvestment Act (ARRA).

**About Pulse Systems**

Pulse provides certified, integrated, electronic healthcare management solutions to thousands of physicians across more than 40 specialties nationwide. Pulse’s award-winning, interoperable technology platform includes easy-to-use, cost-efficient EHR, Practice Management, ePrescribing and Revenue Cycle Management Solutions. Pulse is committed to helping our physician partners gain greater work flow efficiencies, reduce costs, and achieve Meaningful Use incentives, all backed by our best-in-class client support, training, and implementation services.

**Pulse cares for your practice as if it were our own.**

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**Endnotes**

1 CCHIT Press Release January 29, 2014, CCHIT Announces New Strategic Direction with Global Focus; Plans to Offer Counsel and Policy Guarantee to HIT Stakeholders

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Pulse is consistently in the Top 1% of HIT developers nationwide!
Here are some of our accomplishments:

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Version 5.0.01
# 140276R01
Version 5.0
# 140035R00
Version 4.2.08
# 140191R00
Version 4.2
# 140035R00

Full certification details & disclosures can be found at http://www.pulseinc.com/solutions/ehr