

Early in 2011, the federal Centers for Medicare and Medicaid Services (CMS) will begin the process of asking physicians to elect whether they will participate in the Medicare incentive program, or the Medi-Cal incentive program. Once a physician has chosen, that physician will only be allowed to change once during the incentive program timeline. Therefore, it is important for physicians to carefully consider which program to choose.

The Medi-Cal incentive program offers higher possible incentives, but it requires that physicians take a significant amount of Medi-Cal patients in order to qualify. The Medicare program has more aggressive timelines, but lower overall eligibility requirements.

The chart below summarizes the major differences between the two programs:

Incentive Program	Medicare	Medi-Cal
Maximum Incentive	\$44,000 ¹	\$63,750 ²
Physician eligibility	Most Medicare providers can qualify, but incentives will be based on a percentage (75%) of total Medicare charges.	Physicians must meet one of three criteria: - 30% of patient volume is Medi-Cal - 20% of patient volume is Medi-Cal (pediatricians only) - 30% of patient volume is “needy individuals” (physicians who practice in an FQHC)
Penalties for Non-Adoption	Yes, beginning in 2015	No
Upfront Funding	No. Physicians can only receive funding for demonstrating meaningful use.	Yes. Funding is available for “Adoption, Implementation, or Upgrade” of an EHR system.
Timelines	Physicians must demonstrate meaningful use in 2011 or 2012 in order to receive the maximum incentive.	Physicians can begin in the program as late as 2016 and receive the maximum incentive.
Consecutive Years of Payment	Providers must demonstrate meaningful use in 5 consecutive years in order to receive the maximum incentive.	Providers can fail to demonstrate meaningful use for one year, and still receive the maximum incentive (as long as all years fall before 2021).
Managed Care Patients	Medicare Advantage patients are not considered for the purposes of calculating provider incentives.	Medi-Cal Managed Care patients are counted for the purposes of meeting patient volume standards.

¹ Physicians who practice in a Health Professions Shortage Area (HPSA) can receive a 10% bonus payment, making their maximum incentive \$48,400.

² Pediatricians whose Medi-Cal patient volume is between 20-29% will only qualify for two-thirds of the maximum incentive, or \$42,500.

For more information on the Medicare and Medi-Cal EHR Incentive Programs, please visit CMA's HIT Resource Center, www.cmanet.org/hit.