

Hospitals could face penalties for missing electronic health record deadline

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Many of the nation's hospitals struggled to meet a federally mandated electronic health records deadline, and as a result could collectively face millions of dollars in reduced Medicare payments this year, a University of Michigan study shows.

More than half of U.S. hospitals were on the hook to meet a new set of "meaningful use" of electronic health records criteria—known as the stage 2 criteria—by the end of the [fiscal year](#) that ended in July. The new study's data, which was gathered in late 2013, suggests that many may have missed the milestone. At the time, only 5.8 percent of those hospitals were on track to adopt all 16 of the stage 2 meaningful use goals.

Hospitals that bill the Medicare program and didn't meet the criteria in fiscal year 2014 will be subject to financial penalties in fiscal year 2015.

"There was likely a big scramble before the deadline, but my sense is that it would have been hard for a lot of those hospitals to meet that deadline," said Julia Adler-Milstein, an assistant professor in the U-M School of Information and the U-M School of Public Health who co-led the research.

The criteria, set forth by the Centers for Medicare and Medicaid, include relatively easy items such as using electronic health records to enter orders for medication as well as lab and radiology tests, to chart patients' vital signs and to record patient demographics. More difficult activities

include sharing electronic health record data with patients online, sharing [electronic data](#) with other providers who care for the same patients and submitting electronic data to vaccine registries.

"The stage 2 criteria ask hospitals to do several new things with their electronic health records and the areas that are most challenging are those that require engaging patients, [public health](#) and other providers to a greater degree—groups that are outside the four walls of the [hospital](#)," Adler-Milstein said.

The criteria are the second tier of compliance with the 2009 Health Information Technology for Economic and Clinical Health Act, also known as HITECH. The act requires hospitals to move from paper to electronic recordkeeping. At first, only a basic set of criteria is required, but once a hospital starts down the path, it must meet higher benchmarks at scheduled dates. The more than half of hospitals that were scheduled to meet the stage 2 meaningful use criteria in 2014 were the first wave to begin adopting digital medical records.

The study determined that the number of hospitals adopting electronic [health records](#) continues to rise steeply. Nearly 60 percent of hospitals now have at least a basic system. And 90 percent of those were on track to achieve many of the 16 core criteria.

The study suggests that, where hospitals are not able to meet criteria, they aren't always to blame. Vendors must upgrade their products to make necessary functions available to meet the criteria. These challenges, however, appear to be concentrated in specific types of hospitals.

"Policymakers may want to consider new targeted strategies to ensure that all hospitals move toward meaningful use of [electronic health records](#)," Adler-Milstein said. "We found that rural and small hospitals

lag behind, suggesting a need to expand federal efforts to help these institutions select, purchase, implement and successfully use [electronic health records](#) in ways that earn them incentive payments and enable them to engage in new care delivery and payment models."

More information: The study, "More Than Half of US Hospitals Have At Least A Basic EHR, But Stage 2 Criteria Remain Challenging For Most," is published online Aug. 7 in the journal *Health Affairs*. It will appear in the September issue.

Provided by University of Michigan

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