

Payments and Penalties

Payment Year	Initial Payment Year													
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020+				
2011	\$18,000		<i>(no incentive payment before meaningful EHR usage)</i>		0%	0%	0%	0%	0%	0%				
2012	\$12,000	\$18,000	<i>(no incentive payment before meaningful EHR usage)</i>		0%	0%	0%	0%	0%	0%				
2013	\$ 8,000	\$12,000	\$15,000		0%	0%	0%	0%	0%	0%				
2014	\$ 4,000	\$ 8,000	\$12,000	\$12,000	0%	0%	0%	0%	0%	0%				
2015	\$ 2,000	\$ 4,000	\$ 8,000	\$ 8,000		1%	1%	1%	1%	1%				
2016	\$ 0	\$ 2,000	\$ 4,000	\$ 4,000			2%	2%	2%	2%				
2017	\$ 0	\$ 0	\$ 0	\$ 0				3%	3%	3%				
2018	\$ 0	\$ 0	\$ 0	\$ 0	<i>(no payment penalty after meaningful EHR usage)</i>				3-4%	3-4%				
2019+	\$ 0	\$ 0	\$ 0	\$ 0						3-5%				
	\$44,000	\$44,000	\$39,000	\$24,000	(\$ 0)					(\$ 1,000)	(\$ 3,000)	(\$ 6,000)	(\$ 9,500)	(\$13,500)
	Rewards (“Carrots”)				Penalties (“Sticks”)									

(estimated total penalties are based on an assumed \$100,000 in annual Medicare revenues per physician)

NOTES

- Payment Year refers to the year for which incentive payments/penalties are made; if an eligible physician makes meaningful use of a certified EHR during the EHR Reporting Period for the Payment Year, that physician will be eligible for the incentive (and/or exempted from the payment reduction) for that year.
- The Initial Payment Year, for any given physician, is the first year for which meaningful EHR use is recognized.
- Incentive payments will be paid either as a lump sum or in periodic installments following the Payment Year; payment reductions will be made as an adjustment to the Medicare fee schedule that would otherwise be applicable during the Payment Year.
- Incentive payment amounts in any given year are capped at 75% of provider’s Medicare allowances for the Payment Year.
- Incentive payment amounts are increased by 10% for physicians who practice predominantly in a Health Professional Shortage Area.
- No incentives (rewards or penalties) apply to hospital-based physicians (e.g., pathologists, anesthesiologists, and emergency physicians who furnish substantially all of such services in an inpatient or outpatient hospital setting and through the use of hospital facilities and equipment, including EHR).
- Payment reductions in 2018 and beyond may be increased by one percentage point from the previous year, up to 5%, if the total proportion of physicians who are meaningful EHR users is less than 75%.
- Payment reductions may be waived for up to five years in cases of significant hardship (e.g., practice in a rural area without sufficient Internet access).