

Demonstration Project Name Electronic Health Records Demonstration

Demonstration Type Completed Demos & Evaluation Reports

Year 2008

Description This demonstration aimed to reward delivery of high-quality care supported by the adoption and use of electronic health records in physician practices. This initiative expands upon the foundation created by the Medicare Care Management Performance (MCMP) Demonstration. The goal of this 5-year demonstration was to foster the implementation and adoption of EHRs and health information technology (HIT) more broadly as effective vehicles not only to improve the quality of care provided, but also to transform the way medicine is practiced and delivered.

UPDATE:

- On August 1, 2011, CMS announced that the demonstration would be ended early.

Electronic Health Records Demonstration Summary

In 2007, the Secretary of the Department of Health and Human Services directed the Centers for Medicare & Medicaid Services to develop a new demonstration initiative using Medicare waiver authority to reward the delivery of high-quality care supported by the adoption and use of electronic health records (EHR). The goal of this demonstration was to foster the implementation and adoption of EHRs and health information technology (HIT) more broadly as effective vehicles to improve the quality of care provided and transform the way medicine is practiced and delivered. Adoption of HIT has the potential to provide significant savings to the Medicare program and improve the quality of care rendered to Medicare beneficiaries. This demonstration was designed to leverage the combined forces of private and public payers to drive physician practices to widespread adoption and use of EHRs.

As part of this new demonstration, all participating primary care physician practices were required to have a certified EHR by the end of the second year. Physician practices must, as part of the demonstration, be utilizing the EHR to perform specific minimum core functionalities that can positively impact patient care processes, (e.g., clinical documentation, ordering of lab tests, recording lab tests, and recording of prescriptions). However, the core incentive payment was to be based on performance on the quality measures, with an enhanced bonus based on the degree of HIT functionality used to manage care.

The Electronic Health Record demonstration was planned to be operational for a 5-year period. The first operational year of the demonstration provided payments to participating practices based on use of a certified EHR to manage the care of patients, with higher payment for more sophisticated HIT use (e.g., use of the EHR to facilitate care management activities, sharing of records among providers of care, etc.). Payments were determined by a practice's score on an Office Systems Survey (OSS) administered annually to track the status of EHR implementation at the practice level, and the specific EHR functions employed by each participating practice to support the delivery of care. Higher scores on the OSS result in increased incentive payments to participating practices.

During the second operational year of the demonstration, payments were to be made to participating physician practices that are using certified EHRs and reporting clinical quality measures, again with additional payments based on EHR functionalities employed by the practice. During years 3 to 5 of the demonstration, payments to participating practices were to be based on performance on the designated clinical quality measures, with an added bonus each year based on the degree to which the practice has used the EHR to change and improve the way it operates.

The Centers for Medicare & Medicaid Services (CMS) solicited partners interested in working with CMS to implement the Electronic Health Records (EHR) Demonstration in their communities. The role of the community partner is to assist CMS with outreach activities, education and recruitment of eligible primary care physician practices in their defined communities. Community partners will also collaborate with CMS on an ongoing basis in an effort to assist us in achieving our goal of leveraging the combined forces of private and public payers to drive physician practices to widespread adoption and use of EHRs. CMS sought strong organizational entities that have the necessary

infrastructure and a clear commitment to advancing the adoption of EHRs and are capable of supporting CMS in these activities.

Status

On June 10, 2008 CMS announced the selection of 12 community partners in defined sites to help CMS implement this demonstration. The approved community partners in each site represent diverse collaborations of organizations including, but not limited to: varied HIT stakeholder collaborations, medical societies, primary care professional organizations and health departments. The demonstration was initially planned to be implemented in two phases. Phase I includes the following 4 sites: Louisiana, Southwest Pennsylvania, South Dakota (and some counties in bordering states), and Maryland and the District of Columbia. Phase 2 included 8 additional sites and was scheduled to follow one year later. Recruitment of physician practices in the four Phase I sites was initiated on September 2, 2008, and the enrollment period closed on November 26, 2008. Over 800 eligible applications were received from interested practices in the four Phase I sites.

On April 7, 2009 CMS announced that, as a result of the incentive provisions for physicians to encourage the adoption of health information technology in the American Recovery and Reinvestment Act Of 2009 (ARRA), CMS would change its plans for implementing the EHR Demonstration. Specifically, we decided to continue implementation of Phase I of the EHR Demonstration but discontinue Phase II of the EHR demonstration, which originally was planned to begin operations in mid-2010. Phase 1 of the demonstration began as scheduled on June 1, 2009 and will continue through May 31, 2014.

On August 1, 2011, CMS announced the decision to end this demonstration early. As a result of a greater decrease than projected in the number of participating treatment group practices since the start of the Demonstration and the expected attrition over the next three years, CMS has concluded that the final participation numbers will likely be insufficient for the demonstration evaluation to support any definitive conclusions about the Demonstration's impact. Therefore, given the financial and staff resources necessary to continue this Demonstration and the limited potential for definitive results, CMS has made the difficult decision to terminate this Demonstration effective August 1, 2011.

Contact

For additional information, please contact the following mailbox resource: EHR_Demo@cms.hhs.gov

Downloads

[Phase II Announcement April 7, 2009 \[PDF, 10 KB\]](#)

[Demonstration Summary \[PDF, 260 KB\]](#)

[Evaluation Summary \[PDF, 17 KB\]](#)

[Fact Sheet on Site Selection Announcement \[PDF, 34 KB\]](#)

[List of Community Partners by Site \[PDF, 19 KB\]](#)

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