



## EHR Incentive Program Penalties and Hardship Exemptions

Penalties for nonparticipation in the Medicare EHR Incentive Program begin Jan. 1, 2015. Physicians must meet meaningful-use criteria before calendar year 2015 to avoid the penalties. EHR penalties only apply to Medicare.

### MEDICARE PENALTIES

Assuming <i>More Than 75%</i> of Eligible Physicians and Professionals Are Meaningful Users						
	2015	2016	2017	2018	2019	2020+
EHR Penalty	1%	2%	3%	3%	3%	3%
EHR and E-Prescribing Penalty*	2%					
Assuming <i>Less Than 75%</i> of Eligible Physicians and Professionals Are Meaningful Users						
EHR Penalty	1%	2%	3%	4%	5%	5%
EHR and E-Prescribing Penalty*	2%					

\*In 2015 physicians and other providers may be subject to EHR and e-prescribing penalties. Learn about the e-prescribing program and how to avoid penalties at [www.texmed.org/e-prescribe](http://www.texmed.org/e-prescribe).

If you demonstrated meaningful use in 2011 or 2012, then you must demonstrate meaningful use for a full year in 2013 to avoid the penalty in 2015. You must continue to meet meaningful use every year to avoid penalties in successive years.

If 2013 is your first year to meet meaningful use, then you must demonstrate meaningful use for a 90-day reporting period in 2013 to avoid the penalty in 2015. You must continue to meet meaningful use every year to avoid penalties in successive years.

If 2014 is your first year to meet meaningful use, then you must demonstrate meaningful use for a 90-day reporting period in 2014 to avoid the penalty in 2015. The reporting period must be in the first nine months of 2014, which means you must begin your 90-day reporting by July 3, 2014, and you must attest to meaningful use no later than Oct. 1, 2014. You must continue to meet meaningful use every year to avoid penalties in successive years.

### EXEMPTIONS

Eligible physicians and other professionals may apply for hardship exemptions (before July 1 of previous year) to avoid the penalties. The exemptions are granted only if CMS determines that the individual circumstances pose a significant barrier to achieving meaningful use. Exemptions must be renewed annually, and you may not claim an exemption for more than five years.

You can [apply for a hardship exemption](#) if your circumstances fall under one of the following categories:

- **Infrastructure** — You must demonstrate that you're in an area without sufficient Internet access or there are insurmountable barriers to acquiring the infrastructure (e.g., lack of broadband).
- **New Eligible Physician** — If you are newly practicing and haven't had time to become a meaningful user, you can apply for a two-year limited exemption to avoid the penalties. For example, if you begin practicing in calendar year 2015, you would be exempt from penalties in 2015 and 2016, but you'd have to demonstrate meaningful use in 2016 to avoid the penalties in 2017.
- **Unforeseen Circumstances** — This category includes natural disasters or other unforeseeable barriers, such as a practice closing or EHR vendor going out of business
- **Patient Interaction:** You must demonstrate lack of face-to-face or telemedicine interaction with patients, and lack of follow-up need with patients.
- **Practice at Multiple Locations** — This applies if you lack control over the availability of certified electronic health record technology (CEHRT) for more than 50 percent of patient encounters. This may apply to physicians who see patients at multiple locations such as nursing homes or surgeons using an ambulatory surgery center.
- **2014 EHR Vendor Issues** – This applies if your EHR vendor was unable to obtain 2014 certification, or you were unable to implement meaningful use due to 2014 EHR certification delays.

Submit the [2015 Hardship Exception Application](#) by midnight EDT on July 1, 2014 to avoid the 2015 penalty. You must submit an [addendum](#) with the application if you are applying for exemptions on multiple NPIs.

Contact TMA's HIT Department at (800) 880-5720 or [HIT@texmed.org](mailto:HIT@texmed.org) for more information.