

Medicare and Medicaid EMR incentive comparison

Physicians are eligible for bonus payments from Medicare or Medicaid for the meaningful use of an electronic medical record (EMR). Eligibility and program administration differ between the programs. This chart is a quick overview to help physicians decide which program is most suitable for their practice.

	MEDICARE	MEDICAID
Program eligibility linked to patient volume	No.	Yes. Requires patient volume of 30 percent attributable to Medicaid for nonhospital-based physicians, 20 percent for pediatricians.
Program incentives linked to allowable charges	Yes. Medicare incentives are based on 75 percent of allowable charges up to the maximum amounts specified for each year.	No. Medicaid incentives are based on 85 percent of allowable EMR implementation costs in the first year (\$25,000 cap) and 85 percent of allowable operational costs in subsequent years (\$10,000 cap/year).
Funds received before achieving meaningful use	No. Requires physicians to purchase or lease EMR system and have it fully integrated to “meaningful use” before eligible for funding.	Yes. Physicians can qualify for a one-time payment in the first year by implementing or upgrading to a certified EMR.
Maximum incentive in year one	\$18,000	\$21,250
Incentives in following years	\$12,000, \$8,000, \$4,000, and \$2,000 for the next four years respectively for those starting to receive benefits in 2011 and 2012.	Once “meaningful use” is met, physicians are eligible for up to \$8,500 a year.
Maximum incentives	\$44,000 for most physicians over a five-year period.	\$63,750 over a six-year period. Pediatricians who meet the 20 percent requirement are limited to \$42,500.
Earliest starting date	Jan. 1, 2011	Jan. 1, 2011
Latest start date to maximize incentives	Sept. 30, 2012	Sept. 30, 2016

	MEDICARE	MEDICAID
Incentive end date	The last year to qualify to meet “meaningful use” is 2014; the last payment is made in 2016.	The last year to qualify for incentives is 2016; the last payment is made in 2021.
Eligible for participation	Physician (MD or DO), doctor of dental surgery or dental medicine, doctor of podiatric medicine, doctor of optometry, or chiropractor authorized to practice under state law.	Physicians, dentists, nurse practitioners, certified nurse midwives, and physician assistants practicing predominantly in a federally qualified health center or rural health clinic.
Penalties for not demonstrating meaningful use	Yes. Medicare payments to physicians begin decreasing in 2015 by 1 percent, by 2 percent in 2016, by 3 percent for 2017. Possible cuts will continue to 5 percent by 2019 if 75 percent of office-based physicians have not achieved meaningful use.	No. There are no penalties.
Is it possible to switch programs?	Yes. It is possible to switch between Medicare and Medicaid incentive programs one time. The last payment year a switch may occur is 2014.	
Is it possible to qualify for both programs?	No. There is no dual eligibility between programs.	