


Stimulus Bill
American Recovery and
Reinvestment Act of 2009

Michael R. Bell & Company, PLLC



Electronic Health Record
Mandated for every American by
2014

Provides funding for
meaningful users

Michael R. Bell & Company, PLLC




Electronic Health Record

Must be certified – HHS to define by September 30,
2010 with help from Certification Commission of
Healthcare Information Technology (www.cchit.org)

Must provide electronic exchange – sharing of health
information

Report clinical quality and other measures

Michael R. Bell & Company, PLLC




CAH Funding

Step 1 - Determine Medicare and Medicare Advantage inpatient acute care days

Step 2 - Determine total inpatient acute care days

Step 3 - Determine charity care revenue as percent of total revenue

Medicare reimbursement percentage = Medicare and Medicare Advantage inpatient acute care days / ((total inpatient acute care days * (1- charity care percentage))) plus 20%
(may not exceed 100%)



Michael R. Bell & Company, PLLC

CAH Funding


Step 1 - Medicare and Medicare Advantage inpatient acute care days = 750

Step 2 - total inpatient acute care days = 1,000

Step 3 - charity care revenue = \$50,000
total revenue = \$1,000,000

Medicare reimbursement percentage = $750 / (1,000 * (1 - (50,000 / 1,000,000)))$ plus 20%

98.95%



Michael R. Bell & Company, PLLC

CAH Funding – cost reporting periods beginning on or after October 1, 2010

Medicare Reimbursement Percent applied against:

Capital cost of qualified EHR purchased in cost reporting years beginning on or after October 1, 2010 -plus-
Un-depreciated qualifying EHR cost carried over from prior cost reporting periods

May request interim payment from CMS at start of cost report period beginning on or after October 1, 2010




Michael R. Bell & Company, PLLC

CAH Funding – subsequent cost reporting periods beginning on or after October 1, 2011 and before September 30, 2014

Medicare Reimbursement Percent applied against

Capital cost of qualified EHR purchased during these time periods

Michael R. Bell & Company, PLLC



CAH Funding – hospital cost reporting period beginning on or after October 1, 2014

Medicare Reimbursement Percent applied against:

Capital cost of qualified EHR purchased during period only if EHR purchase began in hospital cost report periods beginning on or after October 1, 2011 or later (four year maximum)

Michael R. Bell & Company, PLLC



CAH Funding - hospital cost report period beginning on or after October 1, 2010


Medicare Reimbursement Percent 98.95%

Un-depreciated qualifying EHR cost carried cost of \$500,000 less \$100,000 depreciation taken equals \$400,000

Capital cost of qualified EHR purchased during period - \$500,000

\$890,550

Michael R. Bell & Company, PLLC



CAH Funding – hospital cost report periods
beginning on or after October 1, 2011 and before
September 30, 2014

Medicare Reimbursement Percent - 98.95%
(may change from year to year)

Capital cost of qualified EHR purchased during
these periods - \$100,000

\$98,950 each year

Michael R. Bell & Company, PLLC



CAH Funding – All Years

Non-capital cost is run through the Medicare
cost report and paid based on normal cost-
based reimbursement which may be fairly
small if the CAH has services that are not
cost-based reimbursed like a nursing home

Michael R. Bell & Company, PLLC



PPS Hospital Funding

Medicare reimbursement percentage = CAH
Medicare reimbursement Percentage without
20% add-on

Maximum base amount \$2,000,000

Not based on Cost!

Additional \$200 added to maximum base
amount for each discharge between 1,150 and
23,000

Michael R. Bell & Company, PLLC




PPS Hospital Funding
 Qualified for the periods from October 1,
 2010 to September 30, 2013

Year 1 - Maximum base amount * Medicare
 Reimbursement Percentage * 100%

Year 2 - Maximum base amount * Medicare
 Reimbursement Percentage * 75%

Year 3 - Maximum base amount * Medicare
 Reimbursement Percentage * 50%

Year 4 - Maximum base amount * Medicare
 Reimbursement Percentage * 25%



Michael R. Bell & Company, PLLC


PPS Hospital Funding
 Qualified on or after October 1, 2013

Year 1 - Maximum base amount * Medicare Reimbursement
 Percentage * 75%

Year 2 - Maximum base amount * Medicare Reimbursement
 Percentage * 50%

Year 3 - Maximum base amount * Medicare Reimbursement
 Percentage * 25%

Year 4 - Maximum base amount * Medicare Reimbursement
 Percentage * 0%



Michael R. Bell & Company, PLLC


PPS Hospital Funding
 Qualified on or after October 1, 2014

Year 1 - Maximum base amount * Medicare Reimbursement
 Percentage * 50%

Year 2 - Maximum base amount * Medicare Reimbursement
 Percentage * 25%

Year 3 - Maximum base amount * Medicare Reimbursement
 Percentage * 0%


Year 4 - Maximum base amount * Medicare Reimbursement
 Percentage * 0%



Michael R. Bell & Company, PLLC

Practitioner Funding


75% add-on to Medicare fee scale for calendar year 2011 to 2014 up to annual maximum
 10% added to annual maximum if in geographic HPSA
 Hospital services excluded
 Hospital fiscal year annual maximum:
 2011 and 2012 - \$44,000
 2013 - \$41,000
 2014 - \$26,000



Michael R. Bell & Company, PLLC

Provider-Based RHC Funding


Included with provider



Michael R. Bell & Company, PLLC

Freestanding RHC/FQHC Funding


May obtain funding from Medicaid if Medicaid + charity care + sliding fee scale > 30%
 May not Request Medicare funding



Michael R. Bell & Company, PLLC

After October 1, 2014 – Penalties if
Not in Compliance

Reductions in Medicare
reimbursement for all types of
providers



Michael R. Bell & Company, PLLC

Any Questions?

Michael R. Bell & Company, PLLC
Certified Public Accountants & Consultants
12 East Rowan, Suite 2
Spokane, Washington 99207
(509)489-4524
Email: bellcpa@bellcpa.org



Michael R. Bell & Company, PLLC
