Many Say Meaningful Use Stage 2 Is Disastrous, But the Data Say Otherwise

The industry news is full of disparaging talk about the health of the EHR Incentive Programs (i.e., meaningful use [MU]), particularly the low number of Stage 2 attestations. While some statistics show that only 35% of the nation’s hospitals have met the new MU requirements of Stage 2, further analysis reveals a different story.

Background

Each month since July 2014, CMS and ONC update the Health IT Policy Committee (HITPC) on the number of successful Stage 2 attestations. The following day the same headlines appear with multiple industry analyses and strong reactions that take the low attestation volume as a sign of failing long-term MU viability. These critics say that in November only 17%¹ of the nation’s hospitals successfully demonstrated Stage 2, and most recently that in December that figure is now 35%². These numbers are being used to demonstrate how difficult it is for the majority of the hospitals to meet Stage 2 requirements and even to make the case that most will not be capable of attesting due to overly stringent requirements. While these numbers are not technically wrong, a closer look reveals a different picture. This is not an attempt to be provocative, but rather we want to provide additional detail to those figures because they do not tell the whole truth about how well hospitals have fared in Stage 2.

Stage 2 Attestation Numbers Send Mixed Messages

First, the numbers cited were correct when the number of Stage 2 attestations were compared to the entire population of U.S. eligible hospitals (EHs). Of course, based on such data, it looks as if only about a third of the hospitals have been able to meet Stage 2 requirements through the end of November. Some have interpreted this number to mean that MU Stage 2 is a disastrous program, but the industry should not use these numbers to judge the success of Stage 2, or in fact, the hospitals’ ability to meet the requirements. Why?

The EHs participating in the EHR Incentive Program are required to progress through a set MU timeline. This means every MU participant is scheduled to start at Stage 1 and remain in each stage for two years before moving to the next stage, unless the policy allows otherwise. For example, the early adopters who began in 2011 were in Stage 1 for three years instead of two, as CMS moved the Stage 2 start year to 2014. Therefore, not every EH in the nation is scheduled to attest to Stage 2 in 2014. Even if they wanted to attest to Stage 2, they would not be able to do so.

Instead, the industry should look at how many EHs are scheduled to be in Stage 2 in 2014, rather than looking at all EHs. Per the CMS data, 3 809, 1754, 1389, and 83 hospitals attested to Stage 1 Year 1 in 2011, 2012, 2013, and 2014, respectively by Sept. 30, 2014. Thus, only 2,563 hospitals (i.e., those started in 2011 or 2012, or 809 + 1754) are scheduled to demonstrate Stage 2 in 2014. Among these hospitals, 65.58% (1,681) of EHs successfully attested to Stage 2 by Dec. 1, 2014. It is this number that tells an accurate story of Stage 2’s viability so far.

Admittedly, CMS only includes Medicare-only or dually-eligible EHs in the database cited above, and CMS did not clearly indicate whether 1,681 include all types of EHs. However, the number of Medicaid-only EHs account for a small proportion here. Based on CMS’s October report, 4 less than 100 Medicaid-only EHs should be in Stage 2 in 2014. Even if we added 100 to the calculation to account for Medicaid-only EHs, the number would still be at more than 63%.

Attestations Are on the Rise

Second, the number of successful Stage 2 attestations has grown exponentially since CMS first announced that 10 hospitals attested to Stage 2 by July 1, 2014. We find many organizations wait until the final 30 days or even closer to the attestation deadline to attest, so it is no surprise to see such growth—especially in the last few months when the number doubled between Nov. 1 and Dec. 1.

Additionally, the majority of EHs had to wait until Oct. 1 if they chose the last fiscal quarter, as is likely the case for the majority of attestations. This approach was popular because it gave these organizations the first three quarters of the fiscal year to implement the 2014 Edition CEHRT and to make the required workflow adjustments. So the nearly-66% of successful Stage 2 EHs attestation will only rise from here, especially considering the fact that CMS has extended the hospital attestation deadline to Dec. 31.

Where Hospitals Stand at the End of 2014

Finally, CHIME 5 recently estimated that about one-third of the hospitals scheduled to attest to Stage 2 in 2014 will use the flexibility rule, which allows them to attest to Stage 1 requirements in 2014 if their certified EHR upgrade was delayed or unable to be implemented at all. If we combine the numbers of those who successfully attested to Stage 2 and those who will rely on the flexibility rule, more than 95% of hospitals are able to attest in 2014. Again, that percentage does not look like a disaster; it shows that the tremendous efforts these hospitals put toward readying themselves for Stage 2 in 2014 paid off for more than half, and CMS’s lifeline worked.

Taking the same approach for eligible professionals (EPs), 57,595 and 139,299 of Medicare EPs attested to Stage 1 Year 1 in 2011 and 2012, respectively. This means 196,894 of EPs are supposed to be in Stage 2 in 2014. Per CMS data, 16,455 EPs successfully attested to Stage 2 by Dec. 1, which accounts for 8.36% success rate for that group. Of course, the number appears low at this juncture. However, based on the trend for EHs, we expect the numbers to grow tremendously as the majority of the EPs

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would also rely on the last calendar quarter as their reporting period (Oct. 1–Dec. 31, 2014), and EPs can complete their 2014 attestation within the first two months in 2015. In short, it is too early to draw conclusions regarding EP attestations. The real story still remains to unfold for the EP Stage 2 attestation.

The Case for a Shortened Reporting Period

We set the record straight about hospital attestation rates, what’s next? Many have touted the misleading data and message that MU is a failure as a reason to push CMS to reduce the reporting period in 2015 from one full year to one three-month quarter or 90 days. We agree with the many benefits that a shortened reporting period in 2015 would provide, and we offer an alternate rationale based on our analysis of the data.

First, so far, about two-thirds of EHs that are scheduled to be in Stage 2 in 2014 have successfully met the requirements. Based on research conducted among our members, we found that the shortened reporting period in 2014 played a critical role in their success. They would not have been able to attest or found it to be significantly challenging if any longer than a three-month quarter reporting period were imposed in 2014. This is because they would not have sufficient time to completely implement and stabilize the 2014 Edition CEHRT and to adjust existing or implement new workflows. In addition, the longer reporting period would equate a higher denominator, making it more difficult or nearly impossible for the providers to achieve the required threshold.

Stage 2 also introduced more complex objectives such as View, Download, and Transmit, and Transitions of Care. These two objectives alone required many hospitals to deploy their IT capabilities in new territories of patient engagement and information exchange. As we’ve previously discussed, these two objectives are arguably the most challenging in Stage 2 and the majority of providers who attested showed marginal performance around the required thresholds. These two objectives are significant first steps toward something greater in health care, and it will take time to improve performance in these areas. CMS recognized these challenges and enacted the flexibility rule in 2014. It certainly would not hurt the forward momentum of the MU programs to allow such an option in 2015.

Second, the MU program is not just about what providers can or should do. It is about all of us. We all need to keep in mind that the ultimate goal of the MU program is to promote better care and better health for consumers/patients, including ourselves. Per a hot-off-the-press report, 6 patients value the providers’ use of an EHR and the availability of their data for timely access, and seek even more robust functionalities in an EHR. So far, one great accomplishment the MU program has brought to the health care industry is the significant growth of EHR adoption among providers. This leads to higher recognition of its values among consumers. The MU program should continue, but at a more measured pace, so we all can achieve the goal with little to no compromises.

We hope that these numbers and rationales could provide a meaningful perspective when CMS and ONC continue to make data-drive decisions in setting the policy in 2015 and Stage 3. We think that when one asks for leniency, showing great results so far and good faith based on accurate data would trump defensive arguments. Nevertheless, while there is no further change in the existing policy, providers should continue to keep up their efforts and push to achieve the higher goal of better care and better health.
