Hello again! We have some great news for many of our small hospitals and rural physicians and wanted to be sure you saw the opportunity that will be available for Method 2 billers. We do want to begin to understand how many hospitals and physicians will be effected as well as how many will be able to take advantage of this.

**Method 2 Billing:** CMS is implementing system changes that will allow the capture of Medicare volumes and claims and consequently, will now recognize physician eligibility for Medicare EHR Incentives. Physicians (or CAHs attesting on behalf of physicians) won’t be able to submit attestations until 2014 due to the timing of the system changes. This will reduce the total incentives they are eligible for by about $5,000 for a total of $39,000, but something is better than nothing!

The announcement from the Centers for Medicare & Medicaid Services (CMS) came in response to a letter from the AHA requesting timely action to address this acknowledged issue. THANK YOU AHA!

Under Method 2, the CAH bills Medicare on behalf of the physician for services covered under the Medicare Physician Fee Schedule. Physician bills are submitted on the UB-04, instead of the Form 1500. Due to system constraints, CMS did not include these Method 2 claims when it identified which physicians were eligible for the incentive programs, resulting in Method 2 physicians being inappropriately excluded from the EHR incentive program because they were designated as "hospital-based” when they are not. For more information, see the CMS factsheet.

**Sequestration:** With the activity at the national level, you all probably know that sequestration has been postponed until March of 2013. Just a reminder, sequestration will reduce any Medicare EHR Incentive payments by 2%.

**MU 3 Comments:** If you are interested, you may take a gander at AHA’s and KHA’s comments on MU 3.