



**Health Informatics on FHIR**  
*Federal Programs: Incentive Payments*

Mark L Braunstein, MD  
School of Interactive Computing

Georgia Institute

0:06

In this lesson we discuss the third key component of the federal programs to encourage adoption of informatics and I suppose to providers maybe the most important component: the incentive payments they can earn if they achieve meaningful use. There are actually two incentive payments systems. One funnels the money to providers through Medicare. And the amount they can earn is based on the amount of Medicare patients they see.

0:33

The other is for providers who have a certain minimum level or above of Medicaid patients. Medicare is the U.S. federal program that pays for the care of citizens once they are 65 years or older. Medicaid pays for the care of poor or disabled citizens, and there are a few other, smaller groups included as well. A key difference between these two incentive payment programs is under the Medicare there is both the carrot of payments and the stick of reduced payments if providers don't achieve meaningful use.

1:12

Medicaid doesn't have any penalty, largely because the providers who care for Medicaid patients are already among the poorest paid providers, then are seeing patients in some of the poorest and most medically under-served areas of the country.

1:28

Finally, each provider can participate in only one of these two programs. Like any federal program, the incentive payments are somewhat complex. This diagram illustrates a few key points that the earlier a provider adopts electronic records, the more money they can potentially earn. You can see that the total amount a provider can potentially earn drops off as their year of adoption moves out into the future. It also shows that there are penalties for providers who have not achieved meaningful use by certain dates.  
[MUSIC]