• In January 2012, SCVMC entered into a contract with Epic Corporation to implement an Electronic Medical Record (EMR) System to replace the core HHS IT systems.

• SCVMC will be eligible to claim for and receive government incentive payments for demonstrating Meaningful Use (MU) of the EMR pursuant to Section 1.2 of the Health Information Technology for Economic and Clinical Health Act of 2009, Pub. L. 111-5.
Incentive Payments Eligibility

- **Eligible Hospital (EH)**
  - SCVMC qualifies as an acute hospital
  - SCVMC is eligible for both Medicare and MediCal funding
  - Total funding available:
    - $13.3 million (estimate)

- **Eligible Provider (EP)**
  - Some SCVMC providers will qualify per specific criteria for specific phases
  - For Stage 1, most of the ambulatory providers will qualify
  - EPs is eligible for either MediCal or Medicare funding only
  - Total funding available:
    - $20.2 million (estimate)
Incentive Payment Criteria

- **FY 2012 Incentive Payment - $12,037,099 (est.)**
  - Incentive payment for Adopting/Implementing/Upgrading (AIU) certified Electronic Health Record (EHR) software. We are entitled to this incentive payment as a result of signing the Epic contract in January 2012.

- **FY 2013 – 2021 Incentive Payments - $21,504,409 (est.)**
  - Incentive payments are tied to meeting specific objectives and measures.

- **Total Possible MU Incentives (2012 – 2021): $33.5 million**
## Incentive Payment Timeline

<table>
<thead>
<tr>
<th>SCVMC Timeline for MU Incentives</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19-FY21</th>
<th>Total 10 Year Estimated $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months</td>
<td>1--6</td>
<td>7--18</td>
<td>19--30</td>
<td>31--42</td>
<td>43--54</td>
<td>55--66</td>
<td>67--78</td>
<td>79--114</td>
<td>$13,332,758</td>
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<td>Meaningful Use Incentives - Hospital</td>
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<tr>
<td>Meaningful Use Incentives - Providers</td>
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<td>$20,208,750</td>
</tr>
</tbody>
</table>

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Next Steps

Key Milestones achieved

- 2011: Planning for Core Health Information Systems (HIS) replacement
- 2012, January: Purchased Epic Software as the Core HIS replacement
- 2012, February: Collected data on the list of providers who may qualify
- 2012, March-May: In process to confirm with providers who would attest and assign incentives to SCVMC
- 2012, April-May: EP and EH registration in process

- Registering Eligible Providers
- Registering (Eligible) Hospital
- Attestations for Payments
- Selection of Clinical Quality criteria for MU
- Selection of Menu Measures
- Monitor and comply with the Core (Mandatory) and Menu Measures as a MU participant hospital & EP