

**Table 165-0100-1**

**Incentive Payment Schedule for an Eligible Hospital**

Actual Payment Year*	Year 1	Year 2	Year 3	Total
Payment amount	50% of Aggregate EHR Amount	40% of Aggregate EHR Amount	10% of Aggregate EHR Amount	100% of Aggregate EHR Amount
*Hospital shall meet eligibility criteria and participation requirements for each payment year.				

**Table 165-0100-2**

**Initial Amount for an Eligible Hospital (calculated for each theoretical payment year)**

	Hospitals with ≤ 1,149 discharges during the payment year	Hospitals with ≥ 1,150 ≤ 23,000 discharges during the payment year	Hospitals with ≥ 23,001 discharges during the payment year
Base Amount	\$2,000,000	\$2,000,000	\$2,000,000
Discharge-Related Amount*	\$0	\$200 x (n – 1,149) (n is the number of discharges during the payment year)	\$200 x (23,001 – 1,149)
*Adjusted by average annual rate of growth	Average of most recent three years annual rate of growth in total discharges		
Total Initial Amount	\$2,000,000	Between \$2,000,000 and \$6,370,400 depending on the number of discharges	Limited by law to \$6,370,400

Table 165-0100-3

Eligible Hospital Payment Calculation

Theoretical Year:	Year 1	Year 2	Year 3	Year 4
<b>Initial amount =</b>	(a base amount of \$2,000,000) + (Year 1 discharge-related amount)	(a base amount of \$2,000,000) + (Year 1 discharge-related amount x average annual rate of growth)	(a base amount of \$2,000,000) + (Year 2 discharge-related amount x average annual rate of growth)	(a base amount of \$2,000,000) + (Year 3 discharge-related amount x average annual rate of growth)
<b>Medicare share =</b>	1	1	1	1
<b>Transition factor =</b>	1.00	0.75	0.50	0.25
<b>Total Yearly EHR amount:</b>	(Initial amount) x (Medicare share) x (Transition factor)	(Initial amount) x (Medicare share) x (Transition factor)	(Initial amount) x (Medicare share) x (Transition factor)	(Initial amount) x (Medicare share) x (Transition factor)
<b>Overall EHR Amount =</b>	<b>Sum of the 4 Yearly EHR Amounts</b>			
Multiply Overall EHR Amount by				
<b>Medicaid share =</b>	(Estimated # of inpatient-bed days attributable to Medicaid, including: Fee-for-service, managed care, pre-paid inpatient health plan, or pre-paid ambulatory health plan)			
	(Estimated total # of inpatient-bed days for the eligible hospital during that period)	multiply by	$\frac{\text{(Estimated total amount of the eligible hospital's charges during that period minus charity care)}}{\text{(Estimated total amount of the eligible hospital's charges during that period including charity care)}}$	
equals				
<b>Aggregate EHR Amount</b> (product of the Overall EHR Amount and Medicaid Share)				