

Stage 2 Overview Tipsheet

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Overview

CMS recently published a final rule that specifies the Stage 2 criteria that eligible professionals (EPs), eligible hospitals, and critical access hospitals (CAHs) must meet in order to continue to participate in the Medicare and Medicaid Electronic Health Record (EHR) Incentive Programs.

If you have not participated in the Medicare or Medicaid EHR Incentive Programs previously, or if you have never achieved meaningful use under the Stage 1 criteria, please visit the CMS EHR Incentive Programs website (www.cms.gov/EHRIncentivePrograms) for more information about how to take part in the program.

Stage 2 Timeline

In the Stage 1 meaningful use regulations, CMS had established a timeline that required providers to progress to Stage 2 criteria after two program years under the Stage 1 criteria. This original timeline would have required Medicare providers who first demonstrated meaningful use in 2011 to meet the Stage 2 criteria in 2013.

However, we have delayed the onset of Stage 2 criteria. The earliest that the Stage 2 criteria will be effective is in fiscal year 2014 for eligible hospitals and CAHs or calendar year 2014 for EPs. The table below illustrates the progression of meaningful use stages from when a Medicare provider begins participation in the program.

1 st Year	Stage of Meaningful Use										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2011	1	1	1	2	2	3	3	TBD	TBD	TBD	TBD
2012		1	1	2	2	3	3	TBD	TBD	TBD	TBD
2013			1	1	2	2	3	3	TBD	TBD	TBD
2014				1	1	2	2	3	3	TBD	TBD
2015					1	1	2	2	3	3	TBD
2016						1	1	2	2	3	3
2017							1	1	2	2	3

Note that providers who were early demonstrators of meaningful use in 2011 will meet three consecutive years of meaningful use under the Stage 1 criteria before advancing to the Stage 2 criteria in



2014. All other providers would meet two years of meaningful use under the Stage 1 criteria before advancing to the Stage 2 criteria in their third year.

In the first year of participation, providers must demonstrate meaningful use for a 90-day EHR reporting period; in subsequent years, providers will demonstrate meaningful use for a full year EHR reporting period (an entire fiscal year for hospitals or an entire calendar year for EPs) except in 2014, which is described below. Providers who participate in the Medicaid EHR Incentive Programs are not required to demonstrate meaningful use in consecutive years as described by the table above, but their progression through the stages of meaningful use would follow the same overall structure of two years meeting the criteria of each stage, with the first year of meaningful use participation consisting of a 90-day EHR reporting period.

For 2014 only

All providers regardless of their stage of meaningful use are only required to demonstrate meaningful use for a three-month EHR reporting period.

- For Medicare providers, this 3-month reporting period is fixed to the quarter of either the fiscal (for eligible hospitals and CAHs) or calendar (for EPs) year in order to align with existing CMS quality measurement programs, such as the Physician Quality Reporting System (PQRS) and Hospital Inpatient Quality Reporting (IQR).
- For Medicaid providers only eligible to receive Medicaid EHR incentives, the 3-month reporting period is not fixed, where providers do not have the same alignment needs.

CMS is permitting this one-time three-month reporting period in 2014 only so that all providers who must upgrade to 2014 Certified EHR Technology will have adequate time to implement their new Certified EHR systems.

Core and Menu Objectives

Stage 1 established a core and menu structure for objectives that providers had to achieve in order to demonstrate meaningful use. Core objectives are objectives that all providers must meet. There are also a predetermined number of menu objectives that providers must select from a list and meet in order to demonstrate meaningful use.

For many of the core and menu objectives, exclusions were provided that would allow providers to achieve meaningful use without having to meet those objectives that were outside of their normal scope of clinical practice. Under the Stage 1 criteria, EPs had to meet 15 core objectives and 5 menu objectives that they selected from a total list of 10. Eligible hospitals and CAHs had to meet 14 core objectives and 5 menu objectives that they selected from a total list of 10.

Stage 2 retains this core and menu structure for meaningful use objectives. Although some Stage 1 objectives were either combined or eliminated, most of the Stage 1 objectives are now core objectives under the Stage 2 criteria. For many of these Stage 2 objectives, the threshold that providers must meet for the objective has been raised. We expect that providers who reach Stage 2 in the EHR Incentive Programs will be able to demonstrate meaningful use of their Certified EHR Technology for an even larger portion of their patient populations.

Some new objectives were also introduced for Stage 2, and most of these were introduced as menu objectives for Stage 2. As with the previous stage, many of the Stage 2 objectives have exclusions that allow providers to achieve meaningful use without having to meet objectives outside their normal scope of clinical practice.

To demonstrate meaningful use under Stage 2 criteria—

- **EPs must meet 17 core objectives and 3 menu objectives that they select from a total list of 6, or a total of 20 core objectives.**
- **Eligible hospitals and CAHs must meet 16 core objectives and 3 menu objectives that they select from a total list of 6, or a total of 19 core objectives.**

The end of this tipsheet contains a complete list of the Stage 2 core and menu objectives for both EPs and eligible hospitals and CAHs. Providers can also download a table of the Stage 2 core and menu objectives and measures by clicking on the links below:

- [Stage 1 vs. Stage 2 Comparison Table for Eligible Professionals](#)
- [Stage 1 vs. Stage 2 Comparison Table for Eligible Hospitals and CAHs](#)

New Objectives & New Measures

Though most of the new objectives introduced for Stage 2 are menu objectives, EPs and eligible hospitals each have a new core objective that they must achieve. CMS believes that both of these objectives will have a positive impact on patient care and safety and are therefore requiring all providers to meet the objectives in Stage 2.

New Stage 2 Core Objectives:

Use secure electronic messaging to communicate with patients on relevant health information **(for EPs only)**

Automatically track medications from order to administration using assistive technologies in conjunction with an electronic medication administration record (eMAR) **(for Eligible Hospitals/CAHs only)**

Stage 2 also replaces the previous Stage 1 objectives to provide electronic copies of health information or discharge instructions and provide timely access to health information with objectives that allow patients to access their health information online.

Stage 2 Patient Access Objectives:

Provide patients the ability to view online, download and transmit their health information within four business days of the information being available to the EP **(for EPs only)**

Provide patients the ability to view online, download and transmit their health information within 36 hours after discharge from the hospital **(for Eligible Hospitals/CAHs only)**

In addition, the Stage 2 criteria place an emphasis on health information exchange between providers to improve care coordination for patients. One of the core objectives for both EPs and eligible hospitals and CAHs requires providers who transition or refer a patient to another setting of care or provider of care to provide a summary of care record for more than 50% of those transitions of care and referrals.

Additionally, there are new requirements for the electronic exchange of summary of care documents:

- For more than 10% of transitions and referrals, EPs, eligible hospitals, and CAHs that transition or refer their patient to another setting of care or provider of care must provide a summary of care record electronically.
- The EP, eligible hospital, or CAH that transitions or refers their patient to another setting of care or provider of care must either a) conduct one or more successful electronic exchanges of a summary of care record with a recipient using technology that was designed by a different EHR developer than the sender's, or b) conduct one or more successful tests with the CMS-designated test EHR during the EHR reporting period.

There are also new Stage 2 menu objectives for EPs, eligible hospitals, and CAHs:

Record electronic notes in patient records

Imaging results accessible through CEHRT

Record patient family health history

Identify and report cancer cases to a State cancer registry **(for EPs only)**

Identify and report specific cases to a specialized registry (other than a cancer registry) **(for EPs only)**

Generate and transmit permissible discharge prescriptions electronically (eRx) **(new for eligible hospitals and CAHs only)**

Provide structured electronic lab results to ambulatory providers **(for eligible hospitals and CAHs only)**

Finally, there are new Stage 2 measures for several objectives that require patients to use health information technology in order for providers to achieve meaningful use. CMS believes that EPs, eligible hospitals, and CAHs are in the best position to encourage the use of health IT by patients to further their own health care.

Under the Stage 2 core objectives to provide patients the ability to view online, download and transmit their health information, more than 5 percent of patients seen by the EP or admitted to an inpatient (Place of Service 21) or emergency department (Place of Service 23) of an eligible hospital or CAH view, download, or transmit to a third party their health information.

Under the Stage 2 core objective to use secure electronic messaging to communicate with patients on relevant health information, a secure message must be sent using the electronic messaging function of Certified EHR Technology by more than 5 percent of unique patients seen by an EP during the EHR reporting period.

Clinical Quality Measures for 2014 and Beyond

Although clinical quality measure (CQM) reporting has been removed as a core objective for both EPs and eligible hospitals and CAHs, all providers are required to report on CQMs in order to demonstrate meaningful use. Beginning in 2014, all providers regardless of their stage of meaningful use will report on CQMs in the same way.

- **EPs must report on 9 out of 64 total CQMs.**
- **Eligible hospitals and CAHs must report on 16 out of 29 total CQMs.**

In addition, all providers must select CQMs from at least 3 of the 6 key health care policy domains recommended by the Department of Health and Human Services' National Quality Strategy:

1. Patient and Family Engagement
2. Patient Safety
3. Care Coordination
4. Population and Public Health
5. Efficient Use of Healthcare Resources
6. Clinical Processes/Effectiveness

A complete list of 2014 CQMs and their associated National Quality Strategy domains will be posted on the CMS EHR Incentive Programs website (www.cms.gov/EHRIncentivePrograms) in the future. CMS will also post a recommended core set of CQMs for EPs.

Beginning in 2014, all Medicare-eligible providers beyond their first year of demonstrating meaningful use must electronically report their CQM data to CMS. (Medicaid EPs and hospitals that are eligible only for the Medicaid EHR Incentive Program will electronically report their CQM data to their state.) There will be a variety of options for providers to electronically report their CQMs.

EPs can electronically report CQMs either individually or as a group using the following methods:

- **Physician Quality Reporting System (PQRS)**—Electronic submission of samples of patient-level data in the Quality Reporting Data Architecture (QRDA) Category I format. EPs can also report as group using the PQRS GPRO tool. EPs who electronically report using this PQRS option will meet both their EHR Incentive Program and PQRS reporting requirements.
- **CMS-designated transmission method**—Electronic submission of aggregate-level data in QRDA Category III format.

Eligible hospitals and CAHs will electronically report their CQMs in the QRDA Category I format through the infrastructure similar to the EHR Reporting Pilot for hospitals, which will be the basis for an EHR-based reporting option in the Hospital Inpatient Quality Reporting program. They may also submit aggregate-level data in QRDA III format.

For more detailed information on 2014 CQMs and electronic reporting options, click to download our [2014 Clinical Quality Measures Tip sheet](#).

More Information

If you are interested in learning more about the Medicare payment adjustments and hardship exceptions for EPs, eligible hospitals, and CAHs, take a look at our [Payment Adjustments & Hardship Exceptions Fact Sheet](#).

If you are interested in learning more about changes to the Medicaid patient volume calculations, review the FAQs here <https://questions.cms.gov/>.



Stage 2 Core and Menu Objectives

Eligible Professionals

Report on all 17 Core Objectives:

1. Use computerized provider order entry (CPOE) for medication, laboratory and radiology orders
2. Generate and transmit permissible prescriptions electronically (eRx)
3. Record demographic information
4. Record and chart changes in vital signs
5. Record smoking status for patients 13 years old or older
6. Use clinical decision support to improve performance on high-priority health conditions
7. Provide patients the ability to view online, download and transmit their health information
8. Provide clinical summaries for patients for each office visit
9. Protect electronic health information created or maintained by the Certified EHR Technology
10. Incorporate clinical lab-test results into Certified EHR Technology
11. Generate lists of patients by specific conditions to use for quality improvement, reduction of disparities, research, or outreach
12. Use clinically relevant information to identify patients who should receive reminders for preventive/follow-up care
13. Use certified EHR technology to identify patient-specific education resources
14. Perform medication reconciliation
15. Provide summary of care record for each transition of care or referral
16. Submit electronic data to immunization registries
17. Use secure electronic messaging to communicate with patients on relevant health information

Report on 3 of 6 Menu Objectives:

1. Submit electronic syndromic surveillance data to public health agencies
2. Record electronic notes in patient records
3. Imaging results accessible through CEHRT
4. Record patient family health history
5. Identify and report cancer cases to a State cancer registry
6. Identify and report specific cases to a specialized registry (other than a cancer registry)

Eligible Hospitals and CAHs

Report on all 16 Core Objectives:

1. Use computerized provider order entry (CPOE) for medication, laboratory and radiology orders
2. Record demographic information
3. Record and chart changes in vital signs
4. Record smoking status for patients 13 years old or older
5. Use clinical decision support to improve performance on high-priority health conditions
6. Provide patients the ability to view online, download and transmit their health information within 36 hours after discharge.
7. Protect electronic health information created or maintained by the Certified EHR Technology
8. Incorporate clinical lab-test results into Certified EHR Technology
9. Generate lists of patients by specific conditions to use for quality improvement, reduction of disparities, research, or outreach
10. Use certified EHR technology to identify patient-specific education resources and provide those resources to the patient if appropriate
11. Perform medication reconciliation
12. Provide summary of care record for each transition of care or referral
13. Submit electronic data to immunization registries
14. Submit electronic data on reportable lab results to public health agencies
15. Submit electronic syndromic surveillance data to public health agencies
16. Automatically track medications with an electronic medication administration record (eMAR)

Report on 3 of 6 Menu Objectives:

1. Record whether a patient 65 years old or older has an advance directive
2. Record electronic notes in patient records
3. Imaging results accessible through CEHRT
4. Record patient family health history
5. Generate and transmit permissible discharge prescriptions electronically (eRx)
6. Provide structured electronic lab results to ambulatory providers