

The statute requires Medicare payment adjustment beginning in 2015. For the Stage 3 proposed rule, we propose to maintain all payment adjustment provisions for all EPs, eligible hospitals, and CAHs finalized in the Stage 2 final rule (77 FR 54093 through 54113 and 54115 through 54119) except for a change to the relationship between the EHR reporting period year and the payment adjustment year for CAHs. We are proposing a change to the timing of the EHR reporting period and related deadlines for attestations and hardship exceptions for CAHs in relation to the payment adjustment year, in order to accommodate a transition to EHR reporting for meaningful use on the calendar instead of the fiscal year timeline. The payment adjustment provisions being maintained in the Stage 3 proposed rule include the process we finalized in Stage 2 by which a prior EHR reporting period determines a payment adjustment. We also maintain the four categories of exceptions based on all of the following:

- The lack of availability of internet access or barriers to obtain IT infrastructure.
- A time-limited exception for newly practicing EPs or new hospitals that would not otherwise be able to avoid payment adjustments.
- Unforeseen circumstances such as natural disasters that would be handled on a case-by-case basis.
- (EP only) exceptions due to a combination of clinical features limiting a provider's interaction with patients or, if the EP practices at multiple locations, lack of control over the availability of CEHRT at practice locations constituting 50 percent or more of their encounters.

e. Modifications to the Medicaid EHR Incentive Program