

Accessing Federal HIT/E Funding

A CMS Perspective



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HITECH Will Transform Medicaid

- Many SMAs currently collect/analyze:
 - Eligibility
 - Enrollment
 - Claims information
- New/rich source of clinical information expands SMA responsibilities to manage the health of low-income and diverse populations
- New skill sets required

Sources of CMS Funding

1. Incentive Payments to Eligible Professionals and Hospitals
2. HITECH 90% FFP Administrative Match
3. MMIS/MITA 90/75 % FFP
4. Enhanced Payments to Providers via Changes in Reimbursement Rates

Incentive Payments to EPs and Hospitals

- An incentive for becoming meaningful users of certified EHR technologies
- Incentive payments are not reimbursement for expenses incurred
- They can be used by providers to pay for, or offset, a variety of expenses related to HIE adoption --including those charged by an HIE – but they may be used by providers for other purposes as well

HITECH 90% Admin Match

- Goes to States not providers
- Primary purpose is to cover admin of incentive payment and oversight by the States of the incentives
- A third purpose can include State initiatives to encourage adoption
- All such activities must support “mainstreaming” EHR into the daily business of Medicaid

MMIS/MITA 90/75% FFP

- Most people familiar with this source
- Must be tied to the MMIS/MITA
 - MITA State Self-Assessment
 - Pathway along IT evolutionary spectrum of maturity
 - MITA Levels 3 and 4 = clinical data
 - MITA Level 5 = national interoperability/NHIN
- Not time limited or narrowly constrained

Guidelines: OMB Circular A-87

- Benefiting Agency concept
- Reasonableness = nature and amount does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Guidelines - State Share

- Funding for the non-Federal share of Medicaid HIT administrative payments should be consistent with existing statutes and regulations regarding Medicaid financing
- Avoid appearance of a conflict of interest

Guidelines: Tied to Incentive Program

- Serve as a direct catalyst to the success of the State's Medicaid EHR Incentive Program
- Facilitates the dispersion, adoption and use of certified EHRs in a meaningful way
 - *Dissemination of best practices*
 - *Training*
 - *Identification and development of tools to connect to health information exchanges*
 - *Interfaces for data important to Medicaid providers to be fully successful in an HIE environment*
 - *Others*

Guidelines: Mainstream

- Eligible activities should have be on a flight path to be integrated into the Medicaid business enterprise such as technical bridges between Medicaid and statewide health information exchanges
- Designed to be well-defined projects with specific goals that enhance the capability of the Medicaid program to exchange health information necessary to allow providers to be meaningful users of certified EHRs

Guidelines: Not Funded By Other Means

- Examine MMIS as a more appropriate funding source before HITECH
- Reason: CMS is interested in scenarios where the end result will contribute to the transformation of the MMIS into a clinical- and claims-based engine that supports Medicaid's broader health care reform goals

Guidelines: Fair Share

- “One chapter in the book; not the whole book”
- Working in concert, and to a satisfactory performance level, with the ONC HIE activities in the State
- Does not duplicate TA efforts conducted by Regional Extension Centers (or others) to the same specific providers

Guidelines: Limited in Time

- Developmental and/or time-limited in nature
- Not part of on-going operational activities
 - *Example: Paying for providers' HIE transaction fees*
- Not intended to be permanent initiatives; however, will in most cases, lead to a permanent and sustainable outcome

Guidelines: SMHP

- Are described and integrated into the State Medicaid HIT Plan
- SMHP is a dynamic document
- SMHP is a logic model showing all activities driving towards clear outcomes with benchmarks
- SMHP can be updated over lifespan of project