AHCCCS Summary of Medicaid Incentive Program

March 29, 2010

Tribal Consultation Meeting Presentation Outline

- Resources for Providers
- Overview of ARRA and HITECH
- AHCCCS goals for Health Information Technology (HIT)
- Timeline for State Medicaid HIT Plan (SMHP)
- State Level Health Information Exchange (HIE)
- Other Federal HIT/HIE Activities
- Provider opportunities for Medicaid Incentives

Resources for Eligible Providers and Eligible Hospitals

- AHCCCS website: http://www.azahcccs.gov
- Plans, Providers, Contractors, and Vendors Tab
- Health Information Technology Tab
  - Dear State Medicaid Director Letter
  - Approved Planning – Advanced Planning Document (P-APD)
  - Estimate of Payments for Hospitals
  - FAQs for Providers and Hospitals

American Recovery and Reinvestment Act (ARRA) of 2009

- Signed by President Obama on February 17, 2009.

- Provides major opportunities improvement of the nation's health care through health information technology (HITECH ACT) by promoting the meaningful use of electronic health records (EHR) via incentive payments.

To Receive Incentive Payment:

- Eligible Provider

- Adopt, Implement or Upgrade a Certified Electronic Health System

- Prove Meaningful Use

Medicaid-Eligible Providers

- ## Acute Care Hospitals
  - with at least 10% Medicaid patient mix
- ## Children's Hospitals
- ## Eligible Professionals
  - Physicians
  - Dentists
  - Certified nurse midwives
  - Nurse practitioners
  - Physician assistants, in certain circumstances

These eligible professionals must have at least a 30% patient volume attributable to Medicaid. Pediatricians with a 20% Medicaid patient volume are eligible for 2/3 of the standard payment.

Medicare-Eligible Providers

- Acute Care Hospitals
- Critical Access Hospitals (CAHs)
- Eligible Professionals
  - Physicians
  - Dentists
  - Podiatrists
  - Optometrists
  - Chiropractors

Medicare & Medicaid Incentive Payment

- Hospitals are eligible for incentive payments from <u>both</u> Medicare and Medicaid
    - Exception: CAHs (which are eligible for Medicare)

- Eligible Professionals are required to choose between Medicare and Medicaid reimbursement.

Proposed Rules

- On Dec. 30, 2009, the Centers for Medicare & Medicaid Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC) released rules regarding electronic health record (EHR) incentives, standards, certification, and "meaningful use" definition.
  - Comments were due by March 15, 2010.
  - http://edocket.access.gpo.gov/2010/pdf/E9-31217.pdf

Adopt, Implement or Upgrade a Certified System

What is a "Certified" System?

A system that meets the requirements set forth by the Certification Commission for Health Information Technology.

Meaningful Use
(Proposed)

- Electronically capture health information in a coded format

- Use information to track key clinical conditions

- Communicate that information for care coordination purposes

- Produce reports

- Implement clinical decision support tools

Meaningful Use Stages

- Three stages for meaningful use.
  - Stage 1 in 2011, Stage 2 in 2013, and Stage 3 in 2015.
  - The proposed rules only defined Meaningful Use for 2011, the other definitions will follow.
- Stage 1 has 23 objectives that must be met. Examples:
  - Pharmacy order entry
  - Demographics
  - Chart changes in vital signs
  - Electronic claim submission.

How Much is Available to AHCCCS?

Arizona could receive as much as $500 million in HIT incentive payments:

– $300 million for hospitals
– $200 million for other

Potential Funding for IHS Hospitals

- See Excel Sheet

Incentive Timeline

- Money available to states January 1, 2011
- AHCCCS applications will be available in 2011 (Medicaid has no statutory implementation date)
- Hospital payments usually made over 4 years, can extend to 6 years
- The last year a hospital can begin receiving payments is 2016. Funding available through 2021

How Will This be Implemented?

AHCCCS has incorporated into the SMHP:

- Promoting EHRs
- Establishing procedures for incentive payment
- Maximizing incentive payments

AHCCCS Goals for HIT

- Develop Medicaid HIT plan (SMHP)
  - Current "as-is" environment
  - "To be" environment
  - Implementing incentive payments

- Promote electronic health records (EHRs) and maximize Medicaid incentive payment for eligible providers.

- Provide leadership for Medicaid stakeholders and relevant HIT partners by participating in key coalitions that are pursuing a sustainable HIE.

Timeline for SMHP

- P-APD approved January 2010
- SMHP Draft due 7/1/10
- Approval by CMS
- Implementation – APD funds requested to CMS
- Implementation activities start once approved by CMS
- Timeline for incentives depends on current proposed rules that specify eligibility, definitions of important issues like "certification" and "meaningful use," auditing, coordination of payments, etc.

State Level Health Information Exchange

- Key Organizations
  - Arizona Health-e Connection – multi-stakeholder board that has been implementing the original roadmap (2006) for HIT/HIE
    - Public Private organization
    - Applied for Regional Extension Center funding
  - Arizona Medical Information Exchange (AMIE) and Southern Arizona Health Information Exchange (SAHIE)
    - Agreed to merge and form new organization for purpose of establishing a single health information exchange
    - 14 providers (hospitals, FQHCs, laboratories, physicians) and 10 different representatives from the payer and community stakeholders
  - Governor's Office of Economic Recovery (GOER) State Designated Entity (SDE) charged with overseeing the ONC Cooperative Exchange Grant to build exchange and create state roadmap for HIE/HIT adoption

State Award for Federal HIE/HIT Programs

- Regional Extension Center (REC)
  - Designed to offer one stop shop for education assistance for providers to achieve meaningful use (MU) of certified EHRs
  - Can offer Hands on Implementation assistance for all providers
  - Recognition of and solutions to EHR adoption barriers
  - Expect AzHeC to be awarded up to $14 million over 4 years
  - Anticipate being awarded shortly

State Award for Federal HIE/HIT Programs

Cooperative Exchange Grant

- Purpose of the program is to layout strategic plan/roadmap for how state can assist providers in achieving goals, measures, objectives related to HIE
- HIE is a statutory requirement for meaningful use and is expected to become more stringent over time
- GOER is State Designated Entity (SDE) responsible for providing the strategic and operational plan
- Must identify a HIT Coordinator
  - Acting HIT Coordinator- Beth Kohler Lazare, Health Policy Advisor
- Plan must reflect progress across five domains: governance, finance, technical infrastructure, business and technical operations and legal/policy
- Received $9.3 million to be used over 4 years

Other Federal HIE/HIT Activities

Federal Register Postings

- Federal agencies have promulgated regulations to implement provisions of ARRA that provide incentive payments for the adoption and meaningful use of certified electronic health record (EHR) technology

- AHCCCS submitted comments to the NPRM on meaningful use – posted on the web