



The American Recovery and Reinvestment Act of 2009

Opportunities for Medicaid to
Invest in HIT

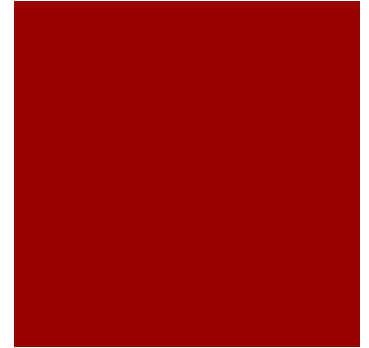
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Topics

- Key HIT components in the ARRA
- What is happening in state Medicaid programs today?
- Challenges and opportunities
- Considerations for states and primary care physicians

Acknowledgement – Foundation of Research and Education AHIMA State-level HIE Consensus project

ARRA HIT Components



- Medicaid recovery provisions
- Health and Information Technology for Economic and Clinical Health Act (HITECH)
 - Overview
 - Grants and loan programs
- Medicare and Medicaid EHR incentives
- Other ARRA HIT funding
 - HRSA construction and equipment funding includes HIT for community health centers (\$1.5B)
 - Commerce/Agriculture broad band support for unserved or underserved medical and healthcare providers (\$2.5B)

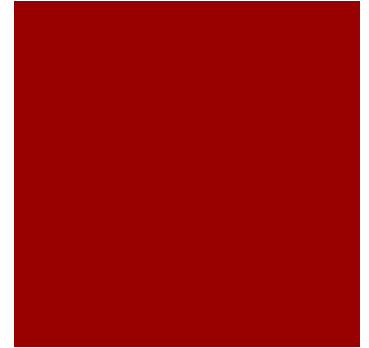
HITECH

- Codifies the Office of the National Coordinator for HIT
- Creates two federal advisory committees on HIT policy and standards
- Creates many new HIE/T funding programs including:
 - HIE planning and implementation
 - Regional Extensions centers
 - Grants to establish EHR loan programs
- Increases privacy protections
 - Addresses gaps in HIPAA – Business Associates, RHIOs, PHRs and breach reporting
 - Additional enforcement, EHR monitoring and reconsideration of minimum necessary

HITECH Grants

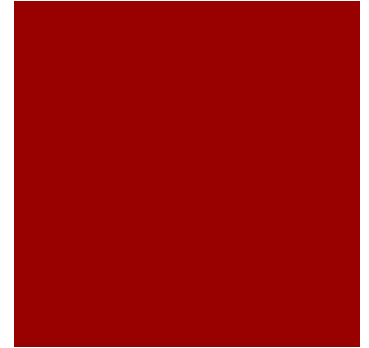
- Planning and implementation grants to facilitate and expand HIE within the state and nationwide
 - State or qualified state designated entity recipients
- HIT regional extension center grants to establish centers that give technical assistance and disseminate best practice for HIT adoption
 - 50% up to 4 -year funding to qualified non-profits
- Competitive grants for states and tribes to establish EHR loan programs
 - Loan entity must contribute \$1 for every \$5 Federal
 - Support up to 10-year EHR loans for purchase, certification, training and enhanced security

Medicare and Medicaid EHR Incentives



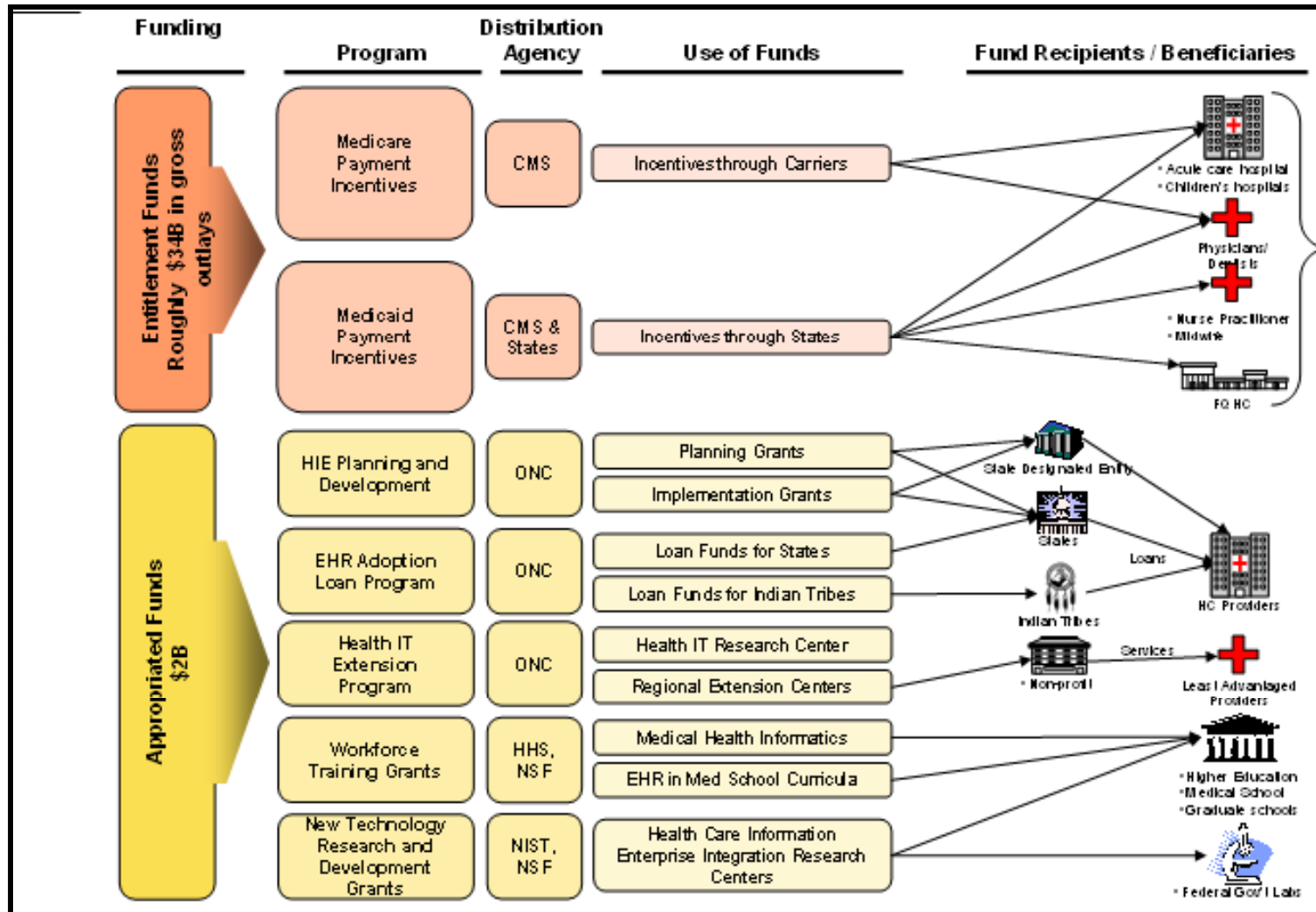
- Medicare - Independent physicians who treat Medicare patients will be eligible for EHR incentive payments starting in 2011 through 2015 if they are "meaningful users" of certified EHRs.
- Medicaid – Medicaid providers, including independent physicians, that meet a threshold percentage of Medicaid patients are eligible for more generous EHR incentives
 - Incentives can cover initial EHR purchases
 - Incentive payments can only be made for 5 years and no later than 2021
- Providers may only receive incentives under one program – Medicaid recipients must waive their right to Medicare incentives

EHR “Meaningful Use”



- HHS must define three criteria by which “meaningful use” will be determined:
 - Certified technology – using technology in a meaningful manner that includes eRx
 - Information exchange – technology is connected in a manner that improves quality and promotes care coordination
 - Reporting measures – submits information for the incentive period on selected clinical quality and other measures
- Given the differences between the Medicaid and Medicare incentives there is a reasonable argument for either different criteria or a phased implementation for Medicaid

HIT ARRA Funding Provisions*



*Graphic created by Manatt Health Solutions

Stimulus Funding Implications for Providers



- Several resources will emerge in support of EHR purchase, technical assistance and training, connectivity and incentives for “meaningful use”
- Purchase support is available through loan programs and the Medicaid incentives
- Regional extension centers should provide support for implementation and training
- Incentive dollars for Medicare can be as high as \$44K, for Medicaid as high as \$65K (covering 85% of allowable costs, pediatricians at 2/3 the rate)

Medicaid Economic Realities

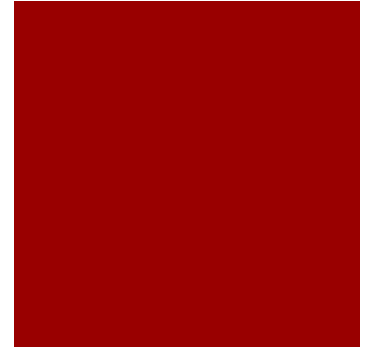


- Staffing freezes and cuts
- Reduced operating budgets
- Health reform and HIE/T initiatives cut back or on hold
- Increased application volumes and increased enrollment
- Safety net providers and vulnerable populations at risk
- Governors and legislatures considering how Medicaid financing plays a role in addressing budget shortfalls

How are States Responding?

- Broad range of responses based on politics, policy, leadership and past HIE/T progress
- Some states are at a standstill waiting for the governor and legislature to decide on the state's general ARRA response
- Other states have completed a detailed analysis with an eye toward leveraging every possible resource to advance health reform, HIT and HIE
- Challenge for the states and the Feds is planning versus expediency

Considerations in Your State



- Who has the lead or should have the lead?
 - State agency or state designated entity?
- Is there a road map? What are the leading health improvement/reform goals?
- Is it a coordinated effort e.g., a public-private partnership that includes all state programs or are there potentially competing/conflicting activities and applicants?
- How to navigate economic challenges and funding opportunities?
- Can you afford to pursue or not to pursue stimulus dollars?

Provider Considerations

- Your current technology adoption status
- Meaningful use – monitor and perhaps engage in the policy discussion
- Medicare vs. Medicaid incentives or disincentives
 - Doing nothing may expose your practice to reduced payment starting in 2016
- How EHR adoption may support changing market expectations

For more information:

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