

## Wyoming Department of Health, ARRA Impact –Health Information Technology

Medicaid is a federal-state program providing medical assistance for specified groups of low-income persons who are aged, blind, disabled, or members of families with children. Within federal guidelines, each state designs and administers its own program. Federal partners for Medicaid are Health and Human Services, Centers for Medicare and Medicaid (CMS). The ARRA Health Information Technology (HIT) funding includes \$2 billion in "jump-start" funding the Office of the National Coordinator for Health Information Technology. This is immediate, discretionary funding that the national coordinator can distribute via grants or low-interest loans to hospitals and physician practices for implementation of electronic health records and other HIT. The funding also includes \$17 billion in Medicare and Medicaid incentive payments for medical providers over a period of several years.

The HIT provision in the ARRA authorizes a 100% federal match for a portion of payments to encourage the adoption of EHR technology (including support services and maintenance) to certain Medicaid providers who meet established requirements. The state must prove to the Secretary that allowable costs are paid directly to the provider without any deduction or rebate; that the provider is responsible for payment of the EHR technology costs not provided for; and, that for costs not associated with purchase and initial implementation, the provider certifies meaningful use of the EHR technology. Across all eligible provider categories the provision provides Medicaid incentives towards the use of certified EHR technology based on a provider's involvement in the Medicaid program or other care for the uninsured and low-income populations. In addition the ARRA also allows for expanded funding to pediatricians, federally qualified health clinics (FQHCs), and rural health clinics (RHCs).

- 100 percent federal payment for state payments to certain Medicaid providers attributable to meaningful use of certified EHR technology.
- 90 percent federal payment for state payments attributable to reasonable administrative expenses for EHR technology.

Medicaid providers who may receive the incentive payments are:

- Eligible professionals with at least a 30% patient volume of Medicaid beneficiaries;
- Pediatricians, not hospital based and not described above, with at least 20 percent volume of Medicaid beneficiaries;
- Professionals who practice predominantly in a FQHC or RHC and at least 30% percent of their patient volume are Medicaid beneficiaries

For payments in the first year, (calendar 2011) a provider must demonstrate it is engaged in efforts to adopt, implement or upgrade certified EHR technology; for additional qualifying years the provider must demonstrate meaningful use of certified EHR technology. The state must assure these costs are not duplicated. The state must meet several criteria, including adequate oversight to receive FFP. This ARRA provision appropriates \$40 million for each of FYs 2009-2015 and \$20 million for each fiscal year afterward, through 2019. It is unknown exactly what that fiscal impact might be to our providers, however, we anticipate that the provider incentive will encourage participation with any corresponding projects the Department and the Governor's Office undertake to promote EHR use in Wyoming.

This Planning Advance Planning Document (PAPD) is required by the Centers for Medicare and Medicaid in order for states to receive ninety percent (90%) federal match for the planning for implementation activities for Medicaid provider incentive payments. State Medicaid programs must complete a State Medicaid HIT Plan (SMHP) to serve as the strategic 5 year vision for the Medicaid program. This is to include the plan, design, and development of a program to administer incentive payments to eligible Medicaid providers that implement certified electronic health record technology as well as support the EqualityCare program in oversight of incentive payments. This planning process will develop the initiatives and methods to implement the incentive payments and track meaningful use as required by CMS. Funding is at 90% federal match for all activities in the PAPD and the Department will use salary offsets and 302 (Governor approved) funding for the State 10%.