

STATE MEDICAID HIT PLAN (SMHP)

Many States have been moving toward interoperable health care technology and health information exchange for the last several years. The American Recovery and Reinvestment Act of 2009 (Recovery Act) health information technology (HIT) provisions afford States and their Medicaid providers with a unique opportunity to leverage these existing efforts to achieve the vision of interoperable information technology for health care. State Medicaid agencies will play a critically important role in fulfilling that vision.

To begin planning the implementation of Section 4201 incentive payments, Medicaid agencies should begin conversations with a range of stakeholders within and outside of State and Federal government to develop a common vision of how Medicaid's provider incentive program will operate in concert with the larger health system and statewide efforts. Based on these discussions, States should develop a Medicaid HIT vision document, referred to as the State Medicaid HIT Plan (SMHP) that includes clear targets and measurable outcomes, as explained below. The SMHP should be integrated with the Statewide plan for HIT developed under section 3013 of the Public Health Service Act and under the direction of the designated State entity. We expect that the SMHP will contain at least four components: a current landscape assessment, a vision of the State's HIT future, specific actions necessary to implement the incentive payments program, and a HIT road map. In addition, the plans should contain any other information the State may decide will be useful in communicating with CMS how it plans to implement the section 4201 provisions (e.g., HIT point of contact, whether in the State Medicaid agency or elsewhere). This deliverable will be the "plan" to determine how the incentive payments will be administered. It is not the implementation of such plan.

We expect that the SMHP would be developed by the State Medicaid agency, after consulting with other stakeholders across the State. The SMHP would be reviewed and approved by our CMS regional and central offices prior to any activities described in the SMHP actually being implemented. Furthermore, inclusion of an activity in the plan does not indicate that such activities will be eligible for Federal financial participation (FFP) during implementation. Based on forthcoming guidance and rulemaking, CMS and the Office of the National Coordinator for Health Information Technology (ONC) would review all SMHP and determine what activities are eligible for the Recovery Act HIT FFP. Enclosure C summarizes the SMHP-associated roles and responsibilities for both CMS and State Medicaid agencies. Enclosure D discusses CMS and ONC SMHP plan coordination.

STATE MEDICAID HIT PLAN CONTENTS

1. Current HIT Landscape Assessment – the "As-Is" Environment.

To begin, each State and CMS will need to have a common understanding of the current range of HIT activities occurring within the State today. To ensure that the incentive and administrative funds are being invested wisely and will result in meaningful use of certified electronic health record (EHR) technology, we believe it will be necessary for State Medicaid agencies to leverage existing resources already devoted to HIT in a way that supports the

section 4201 activities. In this way, the State will ensure that the incentive payments being made for EHR technology are fully integrated with already-existing health information technology.

As part of the SMHP, CMS requests that States develop a HIT Landscape Assessment that describes in detail current HIT activities and their impact on Medicaid beneficiaries. The State should describe the extent of HIT and health information exchange (HIE) activities currently underway within the Medicaid enterprise, including but not limited to Electronic Health Record technology adoption and relationships with other entities in the State. For example, a discussion of your State's Medicaid Management Information System's (MMIS) capabilities or functionalities to participate in health care data exchanges today, and a summary of your Medicaid Information Technology Architecture (MITA) State Self-Assessment should be included. Conducting an environmental scan of existing and/or duplicative health related legacy systems that may need updating or replacing and leveraging other existing opportunities such as the Medicaid Transformation Grantees and lessons learned will greatly benefit the planning process. States should also examine data to assess current rates of EHR adoption. This HIT Landscape assessment will result in a baseline assessment of the current HIT environment in your State.

2. Vision of the HIT Future – the “To-Be” Environment.

This component of the plan lays out each State's vision for what the State's “To-Be” HIT landscape would look like in 2014. States must initiate HIT discussions and activities with a diverse group of individuals, organizations, and institutions from within the State government ranging from State officials involved with public and behavioral health to child welfare and education, long term care, and vocational rehabilitation, among others. Discussions also should be held with persons outside of State government, including health care/safety net providers, associations, universities, foundations, and other Medicaid stakeholders. These discussions will enable the State Medicaid agency to develop a common vision of how Medicaid's provider incentive program will operate in concert with the larger health system and statewide efforts. Each State should include a description of this vision in their SMHP. The SMHP and road map should be consistent with State planning for section 3013 of the Public Health Service Act, so as to not duplicate efforts and to ensure support of a unified approach to health information exchange. CMS recognizes that this vision will be dynamic, and will work closely with States to monitor and adjust plans as appropriate.

3. Specific Actions Necessary to Implement the EHR Incentive Program.

The SMHP should detail specific actions that the State plans to take to implement the EHR incentive program. While CMS will be providing further details through rulemaking regarding eligibility for incentive payments and on coordinating with the Medicare program to prevent duplicate payments, States can review the Recovery Act legislation and provide preliminary details regarding the actions they believe will be necessary for these activities. States should explain their preliminary views regarding specific actions for defining and verifying eligibility for the incentive payments, processing payments, and preventing

duplicative incentive payments for those providers eligible under both Medicare and Medicaid programs.

4. HIT Road Map.

The State should develop and include in the SMHP a Medicaid HIT Road Map. This Road Map will serve as the State Medicaid agency's strategic pathway to move from the current "As-Is" HIT Landscape to the desired "To-Be" HIT Vision. It should focus on the State Medicaid agency's role, describe how the State plans to oversee the 100 percent provider incentive payments, and identify clear, quantifiable benchmarks – minimally on an annual basis – that will allow the State and CMS to gauge progress toward achieving the To-Be Vision. While it may not be possible to identify precisely the percentage of eligible Medicaid providers that will use certified EHR technologies in meaningful ways, or how to measure progress several years from now, these targets can be revised and achieved over time through updates to the SMHP.

Finally, we expect the State to include in the SMHP their vision for Medicaid to become part of existing or planned Federal, regional, statewide, and/or local health information exchanges (HIE) with projected dates for achieving objectives of the vision where appropriate. State plans should build off of existing efforts to advance regional and State level HIE, facilitate and expand the secure, electronic movement and use of health information according to nationally recognized standards, and move towards nationwide interoperability. Regarding the MMIS, each State should consider the types of changes that may be needed to transform its current MMIS into one capable of accommodating this future vision in a manner consistent with MITA Framework 2.0. While States are likely to have a clear vision of the near-term steps they will need to take to achieve this vision, CMS recognizes that future steps may need to be adjusted due to unforeseen events.

As States begin the process of developing and seeking approval of their SMHPs, CMS will provide further guidance regarding implementation of the SMHPs and compliance with section 4201 of the Recovery Act. States should seek prior approval, through their regional office, before initiating planning activities. States should **NOT** begin implementation activities until CMS issues future guidance on the Recovery Act HIT requirements or States risk not receiving FFP for incentive payments due to non-compliance. Additionally, inclusion of activities in the SMHP does not assure the availability of FFP through the Recovery Act administrative match. Approval of FFP will be determined based on future guidance and rulemaking.