"Meaningful Use" - A State & National Goal
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Medi-Cal EHR Incentive Program

- Introduction –About Medi-Cal
- History-Where have we been?
- Current Activities-Where are we going?
- Forward-What can you do?

About Medi-Cal

- Is the nation’s largest Medicaid program in terms of the number of people it serves, **6.8 million**, and is the second largest in terms of dollars spent, **$47 billion**.

***Medi-Cal FACTS AND FIGURES*, September 2009 (http://www.chcf.org/publications/)**

About Medi-Cal

- Is the source of health coverage for:
  - More than one in ten adults in the state under age 65
  - One in three of the state’s children
  - The majority of people living with AIDS in California.

About Medi-Cal

- Pays for:
  - Forty-six percent of all births in the state;
  - Care supplied to two-thirds of all nursing home residents; and
  - Almost two-thirds of all net patient revenue in California's public hospitals

HIT History

Where have we been?

Medicaid Transformation

- In 2006, Congress approved $150 million for Medicaid "transformation grants" in the Deficit Reduction Act of 2005 to be distributed over fiscal years 2007 and 2008
- The Center for Medicare & Medicaid Services (CMS) awarded grants to 35 states for transformation

Medicaid Transformation Grant Process Outcome

- National Leadership – Creation of the National Medicaid Director's Multi-State Collaboration
- California Leadership – Collaboration of stakeholders across the state and funding opportunities

Promoting the Adoption of E-Prescribing

- Completed system changes to deliver medication histories and drug formulary file to the point of care
  - Northern Sierra Rural Health Network
  - Safety Net Institute pilot
- Statewide E-Prescribing Consortium

February 2009 Passage of ARRA/HITECH

- Encourage the ***adoption and Meaningful use*** of certified electronic health record (EHR) technology by the States to:
  - Improve health care ***outcomes***
  - Improve ***care***
  - Ensure ***quality***
  - Permit greater ***access*** to care
  - Reduce ***costs***
- EHR technology is *not an end in itself* but a means to achieve the goals.

“Meaningful Use”

- Three requirements for meaningful use
  - Using certified EHR in a meaningful manner (includes e-prescribing)
  - Connecting certified EHR to exchange health information to improve quality of care
  - Submit data on clinical quality measures to CMS or the State

Statewide HIE
Meaningful Use Priorities

- E-prescribing and medication reconciliation
- Electronic lab ordering and results reporting
- Continuity of care
- Administrative transactions (claims and eligibility)
- Public health reporting
- Quality reporting

How can we ensure Meaningful Use?

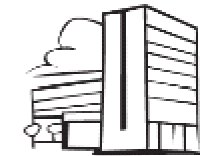
MMIS System will include

- HIE Infrastructure
- Existing Data Warehouse Capabilities
- MITA Implementation Planning
- Align State Medi-Cal HIT Plan with MITA

Funding Flows – Entitlements

Entitlement Funds (Up to $45 billion in gross outlays)

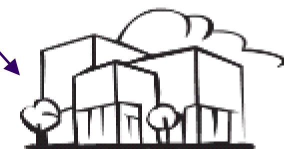
Program	Distribution Agency*	Use of Funds
Medicare Payment Incentives	CMS	Incentive Payments through Carriers
Medicaid Payment Incentives	CMS and states	Incentive Payments through State Agencies



Acute Care and Children's Hospitals

Physicians and Dentists

Nurse Practitioners and Midwives



FQHC

"Meaningful Use"

Source: California HealthCare Foundation, 2009
CMS is Center for Medicare and Medicaid Services,

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Medicaid Eligible Hospitals

Acute care hospital	> 10% Medicaid share, Ave LOS $\leq$ 25 days, Last 4-digits of Medicare CCN = 0001-0879
Children's hospital	All

- Hospitals eligible for incentive under Medicare and Medicaid may receive both payments.

Eligible Provider Types

- Physicians
- Dentists
- Certified Nurse Mid-wives
- Nurse Practitioners
- Physician Assistants (PA) practicing in a PA-led FQHC or Rural Health Clinic

Medicaid Eligible Professionals

Eligible Professionals must choose between the Medicare and Medicaid programs

- Must be non-hospital based with at least 30% medical assistance patient volume, or
- Practice in an FQHC or RHC and have 30 percent of patient volume attributable to "needy" individuals

Potential Medicaid Provider Incentives

Year	Amount
Year 1:	$21,250
Year 2:	$8,500
Year 3:	$8,500
Year 4:	$8,500
Year 5:	$8,500
Year 6:	$8,500
Total:	**$63,750**

- Year 1 payment for adoption of certified EHR—demonstration of actual installation, not efforts to install. May recapture 85% of costs.
- Year 2-6 payments contingent on provider demonstrating “meaningful use” of the EHR
- Year 1 payment does not need to be in 2011, but cannot be later than 2016.
- One time switch to Medicare incentive program if before CY2015.
- No penalties for failure to adopt certified EHRs.

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Year 1 Adoption

- NPRM States - Must demonstrate actual installation prior to incentive, rather than "efforts" to install
- Staffing, maintenance and training are included in allowable costs

Differences Between Medicaid and Medicare Incentive Payments

- Medicaid participation is voluntary
- Provider types significantly broader
- No Medicaid financial penalties to Medicaid providers for not adopting

Differences Between Medicaid and Medicare Incentive Payments

- Incentive payments are potentially higher than for Medicare
- Time period for which incentives are available extend to 2021 (compared to 2015 for Medicare)
- No "meaningful use" required in Year One – Adopt, Implement or Upgrade

Administrative Funds for Medi-Cal EHR Incentive Program

- 90% Federal Match for Three Purposes
  - Administer the incentive payments
  - Conduct oversight
  - Pursue initiatives to encourage adoption of EHR technology

Medi-Cal EHR Incentive Program Planning

What are we doing to prepare?

California Healthcare Foundation

- Foster Relationships with HIT Leaders
- Leverage Resources (staff & funding)
- Maximize HITECH Funding Opportunity
- Ensures sustainable success of the Medi-Cal EHR Incentive Program

Medi-Cal EHR Incentive Program Vision Statement

The health and well-being of all Californians will be dramatically improved by the widespread adoption and use of Electronic Health Records

Medi-Cal EHR Incentive Program Planning

- September – CMS provided Direction to States for HIT P-APD funding requests
- November - California received approval of $2.8m
  - To create the Office of Health Information Technology
  - To create a Landscape Assessment, Campaign Plan, Strategic, HIT Implementation Plan

Landscape Assessment

– Provider Landscape Assessment
  - Current Rate of Adoption
  - Attitudes towards EHR

– Vendor Landscape Assessment
  - Product features and flexibility

Strategic Plan

- Set policies and procedures for the program
- Five-Year Plan (2011-2016) identifying initiatives and system changes necessary for "meaningful use" and adoption of EHR
- Identify performance goals and metrics for the Medi-Cal EHR Incentive Program

Campaign Plan

- Plan to educate, increase awareness, encourage adoption and ensure that investments in EHRs meet meaningful use criteria

Implementation Plan

- Systems to:
  - verify providers meet criteria
  - make accurate and timely incentive payments
  - measure and track performance
  - techniques to report progress to the public

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Medi-Cal EHR Incentive Program Planning

- Planning Efforts to date
  - Creation of the Advisory Board
  - Provider Landscape Assessment
  - Vendor Landscape Assessment
  - Return On Investment

Medi-Cal EHR Incentive Advisory Board

Representatives	Organizations
Bill Barcellona	California Association of Physician Groups
Erica Murray	California Association of Public Hospitals
Chris Perone	California Health Care Foundation
Pam Lane	California Hospital Association
David Ford	California Medical Association
Andie Martinez	California Primary Care Association
Robert Moore, MD	Community Health Clinic Ole & Redwood Community Health
Mark Savage	Consumers Union
Paul Chung Fu, MD	Harbor-UCLA Medical Center
Brad Gilbert, MD	Inland Empire Health Plan
John Mattison, MD	KP HealthConnect
Sajid Ahmed	LA Care
Laura Landry	Long Beach Network for Health
Patricia Ostrander, MD	Mercy Medical Group
Ron Jimenez, MD	Santa Clara Valley Health and Hospital System

Medi-Cal EHR Incentive Program Planning

Landscape Assessment

Initial Findings

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Funding-Best Case Scenario

If all eligible inpatient facilities and outpatient providers apply for and receive incentive funding, California can expect to receive $1.4 billion in Medicaid incentive funds across the State for adoption of EHRs

Impact to California - Existing Proposed Eligibility Criteria

– **Eligibility criteria as outlined by CMS exclude key groups within both the inpatient and outpatient community**

Existing Proposed Eligibility Criteria

Example:

- Hospital-based outpatient clinics, representing ~18% of CA physicians, are not eligible for incentive funding

Examples (Continued)

Only 32% of critical access hospitals are eligible for incentive funding given a tendency to have long-term care units and predominance of CCN provider numbers outside of those deemed eligible by CMS

Examples (continued)

19% of DSH hospitals are ineligible

and

38% of rural/frontier hospitals are also ineligible

Summary

Hospitals with both acute-care and long-term care beds are effectively penalized as a result of their total average LOS exceeding CMS-mandated eligibility requirements (< 25 days)

Public Comments Needed On Who Can Play

Definition	Issue
"Hospital-based" physician: 90% of services with POS codes 21,22,23.	Excludes large number of primary care providers who practice in hospital-based outpatient clinics and faculty of academic medical centers
"Acute care" hospital: Average LOS ≤ 25 days and Medicare CCN with last four digits in the series 0001-0879	Excludes hospitals classified as LTC hospitals under Medicare to be eligible under Medicaid.
"Children's hospital": two definitions 1. Separately certified (CCN with last four digits 3300 -3339 <u>or</u> 2. Free-standing hospitals that furnish care exclusively to individuals under age 21.	Children's wings of a general hospital would not qualify for Medicaid incentive programs under either definition.

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What can you do?
Public Comment on NPRM

- Meaningful use regulations can be accessed at: http://www.federalregister.gov/OFRUpload/OFRData/2009-31217_PI.pdf.
- Regulations for certification of EHRs can be accessed at: http://healthit.hhs.gov/standardsandcertification

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What can you do?
Public Comment on NPRM

- Comments due by March 15, 2010
- Send comments to: http://www.regulations.gov
- Send us comments at:

Medi-Cal_Incentive@dhcs.ca.gov

Visit us at: http://www.dhcs.ca.gov

Questions?