

Opportunities for Transforming the Health Care Delivery System



Pennsylvania Medical Assistance Program

ARRA and Medicaid

- **American Recovery and Reinvestment Act (ARRA) provides over \$19 billion in funding to promote the adoption of certified electronic health records (E.H.R.) by Medicaid and Medicare eligible providers and hospitals.**
- **ARRA also makes administrative funds available for States to:**
 - **Pursue initiatives to encourage the adoption of certified E.H.R. technology by eligible Medicaid providers**
 - **Track meaningful use of E.H.R. by eligible Medicaid providers**
 - **Conduct adequate oversight of the program, including tracking of provider incentive payments**

Eligible Non-hospital Based Medicaid Providers

- Physicians, dentists, nurse practitioners, certified nurse midwives, and certain physician assistants with 30% of their patient volume from individuals receiving medical assistance (MA).
- Pediatricians with 20% of their patient volume from individuals receiving MA, and
- Providers that practice in a FQHC or rural health clinic with at least 30% of patient volume comprised of “needy individuals” (includes SCHIP assistance, uncompensated care and patients charged on a sliding scale based on ability to pay).

Eligibility Requirements and Payments for Hospitals

- Children's hospital or acute care hospital with 10% of their patient volume from individuals receiving MA.
- Hospital incentive payments are statutorily defined by formula.
- Hospitals can receive payments from both Medicaid and Medicare.

Payments for Eligible Providers

- Up to 85 percent of the net average allowable costs for certified EHR technology, including support and training.
- Up to \$21,250 for the first year of payment for the initial purchase and adoption of certified EHR technology, and up to \$8,500 annually over 5-years for costs relating to the operation, maintenance and demonstration of meaningful use of such technology.



Health Information Records

- **EMR – Electronic Medical Record**
 - Health-related information on an individual that is created, managed, and consulted by authorized clinicians and staff within one healthcare organization
- **EHR – Electronic Health Record**
 - Health-related information on an individual that conforms to nationally recognized interoperability standards and that can be created, managed, and consulted by authorized clinicians and staff across more than one healthcare organization.



Health Information Exchange

- **HIE - Health Information Exchange**
 - The sharing of clinical and administrative data across the boundaries of health care institutions and providers
- **PHIX – PA Health Information Exchange**
 - A statewide utility that connects regional HIE's and integrated health systems.

Potential Outcomes through Health Care Electronic Transformation

- **Increased Quality** – Better information to support clinical decisions by providers increases quality while reducing costs.
- **System Savings** – Eliminating duplicative services and administrative inefficiency results in better care coordination.
- **System Redesign** – Opportunities for health care innovation leads to budget savings in the public sector.

Vision

Medicaid will assist in the transformation of the health care delivery system by using health information exchanges to bridge the gap between and among providers and patients.



The Health Care Delivery System Today



Hospital Care



MCO



State Agency



Specialists

Lab Results



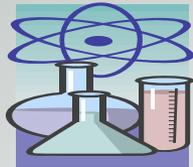
MA Consumer



Primary Care Provider



payors



Research



Diagnostics



Pharmacy

How do we Reach Our Vision By Building Bridges

- **Medicaid must use health information technology to bridge the chasm between the provider and patient and transform the health care delivery system.**

Rick Friedman, Director, CMS/CMSO

- **Walls keep us protected....., bridges get us somewhere else.**

John Lennon

Medicaid's Role

in Removing Walls & Bridging the Chasm

- Conduct Provider & Consumer outreach, education & engagement
- Engage & participate with health care providers in training opportunities to adopt & use Health Information Technology
- Channel funds to providers to help defray the cost of adopting the use of Health Information Technology
- Coordinate health information technology & health information exchange efforts
- Offer guidance regarding program requirements
- Evaluate, Evaluate, Evaluate

The Building Stages

2009

2010

2011

2012 - 15

Building the Bridge

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2009 : Planning and Design Begins

Building the Bridge

- **Vision**
- **Education**
- **Environmental Assessment**
- **Certified Electronic Health Records**

2010 : Construction Begins

Building the Bridge

- **Medicaid Strategic Plan**
- **Health Information Exchange and Partnering Opportunities**
- **Meaningful Use**

2011: Utilization Begins

Building the Bridge

- **Incentive Payments**
- **Monitoring**
- **Quality Initiatives**

2012-2015: Maintaining the Operation

Building the Bridge

- **Incentive Payments**
- **Monitoring**
- **Quality Initiatives**

The Transforming Health Care Delivery System



Next Steps

Provide regular updates to the MAAC and seek input on upcoming issues.

Seek representation from the Medical Assistance Advisory Committee (MAAC) to participate in a working group focused on Health Information Technology (HIT)

Working Group Responsibilities:

- Participate in discussions on HIT issues and updates and offer feedback from the various consumer and provider communities
- Identify and discuss current and potential OMAP quality initiatives
- Identify and discuss regulatory issues necessary to support implementation of HIT