

## Overview of HIT Provisions in American Recovery & Reinvestment Act (ARRA)

Sponsored by:

- Minnesota e-Health Initiative
- Minnesota Department of Health
- Minnesota Department of Human Services

**March 18, 2009**

Moderator:

**Marty LaVenture, MPH, PhD**

Director, Center for Health Informatics & e-Health  
Minnesota Department of Health



## The Minnesota e-Health Initiative

**A public-private collaboration established in 2004**

- Legislatively chartered
- Coordinates and recommends statewide policy on e-Health
- Develops and acts on statewide e-health priorities
- Reflects the health community's strong commitment to act in a coordinated, systematic and focused way

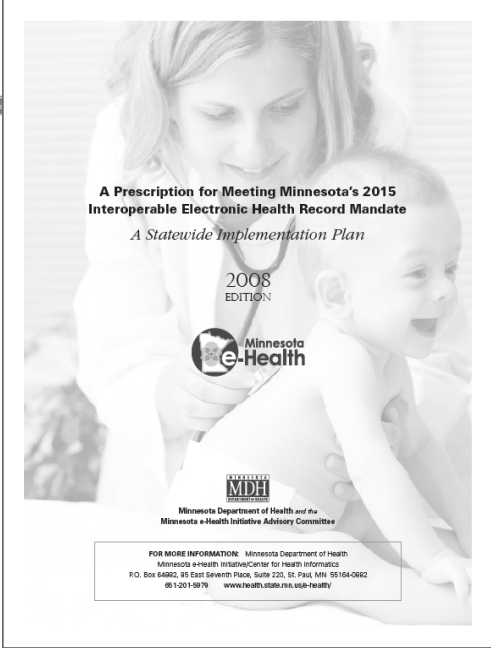


**“Vision:** ... accelerate the adoption and effective use of **Health Information Technology** to improve healthcare quality, increase patient safety, reduce healthcare costs, and enable individuals and communities to make the best possible health decisions.”



Source: e-Health Initiative Report to the MN Legislature, January 2004





**A Prescription for Meeting Minnesota's 2015 Interoperable Electronic Health Record Mandate**  
*A Statewide Implementation Plan*

2008 EDITION

Minnesota e-Health

MDH  
Minnesota Department of Health and the  
Minnesota e-Health Initiative Advisory Committee

FOR MORE INFORMATION: Minnesota Department of Health  
Minnesota e-Health Initiative/Center for Health Informatics  
P.O. Box 64892, 915 East Seventh Street, Suite 220, St. Paul, MN 55164-0892  
(612) 201-5879 www.health.state.mn.us/e-health

## Minnesota's Statewide Implementation Plan

**Components of the Plan**


- Part 1: Background
- Part 2: Minnesota Model for EHR Adoption
- Part 3: Emerging Issues
- Part 4: Recommendations

**Appendices**

- Guide 1: Addressing Common Barriers
- Guide 2: Minnesota e-Health Standards

**Special Interest Area:**

- # 1 Long Term Care
- # 2 Public Health

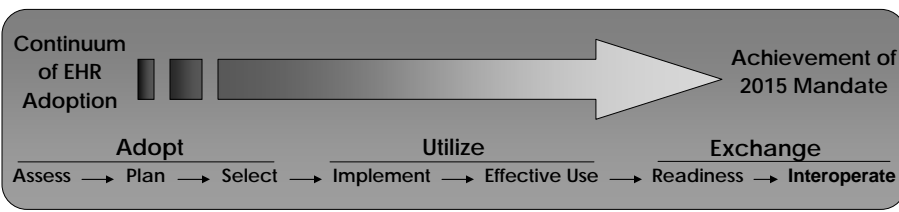


Available at: <http://www.health.state.mn.us/ehealth/ehrplan.html>

## Minnesota Model for Adopting Interoperable Electronic Health Records


- Breaks achieving the 2015 Mandate into manageable steps
- Applies across organizational settings

Continuum of EHR Adoption Achievement of 2015 Mandate



Adopt
Utilize
Exchange

Assess
→
Plan
→
Select
→
Implement
→
Effective Use
→
Readiness
→
Interoperate



## Our Speakers & Panel Members

- *Dr. James Golden, Minnesota Department of Health*
- *Larry Woods, Minnesota Department of Human Services*
- *Liz Carpenter, Minnesota Department of Health*
- *Dr. Jennifer Lundblad, Co-Chair  
Minnesota e-Health Advisory Committee*
- *Walter Cooney, Co-Chair  
Minnesota e-Health Advisory Committee*



## Meeting Agenda

- Overview of ARRA Provisions Related to HIT
- Estimated Timelines & Minnesota Approach to Maximize Opportunities
- Minnesota Approach to HITECH Medicaid Incentive Payments
- Panel Discussion and Questions from the Audience



## Plan for Panel Discussion & Submitting Questions

- **Webinar Participants:**

*Please submit questions via online chat*

- **Live Audience:**

*Please use 3x5 cards to submit questions*

*Pass to center aisle*

- Questions will be compiled and posted as Frequently Asked Questions on MDH HITECH site following the meeting.



## Overview of HIT Provisions in American Recovery & Reinvestment Act

**Presented at the Public Meeting**

Wednesday, March 18, 2009

**James I. Golden, Ph.D.  
Minnesota Department of Health**



## Minnesota e-Health Initiative Vision



“... accelerate the adoption and effective use of **Health Information Technology** to improve healthcare quality, increase patient safety, reduce healthcare costs, and enable individuals and communities to make the best possible health decisions.”

Source: e-Health Initiative Report to the MN Legislature, January 2004



## Stimulus Package Vision

The HIT Policy Committee shall make recommendations for...

One Hundred Eleventh Congress  
of the  
United States of America  
AT THE FIRST SESSION  
*Began and held at the City of Washington on Tuesday,  
the sixth day of January, two thousand and nine*

An Act  
Making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,  
SECTION 1. SHORT TITLE.  
This Act may be cited as the "American Recovery and Reinvestment Act of 2009".

“(v) The use of certified electronic health records **to improve the quality of health care**, such as by **promoting the coordination of health care** and improving continuity of health care among health care providers, by reducing medical errors, **by improving population health**, by reducing health disparities, by **reducing chronic disease**, and by advancing research and education.”



**American Recovery and Reinvestment Act of 2009  
HIT Provisions**

**“HITECH Act”**

*Health Information Technology for Economic and  
Clinical Health Act*

Invests \$31 billion in health information technology infrastructure and Medicare and Medicaid incentives to encourage doctors and hospitals to use HIT to electronically exchange patients’ health information.



**American Recovery and Reinvestment Act of 2009  
HIT Provisions**

- \$2 billion in direct funding for health IT efforts through the Office of the National Coordinator
  - \$300 million reserved for supporting regional health information exchange efforts
  - \$20 million reserved for National Institute on Standards and Technology
- Incentives through Medicare and Medicaid to providers and hospitals that adopt and use health IT systems
  - Starting in 2011 and increases the deficit by \$29 billion through 2019.
  - Includes Medicare penalties that kick in 2015
  - Health IT expected to reduce federal spending by approximately \$12 billion



**American Recovery and Reinvestment Act of 2009  
HIT Provisions: Title XIII of HR 1**

- Subtitle A: Office of the National Coordinator
- Subtitle B: National Institute of Standards & Technology
- Subtitle C: Grants and Loan Funding
- Subtitle D: Improved Privacy & Security Provisions
- \$2 Billion in funding for these Subtitles



**American Recovery and Reinvestment Act of 2009  
HIT Provisions: Title XIII of HR 1**

**Subtitle A: Office of the National Coordinator**

- Establish a Federal Health IT Strategic Plan
- Establish an HIT Policy Committee
  - Guide implementation of the Strategic Plan
- Establish an HIT Standards Committee
  - Recommend standards, implementation specifications, and certification criteria
- Name Chief Privacy Officer of ONC
- Provide \$300 million to support regional health information exchange



**American Recovery and Reinvestment Act of 2009  
HIT Provisions: Title XIII of HR 1**

**Subtitle B: National Institute of Standards & Technology**

- Pilot testing of standards and implementation specifications
  
- Establish health care information integration research centers
  - Grants awarded on a merit-reviewed, competitive basis
  - Higher education institutions apply through NIST



**American Recovery and Reinvestment Act of 2009  
HIT Provisions: Title XIII of HR 1**

**Subtitle C: Grants and Loans Funding**

Invest in the infrastructure necessary to allow and promote the electronic exchange and use of health information consistent with the goals in the strategic plan

- **Establish an HIT extension program**
  - to provide health information technology assistance services
  
- **Establish regional HIT extension centers**



**American Recovery and Reinvestment Act of 2009  
HIT Provisions: Title XIII of HR 1**

**Subtitle C: Grants and Loans Funding**

- **State Grants to Promote HIT**
  - Required of HHS Secretary
  - Planning & Implementation Grants
  - State Match Required
    - FY 2010, To be determined
    - FY 2011, \$1 of State funds for each \$10 of Federal funds
    - FY 2012, \$1 of State funds for each \$7 of Federal funds
    - FY 2013, \$1 of State funds for each \$3 of Federal Funds



**American Recovery and Reinvestment Act of 2009  
HIT Provisions: Title XIII of HR 1**

**Subtitle C: Grants and Loans Funding**

- **Grants to States for Loan Programs**
  - Optional for the HHS Secretary
  - Use of Loan
    - Facilitate purchase and utilization of certified EHRs
    - Train personnel on EHRs
    - Improve exchange of health information
  - Match: \$1 of State funds for each \$5 of Federal funds
  - Help finance capital expenses to meet requirements for HIT incentive payments



## **American Recovery and Reinvestment Act of 2009 HIT Provisions: Title XIII of HR 1**

### **Subtitle C: Grants and Loans Funding**

- **Grants to Develop Academic Curricula**
  - Optional for HHS Secretary
  - Demonstration projects to develop academic curricula integrating certified EHR technology in the clinical education of health professionals
  
- **Promote Information Technology Professionals in Health Care**
  - Required of the HHS Secretary
  - Assistance to institutions of higher education to establish or expand medical health informatics education programs
  - Priority to existing education/training programs and programs designed to be completed in less than six months.



## **American Recovery and Reinvestment Act of 2009 HIT Provisions: Title XIII of HR 1**

### **Subtitle D: Improved Privacy & Security Provisions**

- Substantive changes to HIPAA statutory provisions and privacy and security regulations.
- Enhanced enforcement of HIPAA
- Provisions to address health information held by some entities not covered by HIPAA



## American Recovery and Reinvestment Act of 2009 HIT Provisions: Title IV of HR 1

### Medicare Incentive Payments for Professionals

- If physicians are using a qualified EHR in 2011 or 2012, they can receive up to \$44,000 through Medicare
- Physicians practicing in “health professional shortage areas” can receive a 10% additional payment, for a total of \$48,400
- Applies to all physicians who can prove use of a qualified EHR, regardless of purchase date
- **Meaningful EHR User**
  - Using certified EHR technology
  - Demonstrates information exchange
  - Reports clinical quality measures



## American Recovery and Reinvestment Act of 2009 HIT Provisions: Title IV of HR 1

### Medicare Incentive Payments for Hospitals

- Hospitals can receive up to \$8 million over four years if they are using health IT starting in 2011
- Paid only a pro-rated amount of the total based on Medicare share and transition factor
- Critical Access Hospitals are eligible for incentives that cover actual costs based on Medicare share plus 20%
  - Covers and average of 86% of allowed costs
- Medicare Payments reduced for non-users beginning in 2015



## American Recovery and Reinvestment Act of 2009 HIT Provisions: Title IV of HR 1

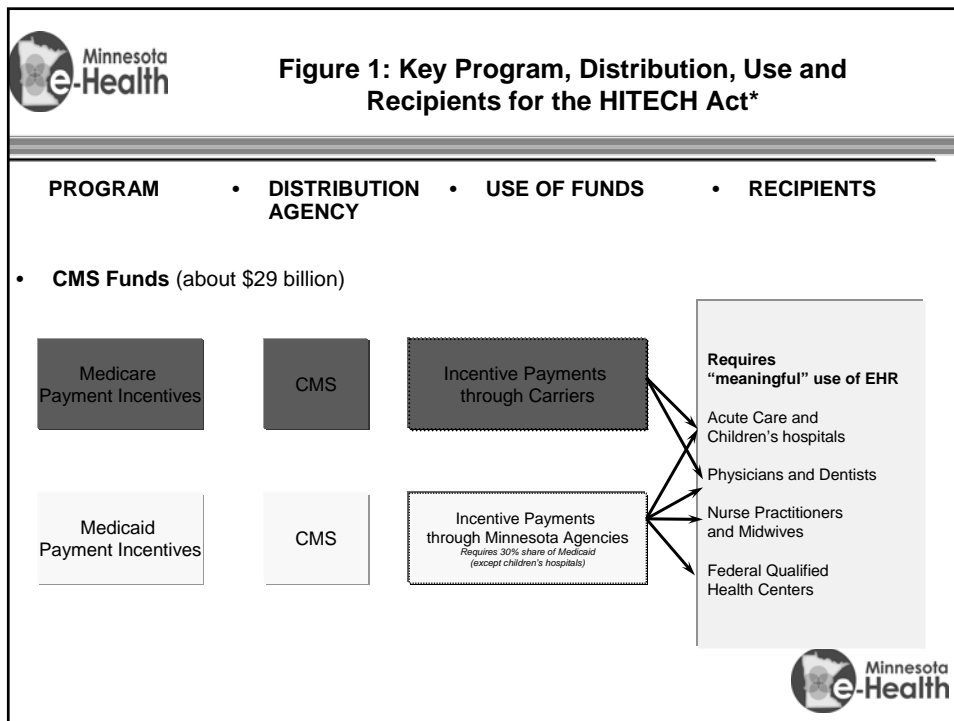
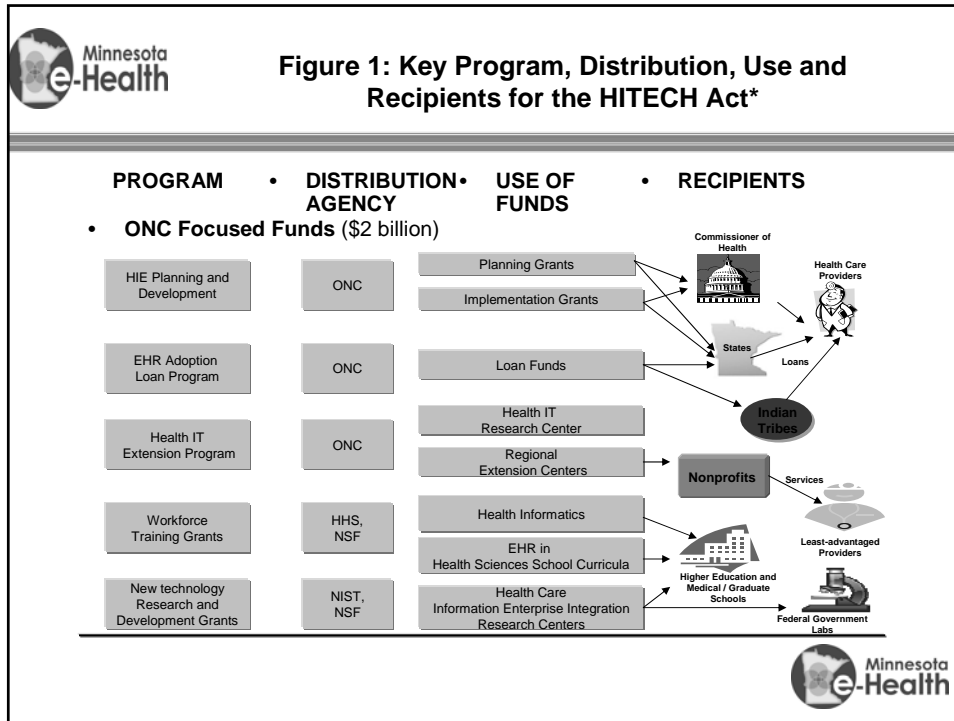
### Medicaid Incentive Payments

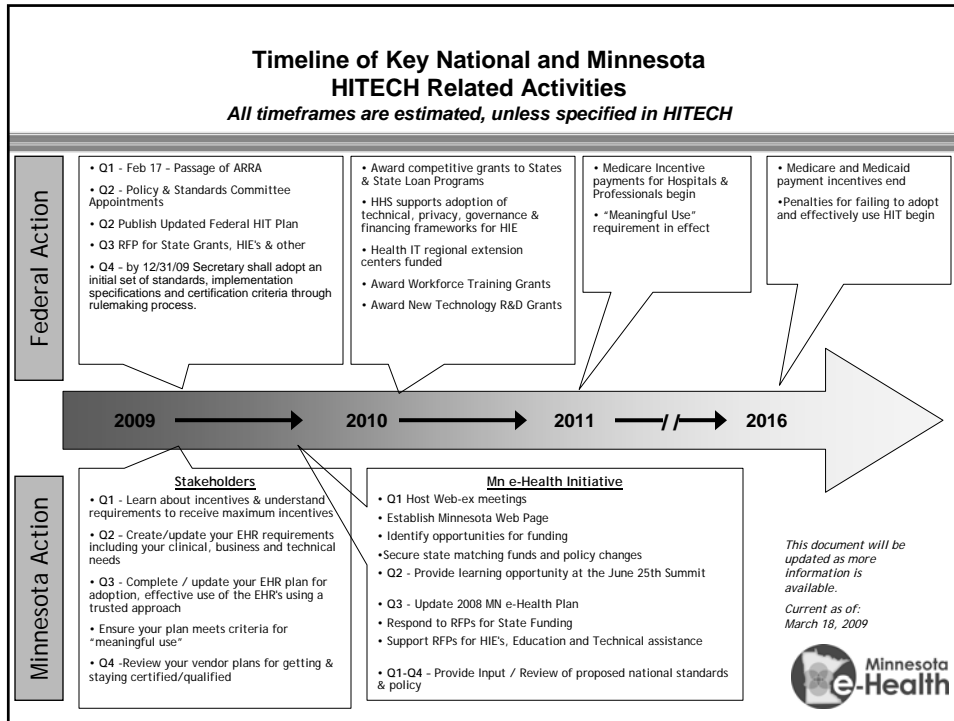
- New Medicaid payments to certain providers with high Medicaid volumes to cover the providers costs for acquiring, using and maintaining certified EHR technology.
  - Payments can cover up to 85% of the providers' costs and are matched at 100% FFP.
  - Minnesota's costs for administering the payments would be matched at 90% FFP.
  - The state would be responsible for covering 10% of the costs of administering the new payments.
- Payments can be made to:
  - Children's hospitals (regardless of Medicaid patient volume)
  - Acute care hospitals with at least a 10% Medicaid patient volume
  - A professional in a FQHCs or RHC with at least a 30% needy individuals
  - Other non-hospital based professionals with at least 30% Medicaid patient volumes
  - Pediatricians with at least a 20% Medicaid patient volume



## Opportunities & Estimated Timeline









## American Recovery and Reinvestment Act 2009 Medicaid Incentive Program

**March 18, 2009**

**Larry Woods, Director, Health Care Operations  
Minnesota Department of Human Services**

**American Recovery and Reinvestment Act 2009  
Medicaid Incentive Program**

Goals

- Encourage the practice of secure health care information following the patient to improve quality of care.
- Provide an incentive program to encourage and reward meaningful use of certified electronic health technology.



Minnesota Department of Human Services



**American Recovery and Reinvestment Act 2009  
Medicaid Incentive Program**

Meaningful use

- Each state defines meaningful use for approval by DHHS.
- Preliminary guidance includes use of certified EHR, information exchange, and reporting on clinical quality measures.
- National standards committee expects to publish certification standards for EHRs by 12/31/09.



Minnesota Department of Human Services



**American Recovery and Reinvestment Act 2009  
Medicaid Incentive Program**

Incentive payments

- For eligible providers participating in electronic exchange of data including those already using EHR.
- Federal incentive 85% of practitioner investment. CMS will determine average allowable cost.
- Practitioner program maximum set by HHS secretary by 12/31/09. Maximum of 85% of \$25K for initial acquisition and \$10,000 for subsequent years with maximum participation at 6 years.
- Hospital reimbursement for Medicaid has no declining percentage in the formula for years 2 through 4, unlike the Medicare arrangement.



Minnesota Department of Human Services



**American Recovery and Reinvestment Act 2009  
Medicaid Incentive Program**

Eligible providers

- Non-hospital based professionals with at least 30% Medicaid patient volume.
  - ✓ Physicians, dentists, certified nurse mid-wives, nurse practitioners, and physicians assistants in physician-assistant led FQHCs.
- Non-hospital based pediatricians with at least 20% Medicaid patient volume.
- Children's hospitals.
- Acute care hospitals with at least 10% Medicaid patient volume.
- FQHCs or Rural Health Clinics with at least 30% needy individuals.



Minnesota Department of Human Services



**American Recovery and Reinvestment Act 2009  
Medicaid Incentive Program**

Issues

- Non-hospital based practitioners must choose between Medicaid and Medicare incentive.
- How Medicaid patient volume will be measured.
- MN populations with unique needs.
  - ✓ Which populations in MN have unique needs to be determined.
- HHS will need an “environmental scan” of current HIT activity in MN; and a roadmap to achieve goals as identified in the statewide e-health plan



Minnesota Department of Human Services



**American Recovery and Reinvestment Act 2009  
Medicaid Incentive Program**

Federal guidance – 12/31/09

- Published standards for certified or qualified EHR.
- Approved definition of meaningful use of EHR.
- Guidelines for payment structure, reimbursable items, and limits.
- Guidelines of provider related activities eligible for Medicaid incentive payments.



Minnesota Department of Human Services



**American Recovery and Reinvestment Act 2009  
Medicaid Incentive Program**

For more information:

MN HITECH – [www.health.state.mn.us/e-health/hitech.html](http://www.health.state.mn.us/e-health/hitech.html)

DHS Provider Web Page – coming soon



Minnesota Department of Human Services



**Panel Discussion**

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- *Larry Woods, Minnesota Department of Human Services*
- *Liz Carpenter, Minnesota Department of Health*
- *Jennifer Lundblad, Co-Chair  
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## Handouts and Resources

[www.health.state.mn.us/e-health/hitech.html](http://www.health.state.mn.us/e-health/hitech.html)

### Handouts / Resources

- Agenda
- Factsheets
  - Medicare – Hospital
  - Medicare-Professionals
  - Medicaid incentives
- Resource list
- Timeline
- Figure 1: Key Program, Distribution, Use and Recipients for the HITECH Act
- Slides from Today
- Minnesota Statewide Plan - 2008



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# For More Information

[www.health.state.mn.us/e-health/hitech.html](http://www.health.state.mn.us/e-health/hitech.html)

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