

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 Department of Health and Human Services will define the degree to which jump-start funds are grants or loans.

The funding also includes \$17 billion in Medicare and Medicaid incentive payments for medical providers over a period of several years. Physicians who have not adopted certified electronic records systems by 2014 will see decreased reimbursement. Currently states do not receive federal financial participation for the purchase, adoption and use of electronic health records, or for the operation and maintenance of such systems.

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 certain 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 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 (not hospital based) 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;
- Professional who practices predominantly in a FQHC or RHC and at least 30% percent volume of Medicaid beneficiaries

For payments in the first year, 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. Wyoming Medicaid will take full advantage of any funding for which we or our providers may qualify. It is unknown 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 undertakes to promote EHR use in Wyoming. There would be an administrative burden associated with participating, and it appears that the state may be reimbursed for those costs.