

Update on Developments Regarding ARRA Stimulus Bill

Janie Miller, Secretary
Cabinet for Health and Family Services



Initial KHIE Funding

- Medicaid Transformation Grant (MTG) awarded February, 2007
- Original award: \$4,987,583
- Remaining funding (end of Q2, 2009): \$4,499,292
- Funding must be used by March 31, 2010 or refunded to CMS

KHIE Development Status

- RFP released 12/15/2008
- RFP closing date 02/13/2009
- Numerous proposals received
- Evaluation ongoing

KHIE Core Components Funded by MTG

- Master Patient/Person Index (MPI)
- Record Locator Service (RLS)
- Security
- Provider/User Authentication
- Logging and Audits
- Alerts

ARRA – A New Era Role of States

Transition

- Moving from primarily voluntary, state-led, state initiatives
- States have been the innovator to date in
 - Developing broadband access
 - Reviewing policies for security and privacy
 - Working on standards for data and secure data storage
 - Developing software to support HIE
- However, nationwide progress is uneven and spotty
- After ARRA – government-led, incentive based efforts
- Recognition at state and now federal level that Health Information Technology (HIT) and Health Information Exchange (HIE) are important tools to support
 - Better quality health care
 - Reduction in medical errors
 - Elimination of waste and duplicative services
 - Improvement in population health management

ARRA – A New Era Role of States

- Equation becoming clear that investment in HIT plus HIE = improved value through improved health care quality and efficiencies

ARRA – A New Era Role of States

- States must
 - Develop policy(ies) to ensure the protection and privacy of medical records
 - Lead the way for broadband development
 - Lead the way for planning for use of HIE
 - Recognize that there is a new national priority

ARRA – A New Era Role of States

- ARRA provides substantial resources for planning, deployment and use; sets standards for health information technology and exchange; and requires the development of criteria for certification of electronic health records (EHRs)
- ARRA expands the role of states in fostering HIE and the adoption of Electronic Health Records (EHR)
- Goal is to be achieved through
 - Financial Incentives
 - Education and Training
 - A call to states to lead and coordinate actions

ARRA – A New Era Role of States

- The first area – planning, development and use of HIE – will primarily fall to states.
- Key Components
 - Grants to states for HIE planning and implementation (optional loan program for certified EHR technology purchases and implementation)
 - Medicare and Medicaid incentives to providers for use of EHRs and exchange of data
 - Federal adoption and use of certified technology and standards

ARRA Funding Flows

(\$34 billion in gross outlays)

Program	Funding	Distribution Agency	Use of Funds
Medicare Payment Incentives	100% federal	CMS	Incentive Payments through Medicare Carriers as early as Oct. 1, 2010, for hospitals and other providers by Jan. 1, 2011.
Medicaid Payment Incentives	100% federal, administration costs: 90/10	CMS and States	Incentive Payments through State Agencies. Payments can begin sooner.

“Meaningful Use”

ARRA Funding Flows--Appropriations

Appropriated Funds (\$2 billion in gross outlays)

Program	Distribution Agency	Use of Funds
HIE Planning and Development	ONC	Planning Grants Implementation Grants
EHR Adoption Loan Program	ONC	Loan Funds
Health IT Extension Program	ONC	Health IT Research Center Regional Extension Centers Application Period
Workforce Training Grants	HHS, NSF	Medical Health Informatics EHR in Medical School Curricula
New Technology Research and Development Grants	NIST, NSF	Health Care Information Enterprise Integration Research Centers

Related Areas of Funding

Broadband and Telehealth

- \$4.3 billion for broadband
- \$2.5 billion for distance learning/telehealth grants
USDA and US Department of Commerce

Comparative Effectiveness

- \$1.1 billion from HHS for comparative effectiveness research

Federally Qualified Health Centers

- \$1.5 billion for construction, renovation, equipment and acquisition of health IT systems

Emerging Guidance

- Each state will be required to submit to ONC a comprehensive roadmap that encompasses HIE, EHR rollout (including Medicaid and Medicare incentives), and alignment with any Extension Center and broadband proposals.
- One cooperative agreement will exist between ONC and each state and will be the mechanism used for HITECH funding for planning and implementation.

Priority Planning Objectives

- To improve health care outcomes and reduce cost
- To engage in an inclusive process that supports widespread EHR adoption and a robust, sustainable, and interoperable statewide health information exchange
- To maximize Kentucky's access to critical ARRA stimulus funds
- To integrate and synchronize the planning and implementation of HIE, HIT, telehealth and broadband and provider incentive program components of the federal stimulus act
- To ensure accountability and transparency in the expenditure of public funds
- To improve public health through stronger public health program integration, bio-surveillance, rapid detection of emerging health threats and emergency response capabilities

Cabinet Activities

- Discussions with Stakeholders
- Examining Existing Information Systems for Relevance and Readiness for HIE
- Identifying cross agency barriers for data sharing
- Established a Cabinet-wide Steering Committee
- Reviewing Privacy Laws and Standards
- Monitoring Other States' Activities
- Developing a Communication Strategy
- Working collaboratively to support others who might apply