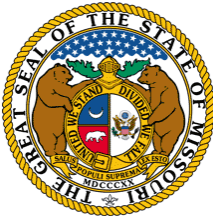


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MISSOURI HIT IMPLEMENTATION - ADVANCED PLANNING DOCUMENT

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**NOVEMBER 30, 2010**

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## **1. Introduction and Purpose of Document**

### **1.1. Overview of MO HealthNet EHR Incentive Program**

The American Recovery and Reinvestment Act (ARRA) of 2009 authorized incentive payments to certain eligible Medicaid providers and hospitals for the adoption and meaningful use of electronic health records (EHRs). ARRA Section 4201 provides 100 percent federal financial participation (FFP) for incentive payments and 90 percent FFP for State administrative activities, including those for both planning and implementation of the Medicaid EHR Incentive Program.

The Missouri Department of Social Services (DSS), MO HealthNet Division (MHD) is the single state agency that administers the Missouri Medicaid program. MO HealthNet has developed a plan for administering the EHR adoption incentives. This I-APD is a request by the State of Missouri to the Centers for Medicare and Medicaid Services (CMS) for funding to support its implementation plan. It details the component activities that comprise this plan, as based on Missouri's State Medicaid Health IT Plan (SMHP) for which the State is requesting 90 percent FFP.

Consistent with Missouri's five year goals related to health IT and health information exchange (HIE) activities, three principles guided MO HealthNet EHR Incentive Program design:

- Increase provider adoption and utilization of electronic health records and participation in HIE activities;
- Improve MO HealthNet operating efficiency and increase accountability in program administration; and
- Improve patient outcomes, overall member wellness, and the public health.

### **1.2. Purpose**

The purpose of this I-APD is to implement the vision represented by Missouri's SMHP, submitted to CMS on November 30, 2010. CMS has indicated it expects that states will submit iterative versions of the SMHP as the EHR Incentive Program progresses in design and implementation; as such, the version submitted on November 30, 2010 will be referred to as Version 1.0 and is included as Appendix A.

MO HealthNet will build on activities undertaken as part of its strategic planning process funded by the Planning Advanced Planning Document (P-APD). P-APD funding supported a broad range of activities that contributed to SMHP development. The SMHP also represents Missouri's initial strategic vision to enable transition from the current "As-Is" Health IT Landscape to the desired "To-Be" landscape.

The primary objective of Missouri's planning process has been to design and develop systems necessary for efficient program administration, as well as engage in robust outreach, education, and stakeholder coordination and oversight activities.

Missouri has been part of CMS Group One state activities. As such, it has successfully completed required testing with the National Level Repository (NLR) interface. Missouri also plans to carry out administrative activities to enable the State to accept NLR provider registrations on February 1, 2011. Missouri plans to make payments as early as the second calendar quarter of 2011. Therefore, MO HealthNet is requesting FFP from January 1, 2010 through December 31, 2011 for:

- (1) Detailed design, development and build of the MO HealthNet EHR Incentive Program System described in MO HealthNet's Version 1.0 SMHP;
- (2) Continued support for the development of detailed program policies, operational procedures and protocols for the first year of the MO HealthNet EHR Incentive Program; and
- (3) Ongoing planning and assessment activities to ensure readiness for the State to administer the MO HealthNet EHR incentive program in January 2011, facilitate successful participation of eligible MO HealthNet hospitals and professionals in the program, and encourage adoption of certified EHR technology.

Per CMS guidance, Missouri intends to submit as-needed updates to the I-APD (hereafter referred to as an I-APDU). Such updates will reflect the State's broader plans for administration of the Medicaid EHR incentive program, the evolution of the health IT vision over the next five years, and activities to promote the adoption of certified EHR technology and promote HIE among the state's health care providers.

## **2. Results of Major Activities Based on HIT P-APD**

During the planning phase, Missouri assessed and analyzed options for a range of approaches to MO HealthNet administrative processes. The State identified and developed workflow processes and program policies related to the following:

- Attestations for and determinations of provider eligibility;
- Meeting Adopt, Implement, Upgrade (AIU) and meaningful use requirements;
- Payment calculation and processing;
- Audit/oversight activities and methodologies;
- Appeals processes; and
- State resources and staffing structure.

### **Program Planning for Provider Enrollment and EHR Incentive Program Systems**

MO HealthNet conducted a broad range of activities to inform the planning and development of its approach to administration of the Medicaid EHR Incentive Program. Such activities included: education and outreach, a comprehensive landscape assessment, coordination with internal and external stakeholders, communications efforts, and other related activities. MO HealthNet continues to engage in a highly collaborative process, seeking input into policy development and leveraging existing partnerships to further education and outreach efforts. MO HealthNet is keenly aware that such partnerships will be a key component of the successful launch of the incentive program.

Specifically, P-APD funds were instrumental in supporting the following components of Missouri's planning efforts:

- Provider survey: To obtain a comprehensive snapshot of EHR adoption among all Missouri providers, the state launched a comprehensive survey in September 2010 to obtain detailed information about the state's providers. The survey was a joint effort of MO HealthNet and MO-HITECH (Missouri's Health Information Technology Office), and was disseminated to Missouri licensed hospitals, physicians, nurse practitioners, physician assistants, certified nurse midwives, and dentists. The web-based survey was fielded in September and October 2010 to gather information about the current health IT used and plans for using EHRs by doctors, hospitals, nursing homes, and other providers of health care services in Missouri. The survey and its results are available here: <http://www.dss.mo.gov/mhd/ehr/>.
- Planned procurement of a provider registry: MO HealthNet is engaged in accelerated planning activities to implement a provider registry that will benefit other state agencies and the Missouri HIO. The State intends full compliance with CMS "fair share" requirements as identified in the August 17, 2010 State Medicaid Directors letter and anticipates more detail with respect to cost and timeline for implementation to be available in the IAPDU.
- Regular participation on CMS calls regarding developing state National Level Repository (NLR) interfaces. Work with its fiscal intermediary and Medicaid Management Information Systems (MMIS) contractor, InfoCrossing Healthcare Services, on necessary specifications to support NLR interfaces and data transfers.
- Identification of existing data and resources to facilitate provider validation activities. Examples of existing data include provider licensing information maintained by the Missouri Board of Healing Arts and hospital cost report data in the Medicaid Management Information System (MMIS).
- Definition of preliminary specifications for MO HealthNet's administrative systems and business process that will be used for program administration, oversight and audit.
- Planning and educational sessions: This includes initiating a series of EHR Incentive Program meetings, briefings, and information sharing with key stakeholders, such as the Missouri Primary Care Association, Missouri State Medical Association, Missouri Health Information Organization (Missouri HIO), and state agencies (e.g., Missouri Department of Health and Senior Services). Collaborative efforts are ongoing.
- Regional Extension Center (REC) collaboration: MO HealthNet stakeholders have participated in a range of REC activities, including: weekly conference calls; advisory board participation; sharing informational and educational materials for providers; providing input into the development of REC core services; and collaboration regarding the provider survey.
- Communications: MO HealthNet has spearheaded a number of important outreach and education efforts, including:
  - Preparing a programmatic fact sheet and posting on the MO HealthNet website
  - Preparing a comprehensive "Frequently Asked Questions" section of the MO HealthNet website and updating this resource on an as-needed basis.
  - Sending basic information about website resources to all MO HealthNet providers.
  - Providing Medicaid EHR Incentive Program updates to the Missouri HIO Board of Directors.
  - Presenting programmatic information at meetings and conferences (e.g., Missouri Hospital Association).

- Creating a dedicated email address for incentive program questions that is staffed by MO HealthNet personnel.
- Posting an initial draft of the SMHP to the MO-HITECH website; requesting and incorporating feedback into the draft.

All of the information gathered from these activities were direct inputs into the Version 1.0 SMHP.

MO HealthNet developed an initial provider adoption communications plan and outreach and education tools (detailed in **Figure 1**). More detailed specification descriptions are included in Section C of the SMHP.

**Figure 1. Medicaid EHR Incentive Program Communications Activities**

Communications Activity	Month/Year
Launch MO HealthNet EHR Incentive Program website	July 2010
Release draft SMHP for stakeholder review	October 2010
Email blast with provider survey results and program update	November 2010
Open meeting to present provider survey results	November 2010
EHR Incentive Program outreach to partners	Ongoing
Develop joint communications pieces with partners	Ongoing
Email Blast: Pre-Launch	December/January 2010
EHR Incentive Program webinar for potential enrollees	January 2010
Email Blast: Pre-Program Launch	January 2011
EHR Incentive Program webinar for enrollees	January 2011
Email Blast: Accepting attestations via portal	March 2011
Email Blast: Begin issuing provider payments	April-June 2011

### 3. Statement of Needs and Objectives

MO HealthNet believes that Medicare and Medicaid EHR adoption incentives will be central to ongoing efforts to support the use of interoperable health IT and to facilitate HIE for the improvement of health care coordination and quality. To prepare for the February 2011 program launch, MO HealthNet is in the process of designing and implementing the policy approach and technical structure enabling administration and oversight of the Medicaid incentive payments to eligible providers and hospitals. This includes such responsibilities as accepting provider attestations, validating provider eligibility, tracking adopt/implement/upgrade (AIU), disbursing incentive payments, conducting adequate oversight, and encouraging adoption of certified EHR technology to promote health care quality and HIE activities.

As part of its planning efforts, MO HealthNet has invested substantial time and resources to understand the current health IT landscape and has used this information to inform the state's "To-Be" vision. For the implementation phase, MO HealthNet is submitting this initial I-APD to request approval of FFP from January 1, 2011 through December 31, 2011 for:

- (1) Detailed development, design, and build of the Medicaid EHR Incentive Program System described in MO HealthNet's Version 1.0 SMHP, and other technical components, which will interface with CMS's NLR and help to support State administration and oversight activities;
- (2) Continued development of detailed final program policies focused on the first year of the Medicaid EHR Incentive Program and elaboration on these policies into procedures and operational protocol; and
- (3) Ongoing planning and assessment activities related to the State's evolving responsibilities under the Medicaid EHR Incentive Program.

#### **4. Statement of Alternatives Considered**

Missouri has a long history of working to enhance health activities across the state. More specifically, state activities have focused on health IT adoption, the secure exchange of health information to improve care coordination, delivery, outcomes, patient engagement, and program efficiency. Missouri views the incentive program as additional support to promote provider adoption efforts, in addition to advancing MO HealthNet's broader programmatic goals.

MO HealthNet plans to design and develop a system to support the Medicaid EHR Incentive Program's year one administration requirements while concurrently laying the foundation for subsequent activities. Given the aggressive schedule for program launch, MO HealthNet plans to use I-APD funds to: develop systems and business process requirements; design specifications; and build the necessary systems and infrastructure to administer incentive payments in the first program year.

MO HealthNet evaluated options for program management and operations, including potential outsourcing of technical and administrative components. Given the program's requirements and envisioned technical architecture, total outsourcing does not appear to be the best fit with the state's existing architecture and programmatic goals. MO HealthNet staff will continue to monitor and assess various outsourced or collaborative program management opportunities to identify appropriate and effective administrative solutions; if alternative solutions are identified to be more effective for the MO HealthNet environment and needs, MO HealthNet will consider leveraging such opportunities. As an active member of the National Association of State Medicaid Director's Multi-State Collaborative, the Western States Contract Alliance, and the Mid-West Collaborative, MO HealthNet will carefully monitor other states' approaches to administering the program and consider incorporating best practices when and where appropriate.

In addition to potential outsourcing, MO HealthNet considered utilizing the existing MMIS structure as the foundation for its program. Consistent with MITA principles and component-based architecture, MO HealthNet determined that this would not be the most feasible, cost-effective, and nimble solution. Rather, MO HealthNet expects to develop an administrative system that will ultimately interface with the MMIS for provider eligibility verification and leverage the state's fiscal intermediary, InfoCrossing HealthCare Services, for payment.

The State will develop the administrative system with contractor support to enable automated processes (e.g., payment administration) and interface requirements. Essentially, program administration will leverage existing system functions and processes, enhanced by several modules and interfaces that enable automated transfer and verification of data elements, calculation and disbursement of incentive payments, and information sharing via a provider web

portal. The I-APD offers a broad description of this approach to inform the funding request; more details can be found in Sections B, C and D in the SMHP.

Primary objectives for program launch include:

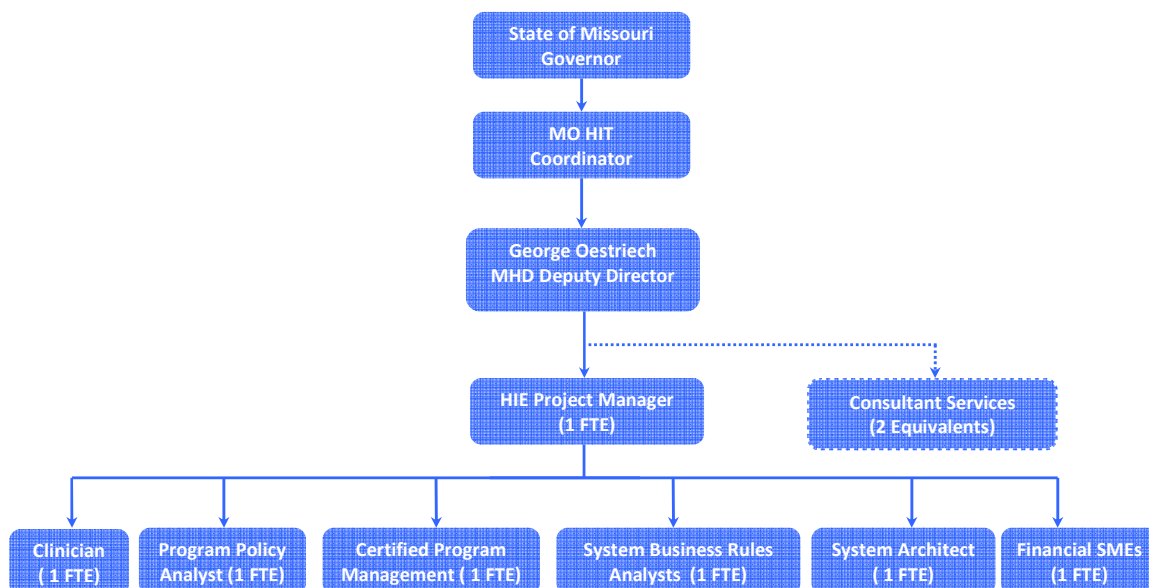
- Developing core system functionality, including NLR interfaces and a program registration and attestation portal;
- Provider eligibility verification;
- Development of a provider registry to facilitate effective program administration
- Provider communications processes; and
- Payment calculation and related payment activities.

Following the program’s launch, additional functionality and interfaces will be developed. It is anticipated that additional functionality will be directly related to meeting meaningful use requirements.

## 5. Personnel Resource Statement

MO HealthNet will dedicate the personnel and resources necessary to ensure the successful launch, administration, and program oversight. The range of implementation activities for the Medicaid EHR Incentive Program will be led by staff from MO HealthNet; interface development activities will be led by the Information Technology Services Division (ITSD) in the Office of Administration and InfoCrossing Healthcare Services. Project staff (represented in **Figure 2** and detailed in **Figure 3**) have been important to program planning efforts to date and will continue to provide expert guidance during implementation.

**Figure 2. MO HealthNet EHR Incentive Program Management Structure: Leadership Team**



MHD Deputy Director, George Oestreich, PharmD, will have overall responsibility for this project. He also currently serves as the Missouri Office of Health Information Technology (MO-HITECH) project director. Dr. Oestreich has more than 10 years of experience in Missouri Medicaid, and extensive past experience working on planning, procurement, and contract management. Dr. Oestreich brings significant leadership experience to this process and has an established relationship with critical players within State government. He also plays a leadership role within statewide HIE and has demonstrated the ability to facilitate collaboration with the State Health IT Coordinator throughout the planning phase of this project, ensuring collaboration between the Medicaid and statewide HIE initiatives.

The planning team used in SMHP development will continue to support the implementation phase. Project reports will be provided to the deputy director on a weekly basis and monthly briefings will be conducted with executive staff. These positions will be cost allocated as a portion of time spent on incentive program activities Medicaid and may overlap with positions in state HIE planning, MMIS development, or other areas. Overlap among staff roles and responsibilities is viewed as a benefit as it improves program coordination and integration with existing or developing initiatives.

**Figure 3. EHR Incentive Program Project Staff**

Position	FTEs	Responsibilities
Project Manager	1 FTE	Total project oversight of team members to ensure timelines, deliverable and budget requirements are met. Interface with the Missouri Health Information Organization (HIO) work groups and DSS Executive Team.
Clinician	1 FTE	Communicate with providers to encourage adoption of EHR technology; assist in development meaningful use monitoring plan and identification of DSS/MHD clinical information data needs.
Provider Representative	1 FTE	Provider outreach and training activities, initiate MHD provider manual rewrites, answer questions and encourage adoption of EHR technology.
Program Policy Analyst	1 FTE	Assess policies and procedures for provider incentive program for ongoing program operations, review attestations, prepare for Stage 1 meaningful use requirements and outline potential requirements associated with Stages 2 and 3 of meaningful use.
System Business Rules Analysts	1 FTE	Provide technical support, document and review system change requests, and system testing. Coordinate business rules between MMIS and MHD.
Financial SMEs	1 FTEs	Assist with procedures for MMIS provider incentive payments, adjustments, voids and changes to state and federal financial reports. Project program impact, monitor project costs, and coordinate reporting with the Office of Administration.

Position	FTEs	Responsibilities
Consultant Services	2 Equivalentents	Contractor services, such as facilitating strategic updates to SMHP-related activities and other program efforts, reassess affected MITA business processes, MITA framework, technical platform or information services to support MO HealthNet staff and assist in ongoing EHR Incentive Program implementation efforts. Specific program resources are needed to assure a clear, coordinated vision.
Certified Program Management	1 FTE	Coordination of deliverables and development and staging of individual software projects.
System Architect	1 FTE	Assure coordination (between MMIS, CMSP, Missouri HIO and other departments) to meet IT compatibility requirements and advance a clear vision.

## 6. Project Approach/Scope of Activities

This I-APD addresses an initial scope of activities necessary for the State to implement the Medicaid EHR incentive program in February 2011 and covers the time period of January 1, 2011 through December 31, 2011. These activities fall under three categories laid out in the needs and objectives section.

### 6.1. Design, Development and Build of the MO HealthNet EHR Incentive Program System

MO HealthNet will implement the Medicaid EHR Incentive Program System with contractor support to enable process automation, including processes related to payment administration, oversight and interfaces with state and federal systems and providers. MO HealthNet will take primary responsibility for eligibility determinations, payment, and audit processes.

MO HealthNet has identified preliminary requirements and specifications, comprised of a variety of modules and interfaces enabling automated transfer and verification of data elements; calculation and disbursement of incentive payments; and a provider web portal to facilitate providers' submission of required information.

#### *Scope of Activities:*

MO HealthNet is seeking support to:

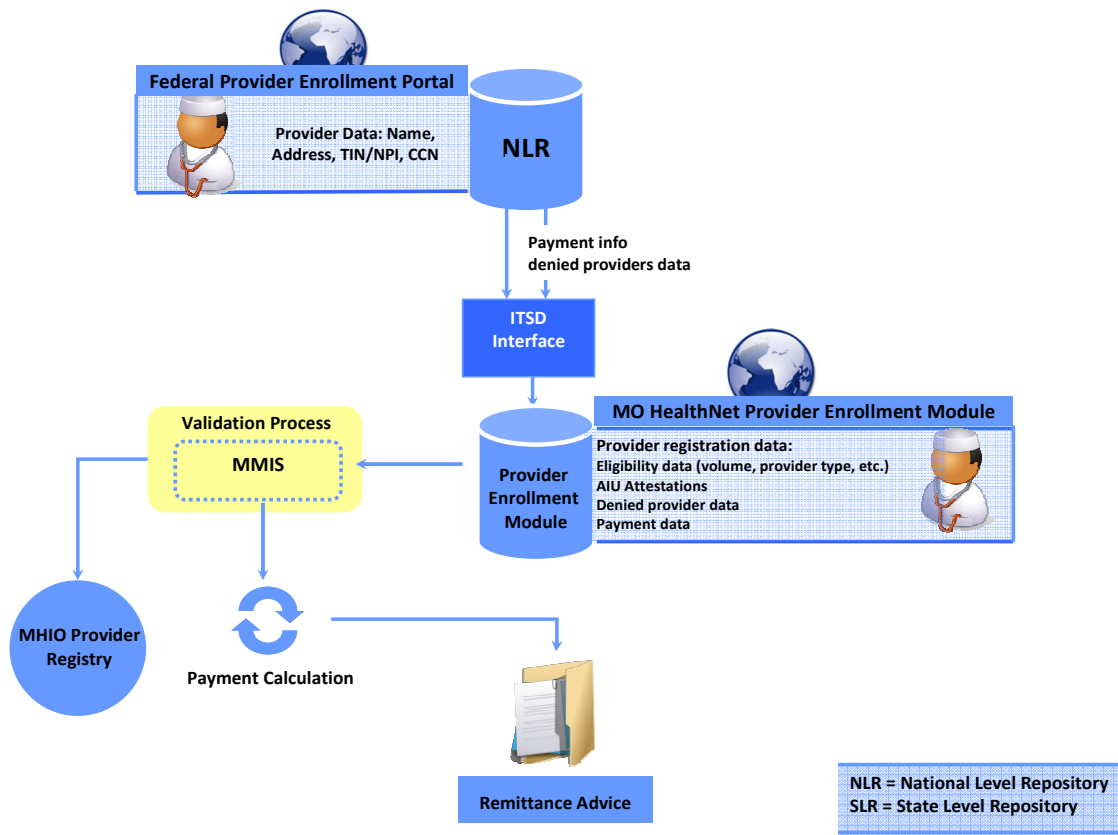
- Gather further detailed functional requirements;
- Convert requirements into a design and development plan;
- Continue interface testing with CMS's National Level Repository (NLR); and
- Develop and implement the Medicaid EHR Incentive Program with base functionalities to support provider attestation, eligibility determination and incentive payment administration.

#### *Approach:*

The State is committed to developing system functionality to support incentive payment administration, primarily represented in **Figure 4**. State staff will design the core structures for the NLR, however MO HealthNet expects to contract with InfoCrossing HealthCare Services for

portal and interfaces between ITSD and the MMIS. These activities will be undertaken with the direction of Dr. Oestreich. A fundamental component of the state's approach is a provider registry. More specific details, including a project plan, procurement cost, participating stakeholders and their share of costs, is likely to be known in the next 60 - 90 days and will be shared in the I-APDU.

**Figure 4. Incentive Payment Administration**



In an effort to implement and administer the EHR incentive program efficiently and effectively, MO HealthNet plans to leverage existing systems and implement new systems where necessary. The primary systems as represented in **Figure 4** are described below:

- **NLR (National Level Repository):** The NLR is the federal database that serves as the primary point of entry into the Medicaid and Medicare EHR Incentive Programs. All eligible professionals (EPs) and eligible hospitals (EHs) seeking incentives must first enroll via the NLR. MO HealthNet has completed testing with the NLR and plans to implement the EHR Incentive Program by February 1, 2011.

- **Provider Enrollment Interface Module:** The provider enrollment interface module will be the central component of Medicaid EHR incentive program administration. Developed specifically for the Medicaid incentives the module will mirror NLR functionality for the Medicare EHR Incentive Program. It will be the point of entry (intake) and program dashboard for Medicaid incentives for both EPs and EHs and as such, will offer providers an interface to submit, review, and revise information stored in their profiles. Using web call functionality, it will communicate with a number of existing and planned technologies, including the MMIS, CyberAccess, eMomed, and the NLR. More specifically, the module (upgraded through parallel MMIS reengineering efforts) will capture state-collected data elements as part of the intake process and upload payment and eligibility information into the NLR. EPs and EHs will enter program data elements including attestation information pertaining to eligibility; Adopt, Implement and Upgrade (AIU); and meaningful use. InfoCrossing Healthcare Services is managing the respective interface development and programming activities.
- **Information Technology Services Division (ITSD) Interface:** Located within the Office of Administration, ITSD will serve as the conduit for information exchange between the NLR and the state's MMIS. ITSD has an established connection with CMS for the electronic transfer of information and has been identified as the most efficient means of data exchange. The NLR file transfer will be accomplished via a daily batch file transfer from the NLR using Connect:Direct, one of the specified systems.
- **Medicaid Management Information Systems (MMIS):** The MMIS is one of the primary repositories of provider information. MMIS capabilities will be leveraged to fulfill a range of functions, including the provision of data necessary to enable payment administration by the state's fiscal intermediary, InfoCrossing Health Services.
- **Provider Registry:** The provider registry will serve as the master source of timely and authoritative MO HealthNet provider information and demographics to be housed in the MMIS provider enrollment module. It will also include eligibility and enrollment from the Medicaid EHR Incentive Program Interface Module, housed in the grants management subprogram of the state's ARRA reporting tool. The provider registry will facilitate secure and accurate routing among MO HealthNet and providers by supporting the Provider Directory of the Missouri HIO's health information exchange. MO HealthNet is currently exploring how the provider registry may be leveraged to serve as or support the Missouri HIO's provider directory.

As the fiscal intermediary, InfoCrossing Healthcare Services will prepare the data elements for transmission to CMS via an established link between ITSD and CMS. In addition, ITSD is undertaking the vendor analysis for the program that will be used for grant administration. While all processes will be automated, should technical development of the intake components not be completed in the necessary timeframe, the contingency plan is to use a manual process to capture and enter these data into the system.

The Medicaid EHR Incentive Program will interface with other systems as follows:

- *ONC Certified Health IT Products List (CHPL):* ONC's master list of products considered "certified EHR technology." The list contains product name and unique identification numbers. ONC has indicated that it will offer a web-based interface with states to allow for automated matching but has not provided a date certain for availability.

- *Other State Systems:* As incentive program administration processes become more automated, the EHR Incentive Program may interface with other state systems as appropriate.

While the goal is to promote automation of the Medicaid EHR Incentive Program administration to the greatest extent possible, the relatively short start-up time necessitates that MO HealthNet focus on developing core system capabilities for year one program requirements. Therefore, development priorities consist of the bi-directional registration process, attestation, and payment interfaces with the NLR. Additional information regarding process and system design is included in the SMHP.

For future years of the EHR incentive program, the State expects to advance the level of MMIS integration to enable further automation of provider eligibility determinations and expand accessible data elements.

## **6.2. Detailed Development of Final Program Policies, Procedures, and Protocols**

MO HealthNet has identified preliminary policies and procedures governing provider participation and State administrative activities under the EHR incentive program, as detailed in the SMHP.

### *Scope of Activities:*

Under the I-APD, MO HealthNet is seeking support to:

- Conduct further analysis of Federal program policies to inform the development of State policies;
- Elaborate on preliminary State policies and procedures and develop operational protocols;
- Document finalized policies, procedures, and protocols and create any other necessary working materials;
- Educate and train MO HealthNet staff that will be involved in the administration of the EHR incentive program; and
- Provide necessary education and training to MO HealthNet and call center staff in order to support provider and hospital outreach needs.

### *Approach:*

MO HealthNet expects that this work will be primarily conducted through the State's project management staff.

## **6.3. Ongoing Planning and Assessment**

The State understands that ongoing planning and assessment activities are required to ensure readiness for the State to administer the MO HealthNet EHR incentive program in February 2011, facilitate successful participation of eligible MO HealthNet hospitals and professionals in the program, and encourage the adoption of certified EHR technology to promote health care quality and health information exchange.

### *Scope of Activities:*

Under the I-APD, MO HealthNet is seeking support to conduct any further planning and assessment work not already represented above, such as:

- Developing requests for proposals and contracts for procurement of services necessary for the administration of the program (e.g., system management and business process management services);
- Collaborating with interstate/intrastate partners (e.g., participation in Multi-State Collaborative(s));
- Developing and carrying out initiatives for provider communication and education (e.g., targeted messaging by MO HealthNet);
- Assessing providers' interest in the EHR incentive program and further gathering information around provider adoption.

*Approach:*

MO HealthNet expects that this work will be conducted through a mix of State and contract staff.

## 7. Project Timeline

The State of Missouri will perform activities described and funded under this I-APD for the period between January 1, 2011 and December 31, 2011.

Although certain activities will depend on approval of this I-APD and the Version 1.0 SMHP, MO HealthNet is working to meet milestones as reflected in the following activity schedule (**Figure 5**):

**Figure 5. Project Work Plan Summary**

Deliverable	Start Date	End Date
Launch MO HealthNet EHR Incentive Program website	07/1/2010	07/31/2010
Conduct EHR Incentive Payment Outreach	08/01/2010	12/31/2016
Submit Draft SMHP for CMS Review	09/01/2010	09/30/2010
Implement System Updates	10/01/2010	3/31/2011
Test State-Federal NLR interfaces (completed)	10/21/2010	11/30/2010
Receive Initial Provider Survey Results	11/1/2010	11/30/2010
Email Blast/Presentation: Provider Survey Results	11/1/2010	11/30/2010
Submit Final SMHP for CMS Approval	11/10/2010	11/10/2010
Submit I-APD for CMS Approval	12/01/2010	12/31/2010
Email blasts: program launch	01/01/2011	01/31/2011
Begin Accepting Attestations via Web Portal	03/31/2011	12/31/2021
Begin Issuing EHR Incentive Payments	04/30/2011	12/31/2021
Audit Process Begins (first audits conducted)	10/01/2011	10/31/2010

## 8. Proposed Budget

### 8.1. Budget Narrative

MO HealthNet requests 90 percent FFP for planning and implementation activities related to the State's administration of the EHR incentive program for the period between January 1, 2011, and December 31, 2011. The State is requesting approval for \$5.54 million overall (\$4.986 million federal funds at 90 percent match) for staffing and contract services to design, develop and implement policies, procedures, and systems and to operate the program during this period.

#### P-APD Status and Expended Funds

As of November 30, 2010, the State expects an unspent balance of approximately \$976,000, of the total \$1.695 million approved under the current P-APD (\$1.525 million federal funds). From November 1 through December 31, 2010, Missouri does not anticipate project expenses in excess of the remaining P-APD balance. The State therefore requests approval to utilize the remaining, approved P-APD funds under this I-APD so that it may immediately begin system design and development activities.

#### Budget Narrative

Below the State has described its understanding of the resources needed and where they will be represented under CMS's budgeting structure articulated in final regulations.

*Costs to Implement and Administer Incentive Payments* (\$1.25 million): The State of Missouri anticipates accepting provider registration from the NLR on February 1, 2011 and making payments as early as the second quarter of calendar year 2011. Program administration costs reflect technology and programming requirements for state systems, including but not limited to the provider portal and provider enrollment module.

*Procurement or Acquisition* (\$500,000): The State will include expenses related to items directly procured or acquired. Such items are planned to include the procurement of a provider registry, an important component of the state's long-term EHR Incentive Program strategy. MO HealthNet is currently in accelerated planning efforts to finalize the technical approach and pricing with respect to the provider registry. Anticipated MO HealthNet costs are \$500,000; however, total project costs for participating stakeholders and their respective "fair share" have not yet been determined. This information will be submitted within 90 days as an IAPDU.

*State Personnel* (\$820,000): As under the planning phase, key State staff will continue to be utilized. Program staff are detailed in **Figure 3** (page 8). Responsibilities include: supporting the necessary implementation activities; certifying policies and procedures to implement the Medicaid EHR Incentive Program; issuing procurements for hardware and software for implementation; conducting outreach and education to providers; monitoring program activities; coordinating with CMS and stakeholders, etc. In addition, State staff will continue close coordination with health information exchange (HIE) planning and implementation efforts. State personnel expenses reflect wages and fringe benefits.

*Contractor Services* (\$1.25 million): Consultant services will be retained to assist State personnel with I-APD activities. Specifically, the State will seek support for: (1) ongoing strategic planning activities; (2) design, development, testing and implementation of administrative systems; and (3) health IT/HIE planning, design and implementation.

- *Strategic Planning.* The State will continue to seek the support of consultants with expertise in both Medicaid and HIE to assist in implementing MO HealthNet’s integrated strategy for administration and deployment of Medicaid incentives to support the meaningful use of health IT.
- *Administrative Systems Design, Development, Testing and Implementation.* The State will utilize consulting and contractor services to assist with required Medicaid system changes. Specific activities include the development, design, and implementation of MO HealthNet’s EHR Incentive Program System, including the modules and interfaces to support the exchange of information with the NLR, provider attestation, eligibility verification, and the calculation and disbursement of incentive payments.
- *Health IT/HIE Design, Development, Testing, and Implementation.* The State will secure the services of IT vendors or consultants to assist with planning, design and implementation of health IT or HIE initiatives that will improve patient care.

*Hardware, Software, and Licensing* (\$650,000): The State will incur costs for acquiring hardware, software, and licensing associated with MO HealthNet’s NLR interface, portal, grants management software, and items necessary for the administrative solutions discussed herein. To the extent these expenses are not already captured under the contract for the MO HealthNet EHR Incentive Program System, they will be represented separately under this cost center.

*Equipment and Supplies* (\$50,000): MO HealthNet will incur overhead expenses for dedicated infrastructure (e.g., office space) to conduct program operations. The budget reflects expenses for the purchase of standard office supplies (e.g., paper, computers) for program staff necessary to carry out ongoing planning and implementation activities discussed herein.

*Training and Outreach* (\$250,000): The State will continue participation in various collaborative forums—such as the National Association of State Medicaid Directors’ Multi-State Collaborative—and expects to incur membership fee costs. State staff will attend targeted meetings and trainings as part of these collaborations as well as those hosted by CMS, ONC, and national support organizations that are designated to assist in effective planning and implementation of the EHR incentive program. The State will continue to expand and intensify communication, outreach, and education activities with providers and other stakeholders. Costs include: development and production of paper and electronic educational materials, mailing of materials, and hosting or participation in meetings and conference calls as a central component of the state’s communication plan.

*Travel* (\$50,000): State staff will incur travel costs to attend training and collaboration meetings and conduct outreach and education activities. Staff plan to attend the annual MMIS conference and other meetings/events for state grantees under the EHR Incentive Program and related activities.

*Administrative Operations* (\$500,000): The State will incur costs for telephone, fax, and internet services; administrative activities to retain dedicated project staff, and related standard administrative functions.

*Miscellaneous Expenses for the Project* (\$100,000): The State anticipates miscellaneous project expenses of a nominal amount.

9. Estimated Annual Project Budget for EHR Incentive Program

<b>HIT I-APD Funding Request (January 1, 2011 – December 31, 2011)</b>	
<b>Category/Service</b>	<b>TOTAL</b>
<i>Costs to Implement and Administer Program</i>	\$1,250,000
<i>Procurement or Acquisition</i>	\$500,000
<i>State Personnel</i>	\$820,000
<i>Contractor Services</i>	\$1,250,000
<i>Hardware/Software Licensing</i>	\$650,000
<i>Equipment and Supplies</i>	\$50,000
<i>Training and Outreach</i>	\$250,000
<i>Travel</i>	\$50,000
<i>Administrative Operations</i>	\$500,000
<i>Miscellaneous Expenses</i>	\$100,000
<b>TOTAL</b>	<b>\$5,540,000</b>

**10. Cost Allocation Plan**

Federal/State Program	Program Share	Amount (\$)	FFP Rate	Federal Share (\$)	State Share (\$)
XIX – Medicaid HIT	100%	\$5,540,000	0.9	\$4,986,000	\$554,000
Other Programs	N/A	N/A	N/A	N/A	N/A
State Only	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>100%</b>	<b>\$5,540,000</b>	N/A	<b>\$4,986,000</b>	<b>\$554,000</b>

\* The I-APDU will include detailed information about all eligible activities cost allocated across Medicaid and other available funding sources.

**11. Period of Use**

MO HealthNet intends that the systems and equipment developed and implemented will be in permanent use and updates to the systems will be made as needed, including to meet future federal requirements.

**12. Security and Interface Requirements**

The proposed administrative system will interface with multiple systems, including the NLR, the ONC certification service, the Missouri MMIS and the state’s fiscal intermediary, InfoCrossing Healthcare Services, system, among others. The system will contain sensitive identity and financial information and will generate significant payments, presenting a potential fraud and control risk. During system design and implementation, Missouri will give significant consideration to the security of sensitive or confidential data. Missouri is considering a number of processes enhance data security, such as isolating outward facing modules from sensitive identity and financial information in the back-end administrative system. In addition, the system will be architected with appropriate access and audit controls.

**13. Backup & Fallback Contingency Procedures**

The State plans has successfully completed Group One testing with the NLR in order to launch the EHR Incentive Program in February 2011. Staff will routinely evaluate status to determine if the project is on schedule. If progress suggests that the schedule for proposed program launch is unrealistic or unachievable, the State will reevaluate the proposed program launch date.

If technology development and required contractor support services do not progress consistent with planned timelines, the State will reconsider project schedule and system options. In addition, should certain processes not be fully automated by program launch, the state is prepared to temporarily utilize a manual process for certain data elements.

MO HealthNet staff continue to track the multi-state collaborative efforts. If necessary, the State will reevaluate the efficiency and cost effectiveness of this solution as a fallback option for implementing administrative systems.

#### **14. Assurances**

The State agrees to comply with relevant Federal requirements as follows:

- 45 CFR Part 495.346 (Access to systems and records)
- 45 CFR Part 495.348 (Procurement Standards)
- 42 CFR Part 495.350 (State Medicaid agency attestations)
- 45 CFR Part 495.352 (Reporting requirements)
- 45 CFR PART 495.360 (Software Ownership, Federal Licenses, and Information Safeguarding)

#### **15. I-APD Requirements**

The State will submit updates to this I-APD as needed. As required by Federal regulations, the State also will submit an annual I-APD.

#### **16. Appendices**

- A – Missouri SMHP, Version 1.0 (Submitted to CMS on November 30, 2010)
- B – P-APD (Approved by CMS on March 24, 2010)