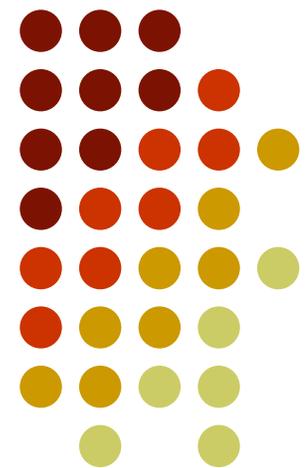


Using Health Information Technology for State Medicaid/SCHIP Health System Transformation

Anthony Rodgers, Director
Arizona Health Care Cost
Containment System



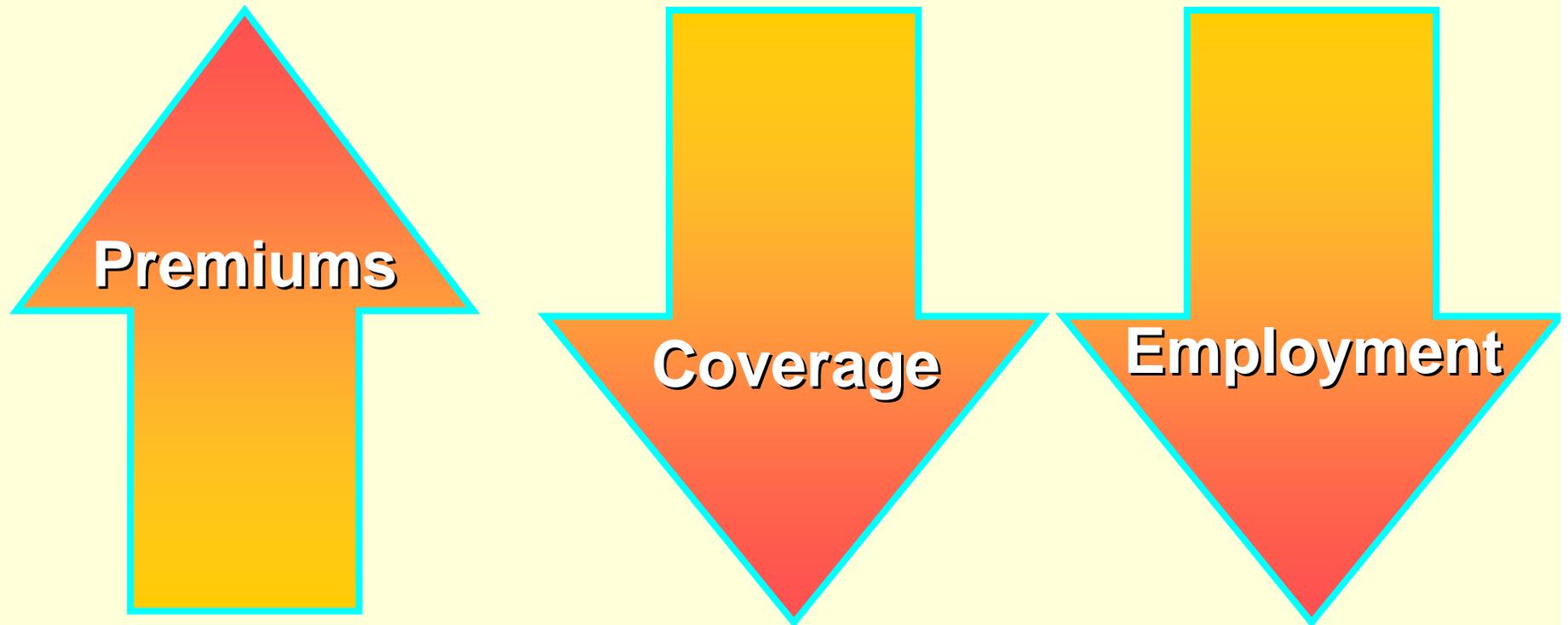
National Vision of Health Information Exchange



Critical Drivers for State Level Health System Transformation

- Current medical cost trends are unsustainable both public and private payers of health care coverage.
- The current healthcare system produces significant variances in cost and quality.
- Lack of health system integration leads to duplication, administrative inefficiency and lack of patient care coordination.
- In the public sector medical cost escalation has or is becoming a “Budget Buster”.

Employer Based Health Insurance



For every one percent increase in premiums 200,000 to 400,000 people lose coverage nationwide

Source: The Lewin Group, 1997

Visible and Trustworthy Leadership in Times of Transformation



What is on your horizon?

Rational For State Action

Do you believe the promise of e-health?

- Reduction in medical cost inflation and health system inefficiency from medical errors and service duplication.
- Improve quality of care for publicly sponsored beneficiaries and public employees
- Improved health system integration and provider accountability
- Improve chronic illness management, continuity of care, and case management effectiveness
- Improve population health management and biosurveillance oversight and response time

Alignment around the importance of E-Health

GAO:“ HIT can yield benefits in clinical care and associated administrative functions as well as public health.”

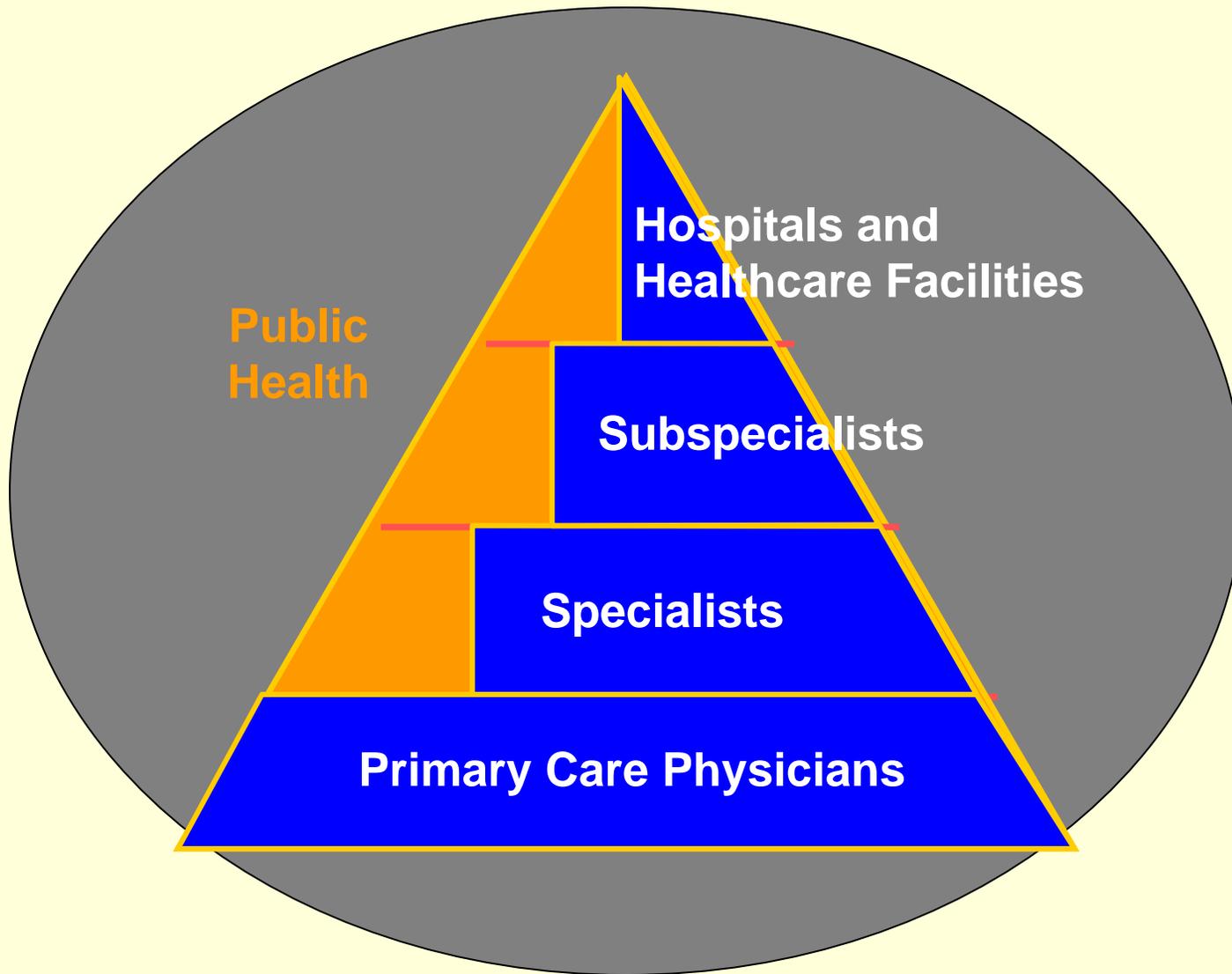
Health Information Technology Leadership Panel:
“Widespread adoption of interoperable HIT should be top priority for the US health care system.”

President George W. Bush: Called for the widespread adoption of interoperable electronic health records and electronic health information exchange within 10 years.

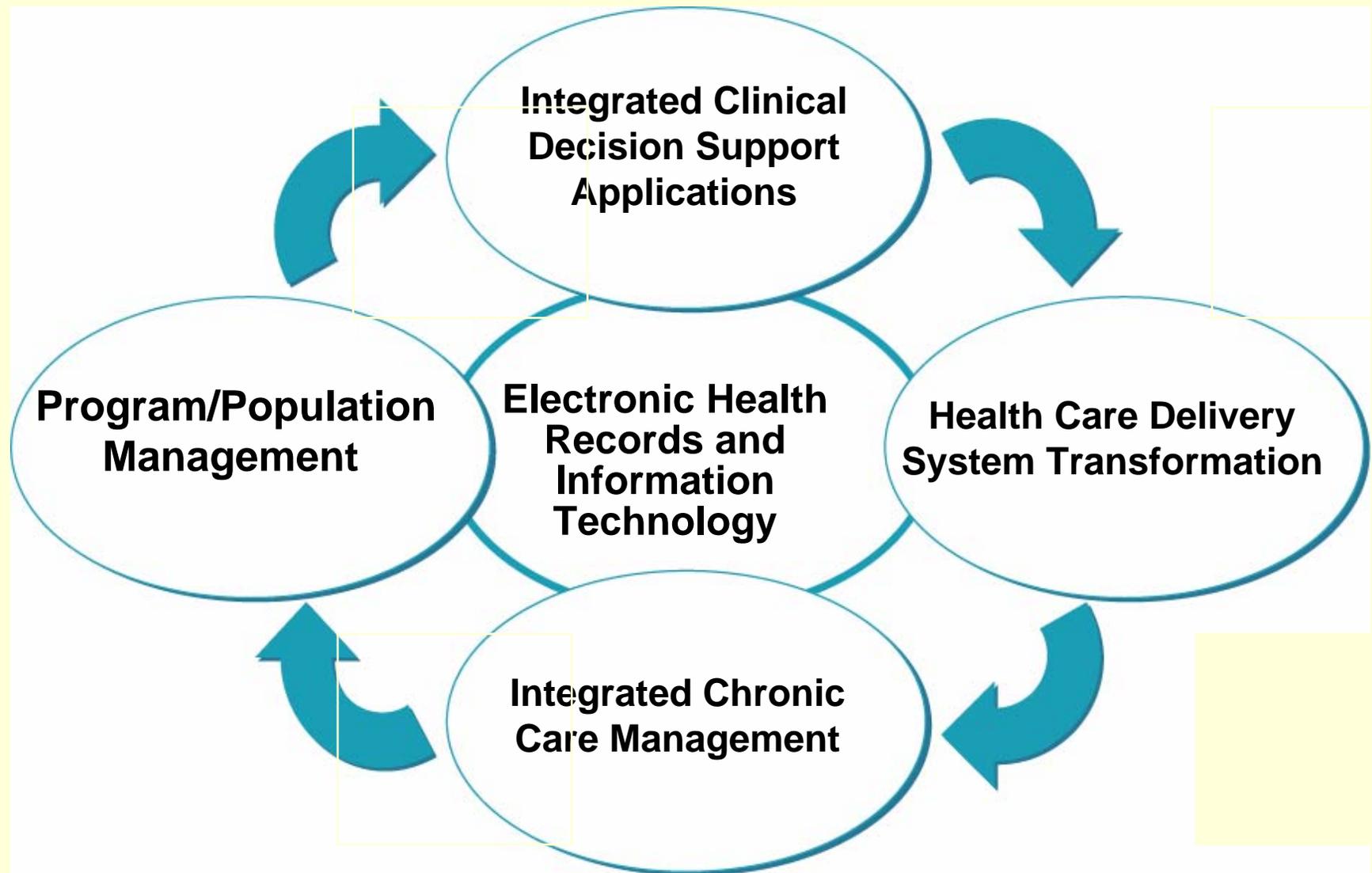
CMS: Establishes national guidelines for Medicaid Information Technology Architecture to enable electronic health information exchange

Governors: Executive Orders and State Roadmaps

Vision of an Integrated Health System



EHR/HIE as a Transformation Enabler



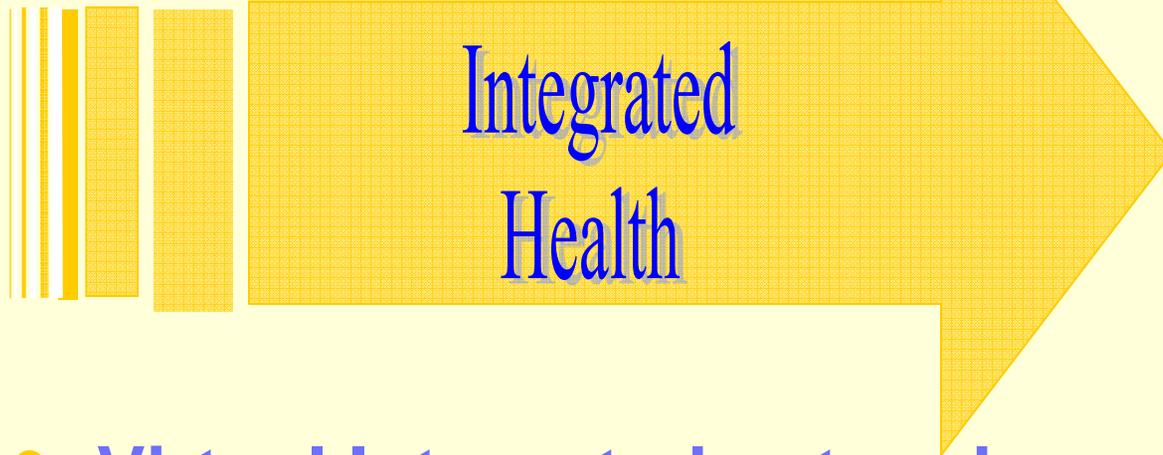
There Needs to be a Sense of Urgency to Achieve Statewide Adoptions of E Health Technology

It is believed that:

- 1. E-Health provides the single greatest opportunity for gains in healthcare system transformation through statewide adoption of electronic health records and health information exchange.***
- 2. That creating a regulatory environment that encourages widespread deployment of E-Health enabling technology will lead to a significantly improved health system efficiency, cost effectiveness, patient safety and quality of care.***
- 3. There will be a significant return on investment and cost savings for publicly sponsored programs if HIE/EHR deployment is accelerated and a standardized infrastructure for health information exchange is utilized.***

Impact of Health Information Exchange and Electronic Health Records

Improved Systems of Care



- **Virtual Integrated networks**
- **Medical Homes for Medicaid Enrollees**
- **More Effective Clinical Collaboration**

Essential Elements for Transforming Patient Care Management



Electronic Health Record



**Informed,
Activated
Patient**

**Productive
Interactions**

**Prepared
Clinical
Team**

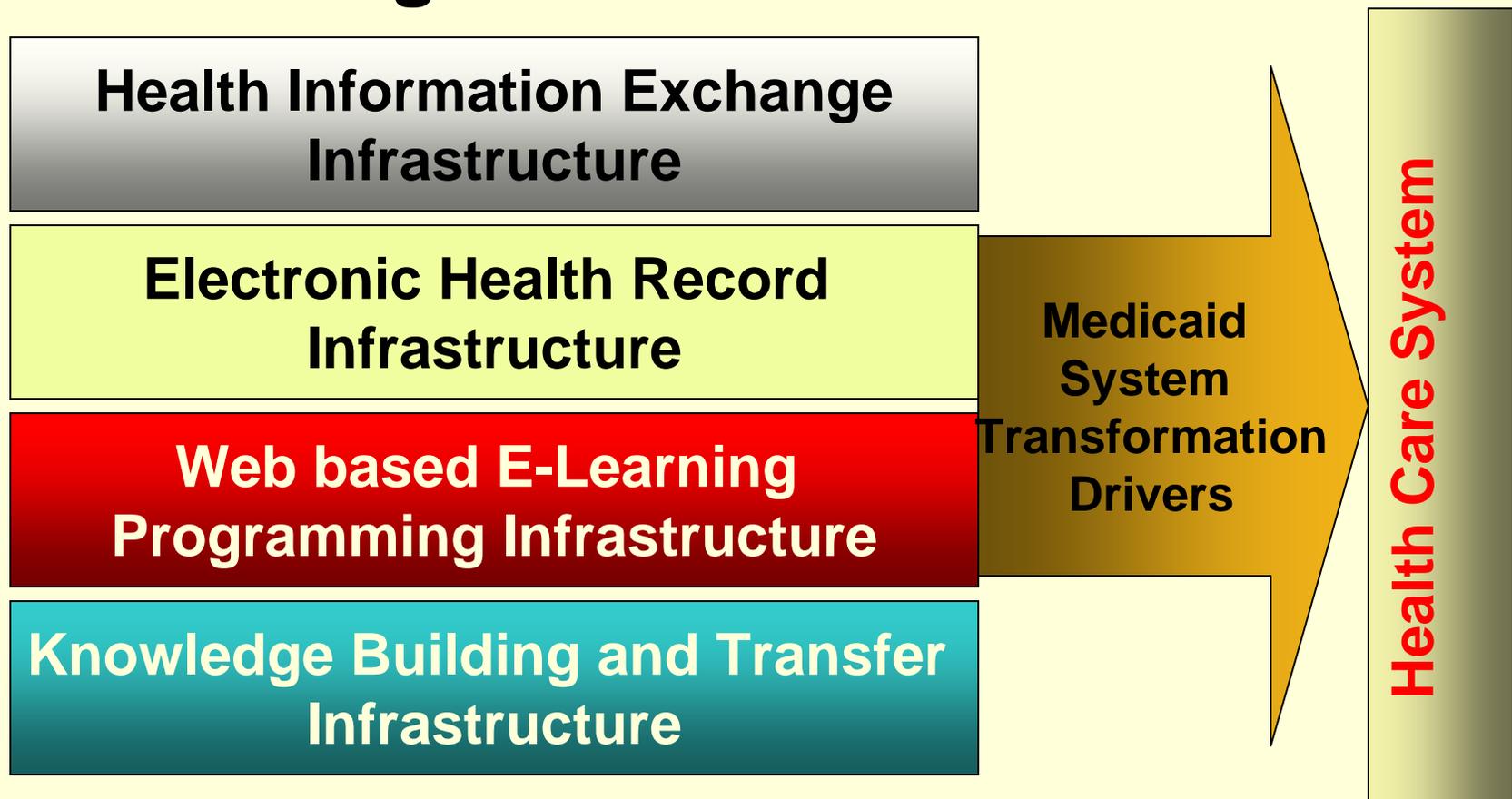


**Clinical and Value Decision
Support Tools**

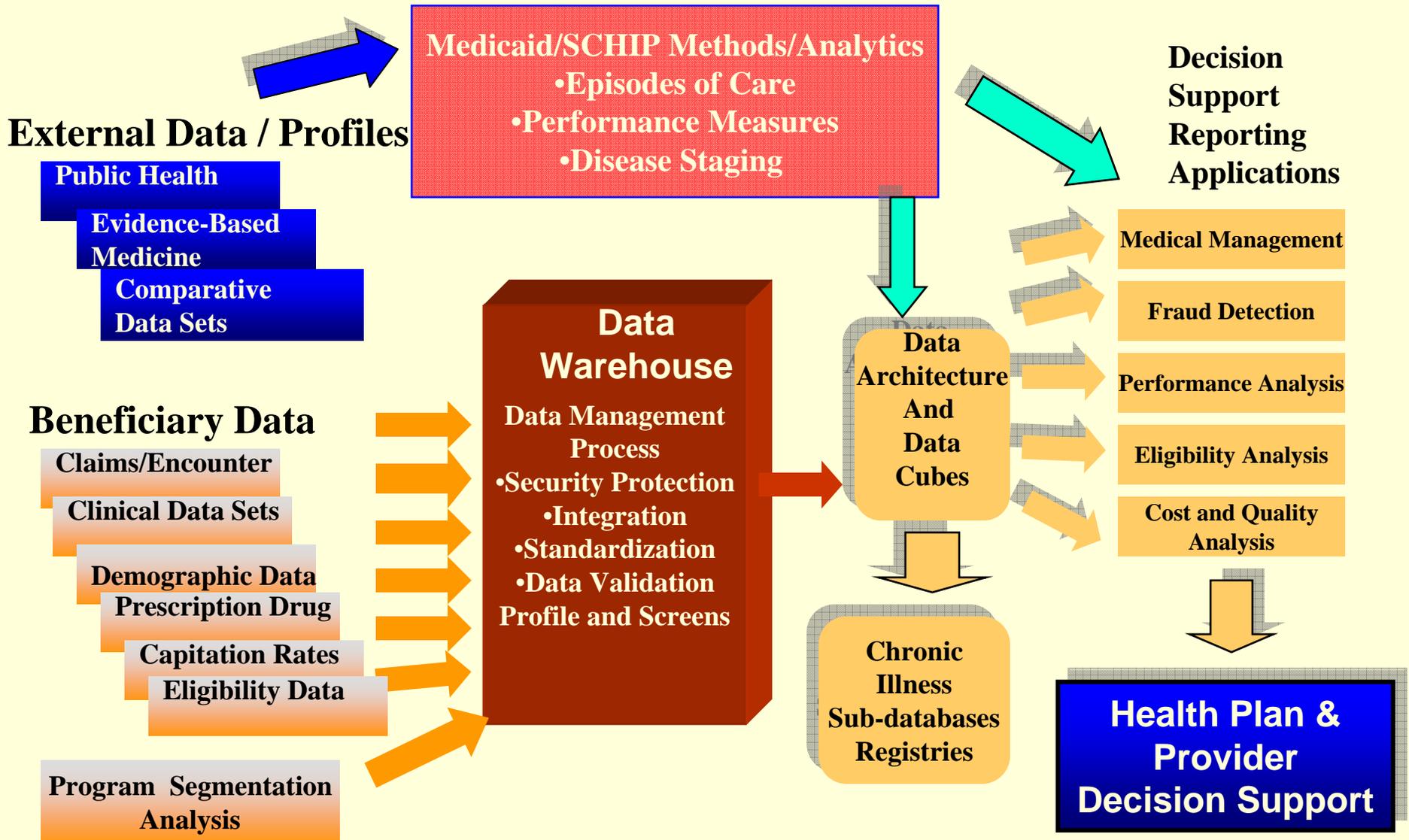


E-Health Infrastructure of Medicaid System Transformation

Transforming IT Infrastructure



Value Driven Decision Support System



State Alliance Health Information Communication and Data Exchange Taskforce

The taskforce has made findings and recommendations in the following areas:

- **Leadership/Governance**
- **Consumer's Role**
- **Financial and Contributory Responsibility**
- **Interoperability**
- **Structure and Current Approach**

Common Findings on Success Factors for State Medicaid/SCHIP HIT and HIE Initiatives

- **Governor must provided visible leadership** in regard to HIT/eHIE efforts in Medicaid and SCHIP
 - State roadmaps have been viewed as a successful tool to set state-wide priorities involving publicly funded health programs
- **Multi-stakeholder collaborations** between payers (including Medicaid/SCHIP), providers and consumers are essential to success
 - Foster trust among public and private stakeholders
- **Flexible funding models** as demonstrated by the DRA Medicaid Transformation Grants have been critical to expanding HIT/eHIE efforts in many Medicaid/SCHIP agencies
 - Traditional funding mechanisms do not address the scope of HIT/eHIE projects

Findings on Key Challenges for State Medicaid/SCHIP Programs

- **Current lack of communication and data sharing** mechanisms between state agencies (silos)
- **Lack of data systems interoperability between state agencies**, other payers, and health providers
- Perceived and actual **legal and regulatory issues** in regard to data sharing and ownership
- **Lack of provider adoption of intraoperatable** of HIT tools such as EHR
- **Medicaid agencies are often understaffed** for large scale long term HIT/eHIE projects and initiatives
- **Medicaid staff need continuing education** and training in the area of E-Health

Recommendations 1

- **The NGA State Alliance should provide states guidance** for the development of executive orders and legislative language to encourage an environment conducive to E-Health.

State level public HIE initiatives should, at a minimum, include:

- A set of specific objectives for Medicaid/SCHIP participation in eHIE, particularly as it relates to quality, transparency, and cost containment;
- Procedures for designing an eHIE roadmap;
- Indemnity;
- Requirement that all state agencies adopt and utilize interoperable HIT;
- Consumer protections to ensure appropriate access to health data;
- Commitment to inclusiveness and diversity in eHIE activities amongst health care providers, payers, and consumers; and
- State procurement rules that enable fair and flexible innovations, require the adoption of interoperable HIT applications, and align with any state-wide eHIE/HIT policies.

Recommendation 2

- **Each state should develop or adopt a vision for state eHIE** that leverages existing and planned public and private eHIE efforts and outline an eHIE roadmap by the end of 2008 – and implement by 2014. Components of the roadmap should, at the least, include how the state plans to:
 - (1) organize the implementation of eHIE in the state;
 - (2) engage diverse stakeholders, including consumers, providers and payors;
 - (3) develop and test exchange architectures incorporating existing and approved standards;
 - (4) build financial, political support, and legislative authority for eHIE development;
 - (5) ensure consumer protections are in place;
 - (6) train and sustain an eHIE-capable workforce; and
 - (7) enable intrastate collaboration and data exchange.
- **In close coordination with Office of the National Coordinator (ONC) and other federal agencies** (e.g. CMS), NGA State Alliance should play a leadership role on behalf of all governors to facilitate the coordination of individual state roadmaps in the context of a national interstate eHIE strategy.

Recommendation 3

- **Governors should designate a single authority for the state** to coordinate state government based eHIE implementation activities and work, in collaboration, with public/private eHIE efforts.

Recommendation 4

- Governors and state legislatures should align to establish flexible financial mechanisms to support and ensure sustainable eHIE.

Recommendation 5

- **To successfully implement HIT and eHIE initiatives and to meet Medicaid MITA standards**, states will require new technology, project management, policy, legal, consumer protection and programmatic competency development. Therefore, states should fund greater development of technical assistance resources for state Medicaid/SCHIP and information technology agencies to build workforce competency on eHIE.
- Such resources could be aligned with the Health Resources and Services Administration technical assistance toolbox modules:
 - Introduction to HIT
 - Getting Started
 - Opportunities for Collaboration
 - Project Management and Oversight
 - Planning for Technology Implementation
 - Organizational Change Management and Training
 - System Implementation
 - Evaluating, Optimizing, and Sustaining
 - Advanced Topics

Recommendation 6

- **State Medicaid/SCHIP agencies implementing electronic health record systems in the Medicaid program, should implement a standards-based personal health record functionality that is portable** and includes appropriate privacy and other consumer protections. When available, state Medicaid programs should require use of certified electronic health records (EHR) and networks with standards-based information exchange capabilities.
- State Medicaid/SCHIP agencies should ensure portable, private and secure access to personal health information to their enrollees through HIT systems such as personal health records. The State Alliance should encourage states to provide human and financial resources to develop cultural and linguistic competency required to engage diverse Medicaid/SCHIP enrollees.

Recommendation 7.0

- State Medicaid/SCHIP agencies should implement incentive programs and, or reimbursement policies such as pay for participation, rate adjustment, case management, and quality pay for performance that will encourage provider adoption and use of HIT systems and participation in eHIE.

Additional Areas of Recommendations

- Recommendation on Public Health and HIE
- Recommendation on opportunities for Public Employees Benefit Programs in the Era of HIE/EHR

What must States do to Lead Health System Transformation of Their Public Programs?

- Have a Vision
- Have a Plan
- Recognize this is a public/private collaborative process
- Establish a visible point of HIT leadership
- Assure the key state health agencies have the core competency to participate and/or lead in health system transformation and taking advantage of the new enabling technologies
- Leverage your strengths and the strengths of others (federal dollars)

Questions

