Establishing a Foundation for Medicaid's Role in in Supporting the Adoption of Health Information Technology

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Medicaid's Role in Supporting the Adoption of HIT

- CHPR is working in collaboration with AHRQ to define the challenges and opportunities that Medicaid programs face in relation to the adoption of clinical HIT

- The deliverables will identify knowledge gaps, lessons learned, and key prioritization areas for federal and state policy makers
  – Established an Advisory Committee of thought leaders and experts
  – In collaboration with key thought leaders, exploring key issues relating to Medicaid, HIT, and HIE
    - HIT to Improve Medicaid Quality
    - HIT to Improve Medicaid Agency Efficiencies
    - Legal and Regulatory Issues
  – Arranged for and facilitated an expert meeting of HIT experts and policy makers at the state and federal level (Held: May 26, 2006)

Medicaid is America's Largest Single Health and Long-Term Care Purchaser

- Over 52 million people covered; more than $350 billion invested annually by States and CMS

- Low-income and uninsured children;pregnant mothers

- Chronic/long-term care for the disabled, including mental illnesses

- Low-income elderly

- Source of funding for safety net hospitals and community health systems

- Waivers provide additional flexibility for every state

- Supplemental programs for different eligibility categories specified in federal law and optional state-specific programs beyond those required

Medicaid Recipients are Sicker and Poorer than the General Population

- Medicaid Recipients are Sicker than the General Population
  - 48% have a physical or cognitive disability
  - Chronic disease: For >65, more chronic diseases in every category
  - Chronic behavioral health issues: 25% with a behavioral health disorder
  - Substance abuse present in 15-40% of those with behavioral health issues
  - High use of medications and services
  - Multiple care settings

- Medicaid Recipients are Poorer than the General Population
  - High poverty level: 70% below FPL
  - Low health literacy—impaired self care management

Healthcare Quality Improvements for Medicaid Recipients through HIT

- With the appropriate use of interoperable HIT and the data collected, quality improvements specific for Medicaid can include:
  - More efficient patient tracking
  - Improved chronic care management
  - Improved preventative care
  - Adverse drug event prevention
  - Improved coordination of care
  - Data integration for quality measurement and benchmarking
  - Effective public health monitoring and reporting
- Although all providers need assistance with readiness planning and implementation, focus is particularly needed on essential community providers (ECPs)

Operational Efficiencies within Medicaid Agencies through HIT and HIE

- Proven efficiencies through "administrative" health data exchange (Claims and Eligibility Verification)
  - Reduction in manual processes and labor costs
  - Reduction in material and other business related costs
  - Single access portals increasing provider participation

- Potential efficiencies through health information exchange (HIE) of "clinical" health data
  - Improved coordination and integration of heath data with public health and other state and federal agencies
  - Better automation of the prior approval process
  - Reduction in medication costs through electronic formulary access and generic substitution
  - Promote provider efficiency by pushing clinically relevant data
  - Reduction in medical errors

Medicaid's Involvement in Health Information Exchange: Legal Issues

- Laws and regulations common to all payers and providers
  - Liability related to security and privacy of medical records, breach of duty, fraud and abuse, etc.
- Medicaid Privacy Statute
  - Predates and mirrors HIPAA privacy regulations
  - HIPAA's disclosure standards appear to be consistent with the MPS
- Relationship with other public funded programs
  - Title V Maternal and Child Health Block Grant, federally assisted family planning program, health centers, federal mental health and substance abuse programs, etc.
  - What legal standards should apply to electronic disclosure and data exchange between Medicaid and other public programs?
- State specific laws and regulations

The Potential Value of HIT and HIE for Medicaid

- Significant opportunities exist for Medicaid agencies to support evidence based practice, care coordination, quality improvement, and cost/operational efficiencies
    - Health Information Technologies (HIT) have been identified as integral tools that can be used to achieve high-quality healthcare, especially for chronically ill and high utilizing populations
    - Medicaid, as the largest purchaser for safety net providers, has an important role and stake in supporting HIT adoption by these and other providers serving Medicaid beneficiaries
    - Administrative efficiencies and cost savings for Medicaid may be significant and be helpful in maintaining program integrity to assure the sustainability of the program into the future

Potential Value of Medicaid Participation in HIE Initiatives

Medicaid's potential influence on the provider community

- **One of the largest purchasers**
- **Significant federal subsidized IT investment through MMIS and MITA**
- **Disproportionately covers certain services in specific settings**
  - **Home and community**
  - **LTC**
  - **Behavioral Health**
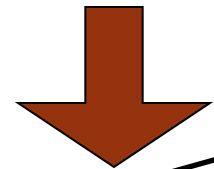
Adoption of health information technology by all providers

5-10 Years

Further Questions Raised at the Expert Panel

High adoption of rates of interoperable EHRs among <u>all</u> providers
- What can Medicaid do to promote adoption among key providers?
- Are EHR enhancements needed to address Medicaid priorities?

Infrastructure and community building around rules and standards of exchange
- How can Medicaid contribute to the infrastructure and rules of engagement?
- Can Medicaid act as a facilitator/convener for HIE efforts?
- Can it act as a host for the portal itself?
- Can Medicaid be a public partner in the portal?

Clarification of HIE legal climate for Medicaid and other purchasers
- What are the real legal and regulatory barriers to implementation and operation?
- What type of leadership will be needed to clarify legal concerns and promote innovation?

Initial Conclusions

- Medicaid currently has the capacity to support HIT and HIE efforts
  - Medicaid Information Technology Architecture (MITA)
  - Home and Community Based waivers
  - Deficit Reduction Act (DRA) through transformation grants to states improved effectiveness and efficiency of health care
  - Others
- BUT…
  - Continued dialogue, shared learning on challenges, roles, and opportunities will be critical to evolving Medicaid participation
  - Clarification of specific Medicaid regulations relating to HIE by CMS is needed
  - State executive and legislative leadership is crucial for Medicaid agency involvement
  - Targeted demonstrations of the specific technologies and the related benefits are necessary (small steps, short-term wins)
  - Realistic financing options should be clarified
  - RHIO and other initiatives should solicit Medicaid involvement at the earliest stage

For Further Information

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