

Case Study

Developing a State Medicaid Health IT Plan (SMHP): Lessons Learned From Oklahoma Medicaid

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Agency Overview

Oklahoma's Medicaid program, SoonerCare, provides coverage for approximately 588,000 Oklahomans, representing approximately 20 percent of the State's population. The State's Children's Health Insurance Program (CHIP) covers an additional 65,000 children. Nearly 89 percent of SoonerCare beneficiaries are enrolled in managed care. The Oklahoma Health Care Authority (OHCA) administers the Medicaid program.

Project Background

The American Recovery and Reinvestment Act of 2009 (ARRA) included a wide range of provisions related to health information technology (IT). Among these provisions is Section 4201, which establishes a program to provide incentive payments to eligible professionals and hospitals that adopt and meaningfully use electronic health records (EHRs).¹ Medicaid agencies will administer the Medicaid component of the incentive program.

To receive the funding provided for administering the program, Medicaid agencies are required to develop and submit three documents. The first is a Planning Advanced Planning Document (P-APD) that requests Federal funding for conducting the needs assessment and planning for health IT equipment and services. These planning activities include creating the second required document, the State Medicaid Health IT Plan (SMHP), to carry out the EHR Incentive Program and promote the electronic exchange of health information. The third document is the Implementation Advance Planning Document (I-APD), which proposes a plan of action for acquiring and implementing the equipment and services described in the SMHP, in order to request Federal funding for those activities.

Oklahoma received approval for its P-APD, required to continue further planning activities, on February 26, 2010, and approval for its final SMHP on September 3, 2010. Oklahoma's I-APD

¹ The regulations related to the incentive program were published by CMS July 28, 2010, and are titled "Medicare and Medicaid Programs; Electronic Health Record Incentive Program; Final Rule" and are found at 42 CFR Parts 412, 413, and 422 et al. The notice of proposed rulemaking associated with the final rule was published in the Federal Register January 13, 2010, and is titled "42 CFR Parts 412, et al. Medicare and Medicaid Programs; Electronic Health Record Incentive Program; Proposed Rule."

was approved on November 18, 2010. On January 2, 2011, Oklahoma was one of the first two States to issue Medicaid incentive payments.

Project Details

OHCA began drafting its SMHP following the release of the notice of proposed rulemaking (NPRM) for meaningful use under the assumption that the majority of the information contained in the NPRM would carry over to the final rule. Thus, they had approximately 90 percent of the plan drafted prior to the release of the final rule. For the first iteration, the goal was to keep the process simple. Five OHCA staffers worked to draft the plan, with assistance from a consulting firm that also assisted with the State's Medicaid Management Information System (MMIS) procurement process.

Although the drive to complete the SMHP began with the Federal requirements, executive staff provided a broad vision that was implemented by the Agency staff. The staff were given autonomy to complete their sections and recommendations that were, in turn, reviewed and approved by the executive leadership. In 9 out of 10 instances, the leadership adopted staff recommendations. In addition to support of the executive leadership, the writing team also benefited from a flexible and dynamic organizational culture. There was a strong desire to get the plan done correctly and quickly. Once the draft was complete, a statewide committee vetted the SMHP prior to submission to the Centers for Medicare & Medicaid Services (CMS).

To prepare the initial draft, OHCA broke into different work groups with responsibility for separate sections. Each work group drafted text for their section, and draft sections were then combined into a single document. The groups worked from a common template that reflected the information CMS requires. As the work groups prepared their respective sections, they tracked existing business processes that would need to be modified in light of the new incentive program.

Because it had completed its initial draft before release of the final rule, OHCA was able to submit its final SMHP before the official release of the final rule: the preliminary copy of the final rule was available July 13, 2010; OHCA submitted its SMHP on July 27, 2010, and the Federal Register notice was published July 28, 2010.

To prepare the final draft for submission, OHCA added details related to the final rule and also refined several internal documents to incorporate changes occurring between the NPRM and the final rule. Following submission to CMS and clarification of several points in the SMHP, OHCA received approval for its SMHP on September 3, 2010.

Lessons Learned and Next Steps

There were many competing priorities during the drafting process, including the State's MMIS procurement, planning for the transition to ICD-10, adoption of new standards for HIPAA transactions, and other requirements of ARRA and the Affordable Care Act. OHCA managed these competing priorities by maintaining a full view of the ongoing health IT work and by assigning a single planning and project manager with primary responsibility for the Agency's health IT and health information exchange (HIE) activities. OHCA has also been actively involved in the creation of the State HIE plan, which was completed in August 2010.

Implementing the incentive program will require hiring 10 new staff members who will have responsibility for operating the program. These new staff will handle attestation, provider services, IT/information systems, finance, and auditing functions. To further support the development of health IT within the State, Oklahoma is forming a public trust that has received legislative approval. Oklahoma plans to be among the first wave of States rolling out their EHR incentive program in January 2011.

Additional Information

For additional information about this case study, please contact Medicaid-SCHIP-HIT@ahrq.hhs.gov or call 1-866-253-1627.