

TO: National Governor's Association
Office of the National Coordinator
National Academy of State Health Policy
National Association of State Medicaid Directors

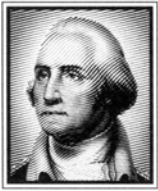
From: Patricia MacTaggart, MBA, MMA
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Date: October 26, 2009

RE: Implementation Checklist and Tracking Sheet "Tools" for States for HIT

While 2009 is the year of passage of major health care legislation with significant implications for states related to health information technology (HIT) as a purchaser (Medicaid and Children's Health Insurance program (CHIP), regulator (Medicaid, CHIP, insurance and tax related to "entities", privacy, security, etc.), provider (Medicaid, CHIP, Medicare and private insurance coverage) and government "leader" (statewide HIT strategic plan), 2010 is the year of implementation. This carries major implications for policy decisions, potential state legislative action, budget considerations, regulation development and implementation, policies and procedures, procurement, reporting requirements (federal and state), and information technology at multiple state agencies and facilities to fully utilize the options available to states, providers, and consumers to address quality, safety and administrative efficiencies.

Attached is a checklist that provides various HIT areas of concentration for states. The tool can be used as a starting place for discussion as the state seeks to comply with current federal legislative requirements, and avoid missing opportunities to use federal dollars to fund the infrastructure required by the state to address health care reform. The most critical consideration is how individual state initiatives, such as immunization registries, reporting of quality measures for children under CHIPRA, and "meaningful use" create an overall strategic health care delivery transformation based on a HIT plan with operational pathways that align, build off, and allow for the next step in the process. However, states must also be cautious not to make decisions based on mandates and/or immediate financial opportunities without supporting their health care quality and long term financial goals. The starting point for the analysis is to define the parameters of "health care" and the desired intra and inter-state health care service delivery and administration transformation sought by the state. Underpinning these decisions are the

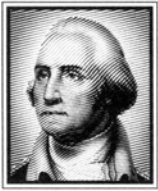


operational considerations, which will be supported by and dependent on appropriate technology and human resources.

States will need to move quickly to obtain the federal funding available for planning and implementation. The application for the Office of the National Coordinator (ONC) planning grants for strategic planning was due October 16, 2009; however, states will also need to submit their Medicaid HIT Planning-Advanced Planning Documents (P-APD), which should be complementary to the ONC grant proposals. Both of these requests need to address the state's relationship to the Region Extension Center and the inter-relationship of these applications. The Centers for Medicare and Medicaid Services (CMS) provided some guidance in their September 1, 2009, "Dear State Medicaid Director Letter", regarding 90% FFP for administrative planning activities, but further clarification will be required regarding which design, implementation and operation activities related to ARRA will be eligible for 90% FFP versus 50% FFP versus not reimbursable by Medicaid. In addition, clarification regarding the potential for 90% FFP versus 50% FFP for eligibility related system's enhancements as a result of CHIPRA and PERM provisions is needed. Initiating and retaining an ongoing relationship with the state's CMS Regional Office and CMS Central Office will be essential to assure each state has the most current information. In areas where no clear guidance has been provided, states should make their best argument as to why Medicaid funding is available and at what percent.

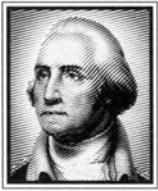
Policy and planning activities must be mapped, addressing optional and mandatory decision points along with funding opportunities and limitations. Since these activities will be a moving target, the ability to adjust for mid-path changes and the ability to track changes and ensuing implications through real project management is critical. States will need to determine and begin prioritizing HIT projects, sometimes sequentially and sometimes simultaneously. There will be immense pressure for states to make sure that their infrastructure, human, and IT resources are quickly placed so public and private providers can maximize their funding potentials. The risk of not doing has to be balanced against the risk of moving without adequate preparation and the appropriate consumer and provider engagement.

The need to bridge expectations with the realities of policy development, state legislative, regulatory, IT systems, and budgetary development is vital, and will not be easy. With many state budgets due this November and legislative proposals early in the next fiscal quarter, the time to begin is now.

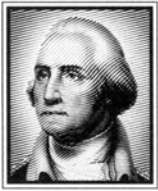


Checklist for States 11/10/09

CHIPRA			
Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>1. Mandatory: (CHIPRA Section 401, Section 1139A (c): Defining and developing State Quality Pediatric Measures for CHIP and Medicaid , including:</p> <ul style="list-style-type: none"> — Agreement on CHIP and Medicaid consistency within State CHIP and Medicaid agencies if there is a CHIP stand-alone program — State law and/or regulation changes as necessary — IT Systems Changes potentially for claims system and eligibility system — Potential consensus agreement with MCOs and FFS providers Medicaid Reporting to CMS — Collection of measure data elements — FFS — MCOs — Analysis of measures — Potential enhancements to MSIS (CHIP reporting) — Relationship to Tribes 	<ul style="list-style-type: none"> • Policy/quality staff (Medicaid/CHIP) • MMIS contract • Training/Education of Providers • Potential Development Process: staffing, space, travel, budget, regulations/policies & procedures, AG review, • Finance staff to determine budget implications 	<ul style="list-style-type: none"> • Medicaid 90/10 for development and 75/25 for operations for eligibility systems enhancements needed to address demographics and eligibility for quality measurement • Medicaid 90/10 for development and 75/25 for operations for claims systems enhancements for quality measurement and reporting • Medicaid 90/10 for development and 75/25 for operations for contracting and 50/50 for state staff – 75/25 if state staff have medical qualifications • HHS will provide \$20M annually for a demonstration project during FY 09 to FY 13



Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>2. Optional: (CHIPRA Section 401, Section 1139A (f): Development of EMR (Provider level) for Children in Medicaid/CHIP</p> <ul style="list-style-type: none"> — Application Development — Stakeholder Review — Systems Design 	<ul style="list-style-type: none"> • If state involved, potentially a contractor, contract officer, development process resources, including but not limited to staffing, space, travel, budget, legal review, specific state agency involvement 	<ul style="list-style-type: none"> • Competitive: CHIP
	<p>3. Optional: (CHIPRA Section 203, Section 1902(e)(13) "Express Line"</p> <ul style="list-style-type: none"> — Policy Development/Determination — Potential Legislative Action if required — Policies and procedures: internal and external — Systems Capability: MMIS, eligibility, connectivity to other agencies as appropriate — Potential Budget Development — Work plan and timeline — Staff resources, training & communication: providers, consumers, state — IT & HR implications as appropriate, including tax dept., schools, social services, vital records, Medicaid, other financial programs, etc. — Relationship to Tribes 	<ul style="list-style-type: none"> • Policy eligibility & IT staff (employees/contractors) • Operational and policy staff in appropriate participating department/agency for policy development and operations • Potential contract amendments and APD for eligibility enhancements to eligibility and claims system • Potential contract: connect with other agencies • Potential contract for other agency for changes • Training/Education: staff, consumers, providers, • Potential Development Process: staffing, space, travel, budget, regulations/policies & procedures, AG review 	<ul style="list-style-type: none"> • Medicaid 90/10 for development and 75/25 for operations for eligibility systems and claims enhancements • PERM activity: enhanced funding for staff Medicaid 90/10 for development and 75/25 operations
	<p>4. Optional: (CHIPRA Section 601 (a) PERM Activities: Eligibility System Redesign & Payment error claims system changes for Medicaid and CHIP</p> <ul style="list-style-type: none"> — Policy Development/Determination — Potential Legislative Action if required — Policies and procedures: internal and external for Medicaid/CHIP 	<ul style="list-style-type: none"> • Policy eligibility, legal, budget, claims & IT staff (employees or contractors) • Potential contract and/or contract amendments and APD for eligibility enhancements to eligibility and claims system • Potential contract to connect with other agencies 	<ul style="list-style-type: none"> • Medicaid 90/10 for development and 75/25 for operations for eligibility systems and claims enhancements • PERM activity: enhanced funding for staff Medicaid 90/10 for



	<ul style="list-style-type: none"> — Systems Capability: MMIS, eligibility, connectivity to other agencies as appropriate — Potential Budget Development — Work plan and timeline — Staff resources: hiring/training — Training and Communication: providers, consumers, state 	<ul style="list-style-type: none"> • Staff support from affected agencies • Training/Education consumers, providers, state staff • Potential Development Process: staffing, space, travel, budget, regulations/policies & procedures, AG review, 	development and 75/25 operations
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ARRA

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>1. Mandatory if Seeking State Grants to Promote HIT Funding (ARRA HITECH Subtitle B, Section 3113 State Grants to Promote HIT): Strategic plan: Develop and submit initial ONC Strategic and Operational Plans (amend current if one exists – if one does not exist, create one): includes “As is”, “To be”, “Gap analysis”, and Operational Work Plan with Priorities and timelines/milestones (what is simultaneous and what is sequential)</p> <ul style="list-style-type: none"> — Establishing current status of health care provider maturity — Establishing status of current self-assessment – if not existing strategic plan how to submit one in timeline; if existing strategic/operational plan but not consistent with program requirement complete gap analysis of what is missing and if strategic/operational existing and compliant with Planning Guidance, get ONC approval and implement — Identifying State HIT Coordinator — Identifying state and local resources, including allowable 	<ul style="list-style-type: none"> • HIT Advisory Committee • Website (Providers) • Website (Consumers) • Staff or contractor (PMO) to manage process: internal or contract • State staff to participate in the process • State AG legal consult and review • State Finance/Budget consult and review • Space • Computer support • Internet connection • Conference speaker phone • Tracking system • APD possibly if Medicaid \$ • RFP possibly • Contracted TA • Outreach and education to providers, consumer, publicly funded enrollees, state legislature, state executive branch 	<ul style="list-style-type: none"> • ONC Planning Grant– HIT 100% but capped (cash or in-kind match required beginning FFY 2011) • ONC Implementation Grants to state but state much have HHS approved state plan before funding released (cash or in-kind match required beginning FFY 2011) • Medicaid-HIT (90/10 development-for planning not implementation)

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<ul style="list-style-type: none"> in-kind contributions — Managing the process — Development of strategic plan “deliverable”, including how relates to federal entities (DoD, VA, etc) building off MITA self-assessment if one has been completed — Establishing baseline and performance measures/evaluation in support of “meaningful use” — Approach 5 areas: governance, finance, technical infrastructure, business and technical operations an legal/policy — Legal Review — Procurements as appropriate — Potential APD if Medicaid \$ — Receive approval by ONC — Separate tracking of Recovery funds by funding source non-Medicaid, Recovery funds Medicaid, Medicare if appropriate and MMIS funds — Addressing state “tax” status — Addressing state insurance, public health, education, local government entity implications — Identifying state “lead” — Identifying and removing barriers to HIE — Identifying and addressing intra and interstate exchange – discussions with border states and others — Preparing state agencies to participate — Relationship to Tribal Activities — Relationship to University Education: medical education & informatics — Relationship to Workman’s Comp. — Addressing back-up business processes for “business continuity” & financial sustainability — Addressing timelines, including interdependencies of decisions and sequencing 		

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
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	<ul style="list-style-type: none"> — Address risk mitigation — Alignment of Medicare and Medicaid — Relationship to REC — Other 		
	<p>2. Mandatory: (ARRA HITECH Section 4321) Strategic plan: Develop and submit initial Medicaid Strategic and Operational Plans (SMHP) (amend current if one exists – if one does not exist, create one): includes “As is”, “To be”, “Gap analysis”, and Operational Work Plan Medicaid HIT Road Map with Priorities and timelines/milestones (what is simultaneous and what is sequential) to meet Medicaid ARA Requirements to facilitate Statewide HIE Coordination, including appropriate public/private, state to other state and state to federal (MITA Maturity levels 3, 4, 5) for business processes, legal requirements, operations and enforcement , including:</p> <ul style="list-style-type: none"> — Managing the process — Development of strategic plan “deliverable”, including how relates to federal entities (DoD, VA, etc) building off MITA self-assessment if one has been completed — Legal Review — Procurements as appropriate — HIT-PAPD — Incorporation of 5010 and ICD-10 into Planning — Identifying how SMHP support Mandatory Strategic Plan in (1) — Receive approval by CMS — Separate tracking of Recovery funds non-Medicaid, Recovery funds Medicaid and MMIS/MITA funds — Relationship to Medicaid Transformation Grant (if had MTG) — Expenditure Reporting on CMS 37.12 and CMS 64.10 	<ul style="list-style-type: none"> • HIT Advisory Committee • Website (Providers & Consumers) • Consumer, provider and public outreach & education • Staff/contractor to manage process: internal or contract (PMO) • State staff to participate in the process • State AG & contracted external legal consult and review • Space, computer support, internet connection, conference speaker phone and other communication tools needed • Tracking system • H-PAPD & CMS approval • RFP potential • Direct Personnel Costs • Planning Activities • Training • Meeting Support • Outreach and education to state legislature, state executive branch and local government • Travel – State & Public • Hardware & Software • Oversight “tools” • Contracted TA • Reports Support • Funding for participants both private and public 	<ul style="list-style-type: none"> • Medicaid-HIT (90/10 development – for planning and not implementation)

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<ul style="list-style-type: none"> — Addressing state “tax” status — Identifying state “lead within Medicaid agency” and lead “personnel” — Addressing state insurance, public health, education, local government entity implications — Identifying and removing barriers to HIE — Identifying and addressing intra and interstate exchange – discussions with border states and others — Preparing state agencies to participate — Preparing state and local government “providers” to participate — Address private purchaser and provider participation options/issues — Relationship to Tribes — Relationship to Workman’s Comp., State Employees, etc. — Addressing back-up business processes for “business continuity” & financial sustainability — Addressing timelines, including interdependencies of decisions and sequencing — Other 		
	<p>3. Mandatory in order to comply with (1) Strategic Plan Law Review: (ARRA, Subtitle B, Section 3013) Review Current Law & Regulations to determine from “as is” to “to be” for both federal and state authority:</p> <ul style="list-style-type: none"> • missing and needs to be added • exists and no longer appropriate • exists and needs to continue • exists and needs to change but outside authority of state to change (federal law) <ul style="list-style-type: none"> — Privacy and Security: — Federal Law Compliance: HIPAA, FERPA, MH, Adolescent, Substance 	<ul style="list-style-type: none"> • HIT Advisory Committee (internal and/or external) • Website for Providers, Consumers & Public (media) • Consumer & Provider Outreach & Education • Staff/contractors to manage process: internal or contract • State staff to participate in the process • State AG legal consult and review and/or outside legal consult via contract depending on issue/topic/approach • As necessary: Space, Computer support, 	<ul style="list-style-type: none"> • ONC Grant (3013 of PSA) – HIT 100% but capped • Medicaid-HIT (90/10 development)

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>Treatment, HIV/AIDs, Other</p> <ul style="list-style-type: none"> — Authorization & authentication — Insurance and “entity” status — Tax Law — Relationship to HISPC and to MITA efforts — Other <p>(See attached approach)</p>	<p>Internet connection, communication support, etc.</p> <ul style="list-style-type: none"> • Tracking system • APD if Medicaid \$ • RFP potential • Direct Personnel Costs • Planning Activities • Training • Meetings • Travel • Hardware and Software • Oversight “tools” • Reports 	
	<p>4. Optional Strategic Planning for Statewide requirements & specifications for directories:</p> <ul style="list-style-type: none"> — Master Patient Index — Provider (NPI) — Connectivity — Relationship to Tribes/IHS — Other 	<ul style="list-style-type: none"> • Advisory Committee (internal and/or external) • Website (Providers, Consumers & Public) • Staff or contractor (PMO) to manage process: internal or contract • State staff to participate in the process • State AG legal consult and review & external contract legal review as necessary • Space, Computer support, Internet connection, Conference speaker phone & Tracking system • APD if Medicaid \$ • RFP potential • Direct Personnel Costs • Planning Activities • Provider, Consumer and Public Outreach and Education, training, meeting support & travel • Hardware & software • Oversight • Reports • Other 	<ul style="list-style-type: none"> • ONC Grant (3013 of PSA) – HIT 100% but capped • Medicaid-HIT (90/10 development – planning not implementation) • Medicaid-MMIS/MITA (90/10 75/25 operations)
	<p>5. Optional: State government requirements for statewide technical infrastructure, including:</p> <ul style="list-style-type: none"> — Timeline — Data specifications — Transmissions required — Authentication — Authorization 	<ul style="list-style-type: none"> • Advisory Committee (internal and/or external) • Website (Providers, Consumers and Public) • Support for consumer, provider, public, internal state government and external “local 	<ul style="list-style-type: none"> • ONC Grant (3013 of PSA) – HIT 100% but capped • Medicaid-HIT- (90/10 development- for planning not

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<ul style="list-style-type: none"> — Access control — Triggers — Consent — Breach and breach penalties (updating for federal changes) — Traceability — Expandability — Format — Coding requirements — Core Services — Collecting and reporting data — Connectivity Requirements — Transitional issues, including payment reform — Potential “use cases” — Relationship to HL7, SNOMET, LOINC, etc — Standardization relationship to federal and other states — Relationship to Tribes — Other <p>For:</p> <ul style="list-style-type: none"> • e-eligibility • e-claims transactions (ICD-10, HIPAA transaction, 5010, CLIA) • e-prescribing • e-clinical laboratory ordering and results • e-public health • e-registries (immunizations, lead, “bloodspot” screening, disease, etc) ▪ e-reporting ▪ e-personal health records 	<p>government” for outreach, education training, meeting support & travel</p> <ul style="list-style-type: none"> • Staff or contractor (PMO) to manage process: internal or contract • State staff to participate in the process • State AG legal consult and review & external contracted legal consult as needed • Space, Computer support, Internet connection, Conference speaker phone, communication “tools” & Tracking system • APD if Medicaid \$ • RFP potential procurement • Direct Personnel Costs • Planning Activities • Hardware & software • Oversight • Reports • Other <p style="text-align: center;">**By “e” project or one for all “e” projects in 6</p>	<p>implementation)</p> <ul style="list-style-type: none"> • ICD-10 Specific: Medicaid MMIS/MITA (90/10 development) (75/25 operations) • MMIS/MITA (90/10 development) (75/25 operations) • For Public Health Registry Initiatives Only: Competitive through ONC \$2B total for all
	<p>6. Optional: State government requirements for statewide business processes, legal requirements, operations and enforcement , including:</p> <ul style="list-style-type: none"> — Timeline — Data specifications — Transmissions required — Authentication — Authorization — Audit and Breach — Consent — Format — Coding requirements — Connectivity Requirements 	<ul style="list-style-type: none"> • Advisory Committee (internal and/or external) • Website (Providers, Consumers and Public) • Support for consumer, provider, public, internal state government and external “local government” for outreach, education training, meeting support & travel • Staff or contractor with PMO capabilities to manage process: internal or contract 	<ul style="list-style-type: none"> • ONC Grant (3013 of PSA) – HIT 100% but capped • Medicaid-HIT (90/10 development – for planning and not implementation) • ICD-10 Medicaid MMIS/MITA (90/10 development) (75/25 operations)

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<ul style="list-style-type: none"> — Collecting and reporting data — Functional requirements — Fair information reporting specifications — Interoperability Template — Coordination with Tribes <p>For:</p> <ul style="list-style-type: none"> • e-eligibility • e-claims transactions (ICD-10, HIPAA transaction, 5010, CLIA) • e-prescribing • e-clinical laboratory ordering and results • e-public health • e-registries (immunizations, lead, "bloodspot" screening, etc) • e-reporting (within state and to federal agencies – CMS, HRSA, SSA, Other) • e-personal health records 	<ul style="list-style-type: none"> • State staff to participate in the process • State AG legal consult and review & external contracted legal consult as needed • Space, Computer support, Internet connection, Conference speaker phone, communication "tools" & Tracking system • APD if Medicaid \$ • RFP potential procurement • Direct Personnel Costs • Planning Activities • Hardware & software • Oversight • Reports • Other <p style="text-align: center;">**By "e" project or one for all "e" projects in 6</p>	<ul style="list-style-type: none"> • MMIS/MITA (90/10 development) (75/25 operations)
	<p>7. Optional: Specific Priority Projects: Telehealth, including broadband capacity, both IT infrastructure and business processes, including:</p> <ul style="list-style-type: none"> — Timeline — Data specifications — Transmissions required — Authentication — Authorization — Format — Coding requirements — Core Services — Collecting and reporting data — Connectivity Requirements — Technical infrastructure that meets statewide and Medicaid (MMIS/MITA) requirements related to hardware, software & Master Patient Index — Business processes, including: <ul style="list-style-type: none"> • Business Plan, including sustainability: • Pricing: initial/ongoing — Management of financial 	<ul style="list-style-type: none"> • Steering Committee (internal and/or external) • Support for consumer & provider Outreach, including website, , raining, meeting support & travel • Staff/contractor to manage process: internal or contract • State staff to participate in the process • State AG legal consult and review & external contracted legal consult as required • Space, Computer support, Internet connection, Conference speaker phone, communication tools & Tracking system • APD if Medicaid \$ • RFP potential • Direct Personnel Costs • Planning Activities • Hardware & software • Oversight 	<ul style="list-style-type: none"> • ONC Grant (3013 of PSA) – HIT 100% but capped • Medicaid-HIT- (90/10 development- for planning not implementation) • ICD-10 Specific: Medicaid MMIS/MITA (90/10 development) (75/25 operations) • MMIS/MITA (90/10 development) (75/25 operations) • Broadband only: competitive grants and loans for infrastructure development in rural areas through Secretary of Agriculture-Rural

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>resources, including:</p> <ul style="list-style-type: none"> • Federal funds-grant • Federal funds – loans • Federal funds – Medicaid • Federal funds - Medicare • State funds • Private sector funds – employer • Private sector - provider • Foundation funds • Revenue from operations <p>— Policies and procedures, policy manual, rules & regulations as needed related to consumer and provider related to:</p> <ul style="list-style-type: none"> • Compliance with federal requirements • Compliance with state requirements <p>— Business contracting parameters</p> <p>— Audit preparation including:</p> <ul style="list-style-type: none"> • Federal - OMB • Federal – Medicaid • Federal – Medicare • State – Single Audit • State – Medicaid • State – Insurance Dept. <p>— Objectives and performance measures by objective</p> <p>— Other</p>	<ul style="list-style-type: none"> • Reports: federally required and state • Potential Grievance and Appeal Support • Budgeting/Financing State Share • Other 	<p>Utilities Service at \$2.5B total and of the \$4.7B through US Dept. of Commerce, NTIA, and competitive basis are available to states for broadband mapping support (\$350M).</p>
	<p>8. Optional: Specific Priority Projects: e-Prescribing, including IT infrastructure and business processes</p> <p>— Technical infrastructure that meets statewide and Medicaid (MMIS/MITA) requirements related to hardware, software & Master Patient Index</p> <p>— Business processes, including:</p> <ul style="list-style-type: none"> • Business Plan, including sustainability • Pricing: initial/ ongoing • Management of financial resources, including: <ul style="list-style-type: none"> ○ Federal funds-grant ○ Federal funds – loans ○ Federal funds – 	<ul style="list-style-type: none"> • Steering Committee (internal and/or external) • Support for consumer, provider and public outreach, education training, meeting support, website & travel • Staff/contractor (PMO) to manage process: internal or contract • State staff to participate in the process • State AG legal consult and review and as needed contracted legal consult • Space, Computer support, Internet connection, Conference speaker phone, 	<ul style="list-style-type: none"> • ONC Grant (3013 of PSA) – HIT 100% but capped – can be part of planning grant and then part of implementation – depending on decisions in Strategic Planning • Medicaid-HIT- (90/10 development- for planning not implementation) • ICD-10 Specific: Medicaid MMIS/MITA (90/10 development)

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<ul style="list-style-type: none"> ○ Medicaid ○ Federal funds - Medicare ○ State funds ○ Private sector funds – employer ○ Private sector - provider ○ Foundation funds ○ Revenue from operations — Policies and procedures, policy manual, rules & regulations as needed related to consumer and provider related to: <ul style="list-style-type: none"> ○ Compliance with federal requirements ○ Compliance with state requirements — Business contracting parameters — Audit preparation including: <ul style="list-style-type: none"> ● Federal - OMB ● Federal – Medicaid ● Federal – Medicare ● State – Single Audit ● State – Medicaid ● State – Insurance Dept. — Objectives and performance measures by objective — Alignment with Tribes — Other 	<p>communication “tools” & Tracking system</p> <ul style="list-style-type: none"> ● APD if Medicaid \$ ● RFP potential ● Direct Personnel Costs ● Planning Activities ● Hardware & software ● Oversight ● Reports: federally required and state ● Budgeting/Financing State Share ● Other 	<p>(75/25 operations)</p> <ul style="list-style-type: none"> ● MMIS/MITA (90/10 development) (75/25 operations)
	<p>9. Optional: Specific Priority Projects: HIE/ EHR-system Design and Operations:</p> <ul style="list-style-type: none"> — Technical infrastructure that meets statewide and Medicaid (MMIS/MITA) requirements related to: <ul style="list-style-type: none"> ● Hardware & Software ● “Record Locator Requirements and Specifications ● “Hub” Requirements & Specifications ● Network Configuration ● Master Patient Index ● Analytical Capability ● Data Storage — Business processes, including: <ul style="list-style-type: none"> ● Business Plan, including 	<ul style="list-style-type: none"> ● Steering Committee (internal and/or external) ● Support for consumer, provider and “public” Outreach, education training, meeting support & travel ● Staff/contractor to manage process: internal or contract ● State staff to participate in the process ● State AG legal consult and review and contract external legal consult ● Space, Computer support, Internet connection, Conference speaker phone, 	<ul style="list-style-type: none"> ● ONC Grant (3013 of PSA) – HIT 100% but capped ● Medicaid-HIT- (90/10 development- for planning not implementation) ● ICD-10 Specific: Medicaid MMIS/MITA (90/10 development) (75/25 operations) ● MMIS/MITA (90/10 development) (75/25 operations)

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>sustainability</p> <ul style="list-style-type: none"> • Pricing: initial & ongoing • Management of financial resources, including: <ul style="list-style-type: none"> ○ Federal funds-grant ○ Federal funds – loans ○ Federal funds – Medicaid ○ Federal funds - Medicare ○ State funds ○ Private sector funds – employer ○ Private sector - provider ○ Foundation funds ○ Revenue from operations <p>— Policies and procedures, policy manual, rules & regulations as needed related to consumer and provider related to:</p> <ul style="list-style-type: none"> • Compliance with federal requirements • Compliance with state requirements <p>— Role of “board” and operational procedures of “board”, including accountability structure</p> <p>— Business contracting parameters</p> <p>— Audit preparation including:</p> <ul style="list-style-type: none"> • Federal - OMB • Federal – Medicaid • Federal – Medicare • State – Single Audit • State – Medicaid • State – Insurance Dept. <p>— Governance, including:</p> <ul style="list-style-type: none"> • Establishing governance structure (initial and ongoing) • Mission Statement/Goals, • Objectives and performance measures by objective <p>— Determination of state “tax”, insurance, etc</p> <p>— Coordination with Tribes</p> <p>— Other</p>	<p>communication tools & Tracking system</p> <ul style="list-style-type: none"> • APD if Medicaid \$ • RFP potential • Direct Personnel Costs • Planning Activities • Hardware & software • Oversight Staff and IT Support • Reports: federal and state required • Budget/Financing State Share • Other 	<ul style="list-style-type: none"> • For FQHCs to be a part of an EHR-system, FQHCs need internal systems, which can be funded through HRSA grants for acquisition of HIT systems, construction and renovation up to HRSA total of \$1.5B • ONC has \$300M for support of regional or sub-national efforts toward HIE

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>10. Mandatory in order to comply with (1): (Section 3013) Oversight of HIE “entity”, including:</p> <ul style="list-style-type: none"> — Licensure and/or credentialing. — Ongoing oversight, — Solvency & other financial requirements, — Avoiding “conflicts of interest”, — Reporting requirements — Quality requirements — Budget for Staffing and Process — Hiring/Contracting: necessary staff — Administrative support 	<ul style="list-style-type: none"> • Support for consumer, provider, “public” and internal government outreach, education training, meeting support & travel • State staff to manage development of policies and manage ongoing oversight: internal or contract • State AG legal consult and review • Space, Computer support, Internet connection, Conference speaker phone, communication “tools” & tracking system • Potential APD of Medicaid \$ • RFP potential for support if contracting • Direct Personnel Costs • Report development and Data Analysis support • IT support • Other 	<ul style="list-style-type: none"> • ONC Grant (3013 of PSA) – HIT 100% but capped • Medicaid-HIT- (90/10 development- for planning not implementation) • ICD-10 Specific: Medicaid MMIS/MITA (90/10 development) (75/25 operations) • MMIS/MITA (90/10 development) (75/25 operations)
	<p>11. Optional for State but Mandatory once State “opts” to Implement (Section 4321): “Meaningful Use” – Medicaid Agency requirements</p> <ul style="list-style-type: none"> — Defining “meaningful use” — Payment to Providers, including <ul style="list-style-type: none"> • Payment methodology • Payment IT infrastructure • Payment reporting requirements — Tracking “meaningful use” — Oversight — HIT P-APD (must be delivered with State Medicaid HIT Plan-SMHP) — Ability to identify when another federal funding source has funded provider (duplication of payment) — Comply with federal regulations relating to “Meaningful Use”, including potentially (<i>regulation not</i> 	<ul style="list-style-type: none"> • IT support for development and implementation • Support for consumer, provider and “public” outreach, education training, meeting support & travel • State staff and/or contractors with project management skills to manage development of policies and manage ongoing tracking/oversight: internal or contract • State AG legal consult and review • Space, Computer support, Internet connection, Conference speaker phone, communication “tools” & Tracking system • HIT P-APD and I-APD 	<ul style="list-style-type: none"> • Medicaid-HIT (90/10 development and 75/25 operations for 3 purposes and available to 2021 for administering incentive payments, conducting oversight including tracking meaningful use attestations and reporting mechanisms, and pursuing initiatives to encourage adoption and use of EHR technology to promote quality and data exchange) • HITECH Medicaid

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p><i>released</i>) patient access to PHI electronically, 30-day readmission rate, medication reconciliation, ability to exchange HI with external clinical entity and transitions in care for which summary care record is shared, e-prescribing, viewing lab and imaging results, warnings of drug interactions, problem lists and diagnoses, computerized orders and allergies, clinical messaging, reminders, etc.</p> <ul style="list-style-type: none"> — Budget for State Share — Coordination with Tribes (fed. Requirement) — Other 	<ul style="list-style-type: none"> • RFP potential for support if contracting • Direct Personnel Costs • Appeals and Grievance staff support (provider if appropriate) • Procurement Support • Report development and Data Analysis support to meet federal and state requirements CMS 64-37-21-other) • Potential Rate setting Staff and potential Dept. of Finance staff • Other 	<p>providers have the option of having their payment to assist in purchasing an EHR pooled by a state designated party, state may consider the role of the REC in relationship to this option.</p> <ul style="list-style-type: none"> • FQHCs systems can be funded through HRSA grants for acquisition of HIT systems, construction and renovation up to HRSA total of \$1.5B – “meaningful use” money is available for actual “meaningful use”, adding dentists or other providers not included HRSA funding and enhancements to HRSA funded system
	<p>12. Optional: “Meaningful Use” – State run facilities ability to meet requirements for Medicare and Medicaid, including State residential MH institutions, PH, ICFs/MR (use of certified EHR technology connected to EHR-system and submits quality measures)</p> <ul style="list-style-type: none"> — Technical Infrastructure (“certified EHR technology) — Business Processes (“eligible provider”) — Reporting Requirements (meet “meaningful use” criteria) — Claims/billing capacity — Technical infrastructure that meets statewide and 	<ul style="list-style-type: none"> • Potential capital budget • Policy/management/operations (facility management and IT) staff • Contractors • Contract Support: potential RFP and APD • IT Design & Work Flow Design Support for operations and reporting • Claims/billing development support • Capital Budget 	<ul style="list-style-type: none"> • Incentive payments as a Medicaid Provider through the state Medicaid agency for development and ongoing (100% FFP for physicians, dentists, nurse mid-wives, nurse practitioners and physician assistants in FQHCs/RHCs with 30% Medicaid, up to maximum of \$63,750 over 6 yr

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>Medicaid (MMIS/MITA) requirements related to:</p> <ul style="list-style-type: none"> • Hardware & Software • Network Configuration • Master Patient Index <p>— Business processes, including Business Plan and Management of financial resources, including:</p> <ul style="list-style-type: none"> ○ Federal funds-grant ○ Federal funds – loans ○ Federal funds – Medicaid ○ Federal funds - Medicare ○ State funds ○ TPL funds/private pay <p>— Policies and procedures, policy manual, rules & regulations related to compliance with federal & state requirements</p> <p>— Procurement as appropriate</p> <p>— Comply with federal regulations relating to “Meaningful Use”, including potentially (regulation not released) patient access to PHI electronically, 30-day readmission rate, medication reconciliation, ability to exchange HI with external clinical entity and transitions in care for which summary care record is shared, e-prescribing, viewing lab and imaging results, warnings of drug interactions, problem lists and diagnoses, computerized orders and allergies, clinical messaging, reminders, etc</p> <p>— Capital Budget</p> <p>— Connectivity</p> <p>— Relationship to RECs</p> <p>— Coordination with Tribes</p> <p>— Audit preparation including:</p> <ul style="list-style-type: none"> • Federal – Medicaid & Medicare • State – Single Audit, Medicaid, Other 		<p>period</p> <ul style="list-style-type: none"> • HITECH Medicaid providers have the option of having their payment to assist in purchasing an EHR pooled by a state designated party; state may consider the role of the REC in relationship to this option. • Incentive payments for pediatricians at 20% capped at \$42,500 • Incentive payments for hospitals (amts TBD by formula) (100% FFP for acute hospitals with 10% Medicaid and all children’s) • Incentive payments for other “entities” as designated by the State and approved by the Secretary • Medicare ongoing only – max incentive \$48,000 and decreases over time and payment through carriers <p>1. Medicare penalty 2015 (% reduction in fee schedule)</p>
	<p>13. Optional (Section 3014): State Management of HIT Provider</p>	<ul style="list-style-type: none"> • IT and staff/contractor support 	<p><i>Optional by ONC: competitive grants to</i></p>

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	Loans for the following activities: <ul style="list-style-type: none"> — HIT architecture to support national e-exchange — Integration of HIT into training of health professionals and others in HC industry — Training and dissemination of information on best practices to integrate HIT into a provider's delivery care — Regional and sub regional HIE efforts — Telemedicine infrastructure/tools — Clinical data repositories or registries interoperability promotion — E-prescribing or EHR-systems implementation — Expansion of current HIEs to additional entities or enhanced capabilities, such as quality reporting of clinical data — PHR implementation by providers who have EHRs — HIE development to share data on patients served by state employees commercial health plans 	<ul style="list-style-type: none"> • Support for provider and "public" outreach, education training, meeting support & travel • State AG legal consult and review • Space, Computer support, Internet connection, Conference speaker phone, communication "tools" & Tracking system • Potential Procurement Support • Report development and Data Analysis support to meet federal and state requirements • Other 	state or other grantees to establish guaranteed Loan Fund to distribute funds to providers for purchase and implementation expenses associated with adoption of EHR with a match of \$1 state to \$5 federal with a 4% admin draw down from fund dating back to establishment of fund (cannot begin until 2010)
	14. Optional: Specific Priority Projects: Personal Health Record for publicly funded individuals, including Medicaid), both IT infrastructure and business processes, including: <ul style="list-style-type: none"> — Timeline — Data specifications — Transmissions required — Authentication — Authorization — Format — Coding requirements — Core Services — Collecting and reporting data — Connectivity Requirements — Technical infrastructure that meets statewide and Medicaid (MMIS/MITA) requirements related to hardware, software & Master 	<ul style="list-style-type: none"> • Steering Committee (internal and/or external) • Support for consumer, provider and "public" outreach, education training, meeting support, website & travel • Staff to manage process: internal or contract • State staff to participate in the process • State AG legal consult and review & contract legal consult • Space, Computer support, Internet connection, Conference speaker phone & Tracking system • H-IAPD if Medicaid \$ • RFP potential 	<ul style="list-style-type: none"> • ONC Grant (3013 of PSA) – HIT 100% but capped • Medicaid-HIT- (90/10 development- for planning not implementation) • ICD-10 Specific: Medicaid MMIS/MITA (90/10 development) (75/25 operations) • MMIS/MITA (90/10 development) (75/25 operations)

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>Patient Index</p> <ul style="list-style-type: none"> — Business processes, including: <ul style="list-style-type: none"> • Business Plan: • Sustainability plan • Pricing: initial and ongoing • Management of financial resources, including: <ul style="list-style-type: none"> ○ Federal funds-grant ○ Federal funds – loans ○ Federal funds – Medicaid ○ Federal funds - Medicare ○ State funds ○ Private sector funds – employer ○ Private sector - provider ○ Foundation funds ○ Revenue from operations ○ Policies and procedures, policy manual, rules & regulations as needed related to consumer and provider related to: <ul style="list-style-type: none"> ○ Compliance with federal requirements ○ Compliance with state requirements — Business contracting parameters — Audit preparation including: <ul style="list-style-type: none"> • Federal - OMB • Federal – Medicaid • Federal – Medicare • State – Single Audit • State – Medicaid • State – Insurance Dept. — Objectives and performance measures by objective — Other 	<ul style="list-style-type: none"> • Direct Personnel Costs • Planning Activities • Hardware & software • Oversight capabilities • Report Capability: federal and state • Audit Capability • Other 	
	<p>15. Optional (Section 3012): Establishment of Regional HC Information Enterprise Integration Research Centers by academic institution and/or consortium, including determining role, relationship to state government,</p>	<ul style="list-style-type: none"> • Dependent on which project, role of state, current staffing 	<ul style="list-style-type: none"> • Regional HC Information Enterprise funding with NIST (consultation NSF): Regional Expansion

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p>reporting, training curriculum, relationship to sub regional efforts</p> <ul style="list-style-type: none"> — Since, HITECH Medicaid providers have the option of having their payment to assist in purchasing an EHR pooled by a state designated party; state may consider the role of the REC in relationship to this option. 		<p>Centers: Competitive: ONC Cooperative Agreement Funding opportunity number: EP-HIT-09-003 with closing date August 2010 and \$30M ceiling and \$1M floor. Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education</p>
	<p>16. Optional: Evaluations and Research -</p> <ul style="list-style-type: none"> — Assessment of Communities with Health Disparities Impact — Study on reimbursement incentives relationship to HC quality improvement at FQHCs, RHCs and free clinics — Study on use of aging services technology 	<ul style="list-style-type: none"> • Dependent on which project, role of state, current staffing 	<ul style="list-style-type: none"> • Disparities through ONC – amount unknown • Reimbursement for safety net through HHS – amount unknown • Aging through HHS – amount unknown • NIH Challenge Grants in Health and Science Research (RFA-OD-09-003) (NIDDK): at least \$200 million in FYs 2009 – 2010 to support research on topic areas that address specific scientific and health research challenges in biomedical and behavioral research that would benefit from significant 2-year jumpstart funds. NIH anticipates funding 200 or more grants, each

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
			<p>of up to \$1M.</p> <ul style="list-style-type: none"> • NIH: Building Sustainable Community-Linked Infrastructure to Enable Health Science Research (RC4), to support the development, expansion, or reconfiguration of infrastructures needed to facilitate collaboration between academic health centers and community-based organizations for health science research.
	<p>17. Optional: Public Health Registries: vaccine and disease for both IT infrastructure and business processes, including:</p> <ul style="list-style-type: none"> — Timeline — Data specifications — Transmissions required — Authentication, authorization, format and coding requirements — Collecting and reporting data — Connectivity Requirements — Technical infrastructure that meets statewide, CDC and Medicaid (MMIS/MITA) requirements related to hardware, software & Master Patient Index — Coordination with Tribal Registries and IHS — Business processes, including: <ul style="list-style-type: none"> ○ Management of registry system, financial resources, policies and procedures, policy manual, rules & regulations as needed ○ Federal and State Audit Preparation. ○ Objectives and performance measures by 	<ul style="list-style-type: none"> • Current state staff/human resources may be sufficient depending on current registry status • IT support for development, implementation and ongoing operation • Potential APD if seeking Medicaid • Potential RFP 	<ul style="list-style-type: none"> • Competitive through ONC \$2B total for all states total • Medicaid-HIT- (90/10 development- for planning not implementation) • MMIS/MITA (90/10 development) (75/25 operations)

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
	<p style="text-align: center;">objective</p> <p>18. Optional: Provider Education related to HIT, including establishment and expansion of medical/health informatics programs and integration of HIT into clinical education, including certification, undergraduate, and master's degree programs for both healthcare and IT students</p> <p>— The grants are for universities that wish to carry out a demonstration project to develop academic curricula integrating certified EHR technology in the clinical education of health professionals (section 3015), or; establish or expand medical health informatics education programs (section 3016).</p>	<ul style="list-style-type: none"> University staff, infrastructure and budget to support initiative. Financing for match 	<ul style="list-style-type: none"> Optional: HHS Grants to educational institution to integrate HIT into clinical education form HHS with 50% match required HHS in collaboration with NSF – amount unknown for informatics programs - grants available to a school of medicine, osteopathic medicine, dentistry, or pharmacy, a graduate program nursing, physician assistant, behavioral or mental health, or any other graduate health professions school, or a consortium of two or more schools described above
	<p>19. Mandatory (ARRA Section 5001 (f) (1)© and 5001 (f) (2): Tracking Changes to Eligibility to address Maintenance of Effort for enhanced FFP and “Prompt payment requirements”</p> <p>— Tracking changes before July date for MOE</p> <p>— Potential APD and/or amendment to current MMIS contract or eligibility contract</p> <p>— Potential budget impact analysis</p>	<ul style="list-style-type: none"> Policy/eligibility staff Potential contract amendments and APD for eligibility enhancements to eligibility and claims system Finance staff to determine budget implications 	<ul style="list-style-type: none"> Medicaid 90/10 for development and 75/25 for operations for eligibility systems and claims enhancements PERM activity: enhanced funding for staff Medicaid 90/10 for development and 75/25 operations

Completed Y/N	Action Required	Resources Required	Potential Funding Sources
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Health Reform

	1. Optional/Mandatory (TBD) Establishing the insurance exchanges, and managing the subsidies that flow through them	TBD	<ul style="list-style-type: none"> TBD
	2. Optional: Medicaid Expansions requiring eligibility system changes	Potentially already in MMIS/eligibility contracts and if not contract amendments	<ul style="list-style-type: none"> MMIS/MITA (90/10 development) (75/25 operations) CHIPRA: PERM (90/10 development) (75/25 operations)
	3. Optional: Provider adjustments to the way Medicare and Medicaid pay doctors, hospitals, and other medical providers.	Potentially already in MMIS contract and if not contract amendments	<ul style="list-style-type: none"> MMIS/MITA (90/10 development) (75/25 operations) CHIPRA: PERM (90/10 development) (75/25 operations)
	4. Mandatory: Medicaid claims adjustments to the way Medicare and potentially Medicaid pay doctors, hospitals, and other medical providers: <ul style="list-style-type: none"> State Medicaid Agency <ul style="list-style-type: none"> Accommodate Medicare Changes Medicaid Changes as appropriate 	Potentially already in MMIS contract and if not contract amendments	<ul style="list-style-type: none"> MMIS/MITA (90/10 development) (75/25 operations) CHIPRA: PERM (90/10 development) (75/25 operations)
	5. Mandatory: Medicaid claims adjustments to the way Medicare and potentially Medicaid pay doctors, hospitals, and other medical providers at the State Facilities that a bill Medicare and/or Medicaid	Potentially already in state system IT contract and if not potentially contract amendments	<ul style="list-style-type: none"> State

APPROACH FOR REVIEW OF CURRENT LAWS

	Actual Words	Historical Interpretation	Reinterpretation Opportunities	Implementation Adjustments	Change Required
Federal Medicaid Specific					
• Law					
• Regulation					
• CMS SMD Letters					
Federal Non-Medicaid Specific					
• Law					
• Regulation					
• CMS SMD Letters					
State Medicaid Specific					
• Law					
• Rules/Regs					
• Policies/Contracts					
State Non-Medicaid Specific					
• Law					
• Rules/Regs					
• Policies/Contracts					