# Health IT Council and Advisory Committee Meeting

MeHI
MASSACHUSETTS eHEALTH INSTITUTE
at the MassTech Collaborative

**September 10, 2010**
**Mass Technology Collaborative Office,**
**2 Center Plaza, Suite 200**
**Boston, MA**

# Agenda

- Approval of July 30, 2012 Minutes (HIT Council Motion)
- Impact of the 2012 Cost Containment Bill
  - Overview
  - MeHI and HIT Council specific impact
- HIE Updates
  - Golden Spike
  - Last Mile
  - Finance Committee
  - HIE Advisory Annual Report Review
- REC Services Update
  - 90/10 Funding Possibilities
- Medicaid Incentive Program Update
- Other

# Impact of the 2012 Cost Containment Bill

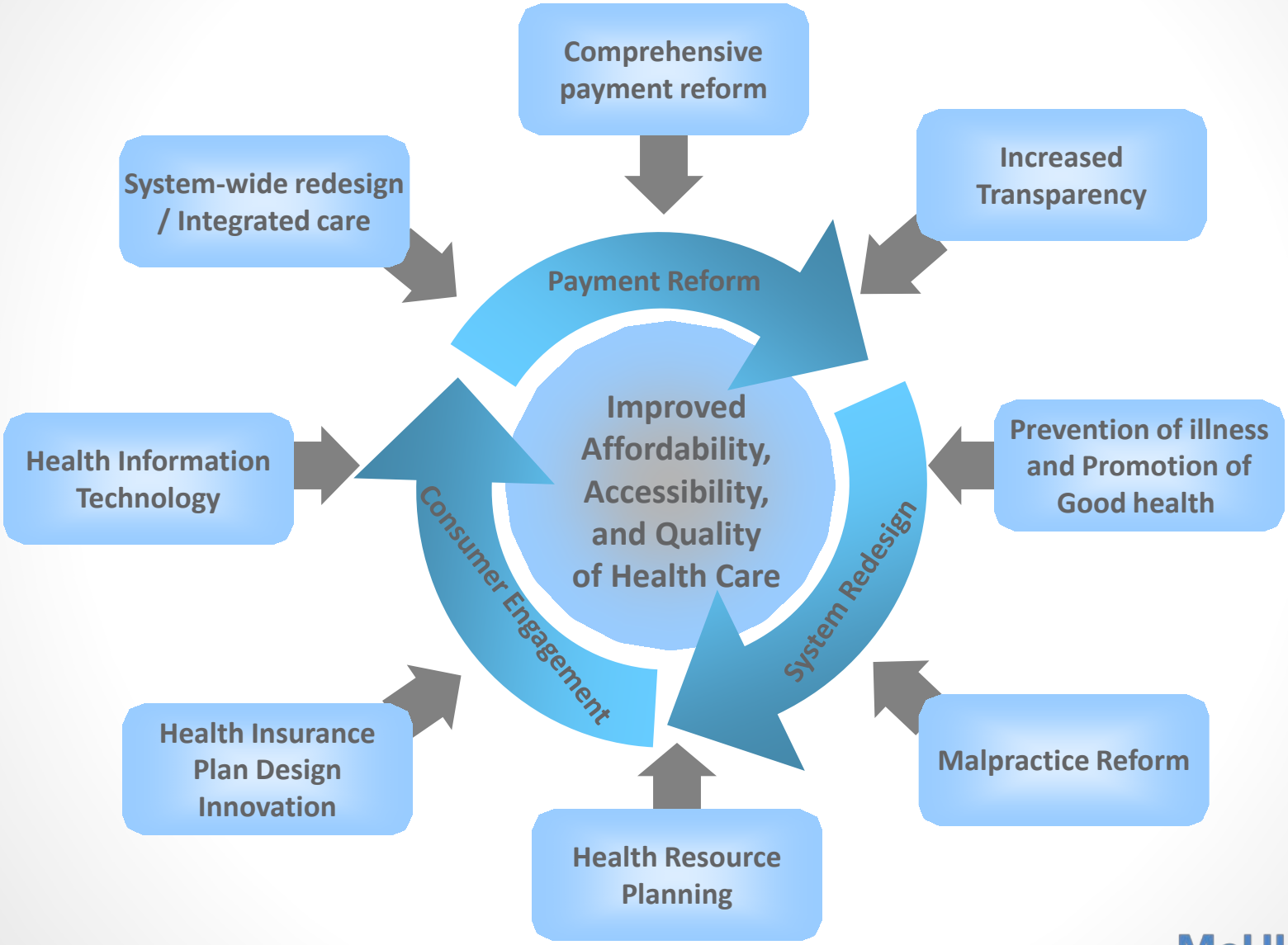
Overview

MeHI and HIT Council Specific Impact

# Chapter 224 reflects a comprehensive approach to containing health care costs

- Addressing health care costs, while ensuring high-quality care and access to care, will require multiple strategies, including:
  - Redesigning systems of care
  - Changing the way we pay for health care
  - Employing health information technology
  - Using health resources efficiently
  - Addressing market power
  - Reforming the malpractice system
- To be successful, we need the collaboration of consumers, employers, providers, payers and government

# Key Levers to Contain Costs



# Key provisions of Chapter 224

- Sets a health care cost growth target
- Promotes payment and delivery system reform
- Promotes prevention and wellness
- Implements sensible malpractice reforms
- Addresses market power
- Continues review of health insurance rates
- Supports expansion of health information technology
- Implements health resource planning
- Provides consumers and employers with quality and cost data to inform decision-making
- Restructures government agencies and functions

# MeHI Role and Charge

- There shall be established an institute for health care innovation, technology and competitiveness, to be known as the Massachusetts e-Health Institute …The institute shall advance the dissemination of health information technology across the commonwealth, including the deployment of interoperable electronic health records systems in all health care provider settings that are networked through a statewide health information exchange

- The institute shall
  - Conduct the regional extension center
  - Fulfill current and future obligations related to the Medicaid Incentive program
  - Develop a plan to complete the implementation of electronic health records by all providers in the Commonwealth

- In consultation with the Health Information Technology Council, advance the dissemination of health information technology by:
  - Facilitating the implementation of interoperable electronic health records
  - Supporting the Council in the creation and maintenance of the HIE
  - Identifying and promoting accelerated deployment of technology expected to improve quality and reduce cost
  - Facilitating achievement of Meaningful Use beyond Stage 1
  - Promoting to patients, providers, and the general public a broad understanding of the benefits of interoperable electronic health records for care delivery, care coordination, improved quality and ultimately greater cost efficiency

# MeHI's Specific Required Deliverables

- Create an annual state electronic health record plan
  - Budget to be submitted to the HIT Council for review and comment and approved by the MTC Board
  - EHR plan shall be consistent with the State HIE plan developed by the HIT Council
- Develop mechanisms for funding health information technology including a grant program
  - Consult with the office of Medicaid to maximize opportunities to qualify any expenditures for federal financial participation
- Establish a pilot partnership to support health information technology curriculum development and workforce development
- File an annual report by January 30th
  - Describe progress to date in implementing interoperable electronic health records
  - Recommend further legislative action as appropriate

# HIT Council Role and Composition – Chapter 118I

- There shall be a health information technology council within the executive office of health and human services. The council shall coordinate with state agencies, including the commission, other governmental entities and private stakeholders to develop a statewide health information exchange. ***The council shall advise the executive office on design, implementation, operation and use of the statewide health information exchange and related infrastructure.***

- The council shall consist of the following 21 members
  - the secretary of health and human services or a designee, who shall serve as the chair
  - the secretary of administration and finance or a designee
  - the executive director of the health policy commission or a designee
  - The executive director of the center for health information analysis
  - the director of the Massachusetts e-Health Institute
  - the secretary of housing and economic development or a designee
  - the director of the office of Medicaid or a designee
  - and 14 members who shall be appointed by the governor, of whom at least 1 shall be an expert in health information technology; 1 shall be an expert in law and health policy; 1 shall be an expert in health information privacy and security; 1 shall be from an academic medical center; 1 shall be from a community hospital; 1 shall be from a community health center; 1 shall be from a long term care facility; 1 shall be a from large physician group practice; 1 shall be from a small physician group practice; 1 shall be a registered nurse; 1 shall be from a behavioral health, substance abuse disorder or mental health services organization; 1 shall represent health insurance carriers; and 2 additional members shall have experience or expertise in health information technology.

# Funding

- eHealth Institute Fund
  - Established and funded with $28.5M to support MeHI's activities
- Health Information Exchange Fund
  - Funded initially with "a portion of (i) any money in the E-Health Institute Fund, (ii) any money from the ONC Health Information Exchange Cooperative Agreement, or (iii) the ONC Health Information Exchange Challenge Grant programs that is related to the implementation of the statewide health information exchange."
  - Setup as a separate account from other funds

# Other Key Provisions

- All providers must adopt interoperable electronic health records that comply with state and federal privacy requirements
  - No timeline is given
  - Secretary of EOHHS is directed to create penalties for non-compliance
  - Waivers for good cause shall be offered, including, but not limited to, availability of broadband access
- Patient privacy rights requirements
  - Must establish a mechanism to allow patients to opt-in or opt-out of the HIE at any time
  - Providers must provide patients the option to request an accounting of access to the individual's health information
  - Patients and providers must be provided written privacy guidelines and disclosures
  - A breach must be disclosed to the affected individual as soon as possible, not to exceed 10 days

# Summary of Updates

- MeHI's key responsibility is to oversee the full adoption of EHRs by every provider in the Commonwealth
- EOHHS has the responsibility to procure and implement the HIE
- MeHI and EOHHS have to produce annual plans and reports on their respective areas and include recommendations for further legislation as appropriate
- The HIT Council oversees the implementation of the HIE and reviews and comments on MeHI's plan(s) to achieve full adoption of EHRs
- MeHI, EOHHS, and the HIT Council will work together on the interaction between EHRs and the HIE

# Massachusetts HIway Updates

Golden Spike

Last Mile

Pricing

HIE Advisory Annual Report Review

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# Golden Spike


GS Group Participants

- Atrius Health
- Baystate
- Berkshire Medical Center
- Beth Israel/Deaconess
- Children's Hospital
- Holyoke Medical Center
- Network Health
- Partners Healthcare
- Tufts Medical Center
- Vanguard

# Last Mile Program

- Last Mile Vendor selection
  - Planned to complete in September
- EHR Vendor Grants
  - Roundtable on 9/27
  - Reviewing grant criteria with ONC
- Direct Assistance
  - Developing list of healthcare communities
  - Plan to leverage community anchor institutions and leaders to join the HIway in “waves” so that there is a critical mass of providers in each community

# HIway Private Fee Principles

All participants pay some fee for ongoing HIE services

- Minimizes market distortions caused by “free” services
- Establishes payment framework for future later phase HIE services

Participants pay for service-level that they consume

- Service menu options
- No requirement to purchase later Phase services
- Annual subscription fees – no transaction or click charges

Fees should cover private sector allocation requirement for HIE services (~$700K per year)

- Private fees should not be used for other purposes
- Fee revenues should be segregated from general state revenues
- Need to align timing of fee generation with CMS matching rules

Fees will need to be adjusted periodically as circumstances change

- Will be difficult to precisely target allocation requirement in any given year
- Need to create process for allocating and distributing surpluses to later phases and/or future year services
- First year, in particular, will be a market-testing year – want to start with a reasonable framework, and apply lessons learned for future steady-state pricing

# HIway Private Fee Structure Description

Pricing structure informed by experiences (successful and unsuccessful) in Massachusetts and other markets

Tier-based structure based approximately on organization size and level of IT management complexity and capability

- Regardless of what method we use, there will always be some level of arbitrariness in parsing organizations into tiers
- Will start with known customer categories, but will need a process for incorporating new customer types as they emerge

Incorporates some degree of cross-subsidization of smaller, less IT-capable organizations by larger organizations

Addresses need to be flexible and attentive to market structure and dynamics

- Variety of integration options to accommodate market heterogeneity
- Pricing favors LAND or Direct HIE services for larger organizations, Secure Web for smaller organizations
- Takes into consideration competitive offerings and price elasticity's

# MA HIway Phase 1 HIE Proposed Services Rates

**Massachusetts Health Information Highway Rate Card** 9/10/2012

| Tier | Category | Total # in state (estimated) | One-time set-up fee | Annual HIE services fee | | |
|---|---|---|---|---|---|---|
| | | | | LAND plus HIE services (per node) | Direct HIE services (per node) | Secure Web HIE services (per user) |
| Tier 1 | Large hospitals | 14 | $2,500 | $27,500 | $15,000 | $240 |
| | Health plans | 9 | $2,500 | $27,500 | $15,000 | $240 |
| | Multi-entity HIE | 5 | $2,500 | $27,500 | $15,000 | $240 |
| | | | | | | |
| Tier 2 | Small hospitals | 37 | $1,000 | $15,000 | $10,000 | $240 |
| | Large ambulatory practices (50+) | 11 | $1,000 | $15,000 | $10,000 | $240 |
| | Large LTCs | 8 | $1,000 | $15,000 | $10,000 | $240 |
| | ASCs | 63 | $1,000 | $15,000 | $10,000 | $240 |
| | Non-profit affiliates | 5 | $1,000 | $15,000 | $10,000 | $240 |
| | | | | | | |
| Tier 3 | Small LTC | 310 | $500 | $4,500 | $2,500 | $120 |
| | Large behavioral health | 10 | $500 | $4,500 | $2,500 | $120 |
| | Large home health | 15 | $500 | $4,500 | $2,500 | $120 |
| | Large FQHCs (10-49) | 10 | $500 | $4,500 | $2,500 | $120 |
| | Medium ambulatory practices (10-49) | 365 | $500 | $4,500 | $2,500 | $120 |
| | | | | | | |
| Tier 4 | Small behavioral health | 90 | $25 | $250 | $175 | $60 |
| | Small home health | 134 | $25 | $250 | $175 | $60 |
| | Small FQHCs (3-9) | 29 | $25 | $250 | $175 | $60 |
| | Small ambulatory practices (3-9) | 1,595 | $25 | $250 | $175 | $60 |
| | | | | | | |
| Tier 5 | Small ambulatory practices (1-2) | 4,010 | $25 | $60 | $60 | $60 |

# Feedback received to date & immediate next steps

**Feedback received to date from Work Groups:**

- Some confusion about service bundles – what would it actually cost for an organization?
- Concern that prices for Tier 3 and 4 may be too high
- Need to consider other categories, such as VA/SSA, schools, commercial diagnostic facilities, inpatient rehab facilities, etc.

**Immediate next steps on pricing:**

- This is an evolving process – comments and feedback are essential, and most welcome!
- Critically important that we start with something that's basically reasonable now, and have a process in place for adjusting in the future
- Since most concerns are about bottom-tier pricing, should focus now on pricing for Golden Spike Group and continue to refine full price framework for the Oct 15 go-live
- Year 1 will be a market-testing period – with good will and transparent processes, we will be able to move from a reasonable starting point to an enduring and sustainable solution

# HIE HIT Advisory Committee Annual Progress Report

- The Massachusetts HIE HIT Advisory Committee has prepared an *Annual Progress Report* to highlight the accomplishments of the past year
- The report highlights major accomplishments of the year including:
  - Engaging stakeholders
  - Creating a unified statewide HIE plan
  - Establishing a sustainable funding model
  - Defining HIE requirements
  - Acquiring HIE customers
  - Supporting communications and outreach
  - Advising implementation and go-live
- The report also provides a full summary of all Work Group recommendations made to date

# REC Services Update

# Need for REC services to help specialists

- The current REC Direct Assistance Program is funded by ONC to assist Primary Care Providers (PCP) with Meaningful Use of EHR systems.  Participating providers are mainly MDs, DOs, and NPs.
- Many specialists are eligible for the Medicaid EHR Incentive program, but there are limited resources available to help specialists with EHR implementation and Meaningful Use
- Medicaid specialists serve in underserved communities, especially in Behavioral Health Services
  - 2,275 Behavioral Health providers registered with MassHealth

# Expanding Availability of REC services

## Potential 90/10 Medicaid Funding for REC Services

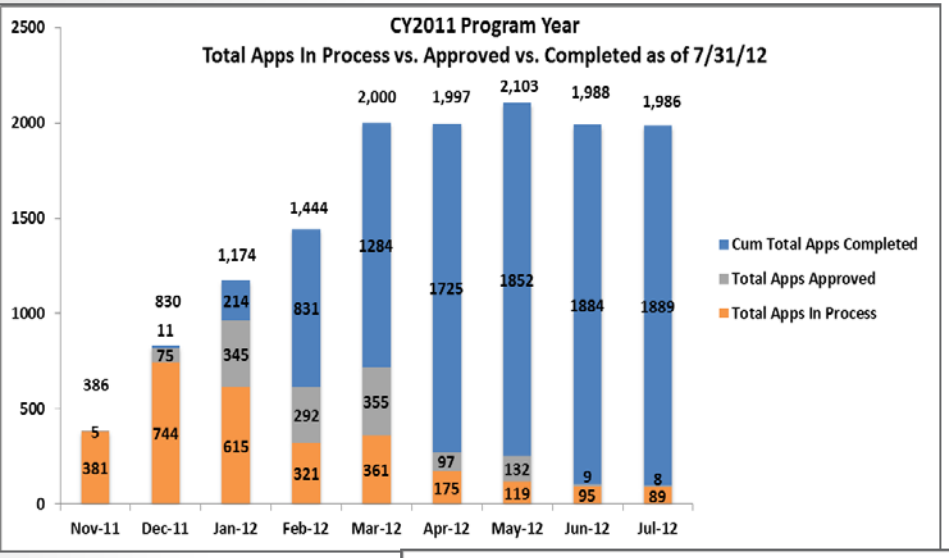
- Matching funds may be available through Medicaid to offer REC services to more providers
- New Jersey HITECH is offering REC services to 500 Medicaid Specialists through funding from their state Medicaid office
  - Planning meetings with the NJ Health IT Action Team (HAT) to develop proposal
  - Memorandum of Agreement (MOA) between NJ HITECH and state Medicaid
  - Updates to IAPD and SMHP
  - REC staff hired and trained to support Specialists
- Similar needs and opportunities exist to increase Meaningful Use of EHRs among specialists in Massachusetts

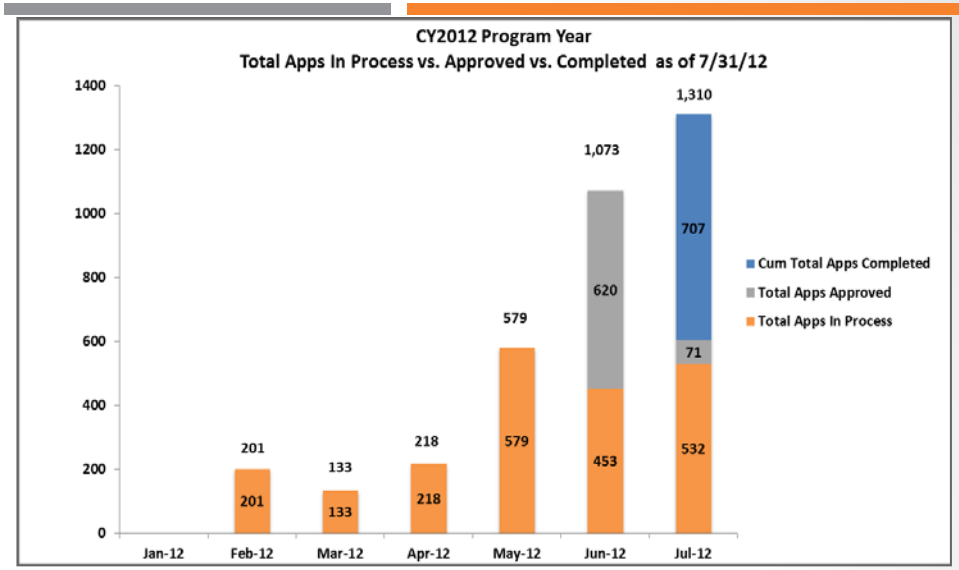
# Potential REC Services for specialists

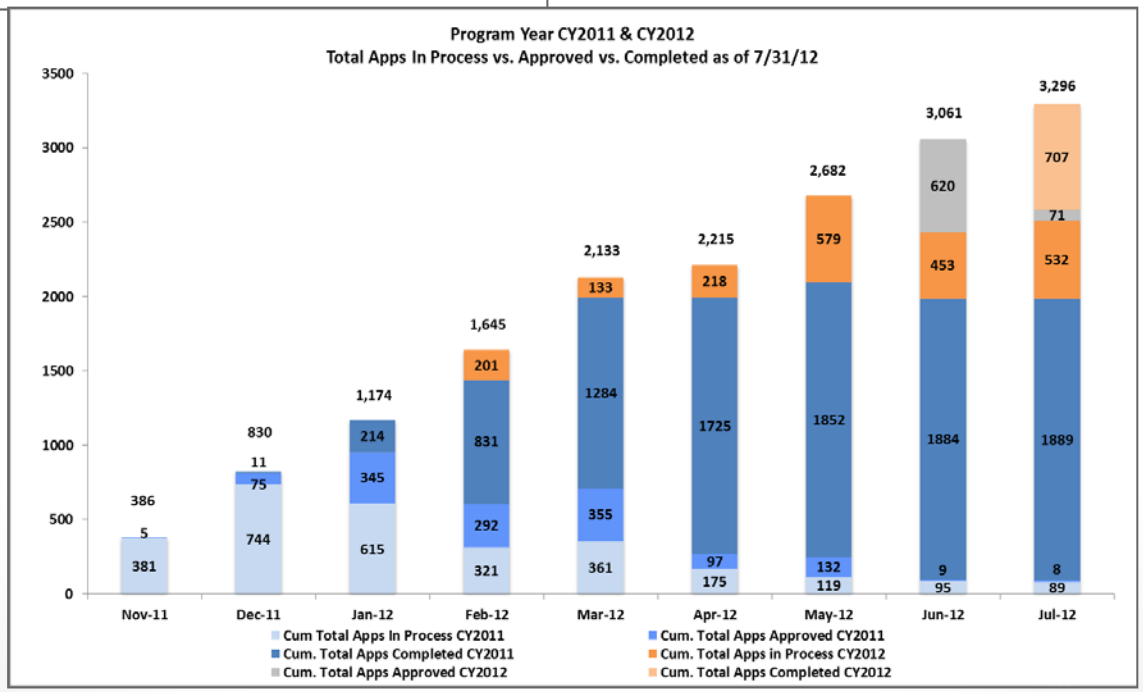
- Proposal is to explore a possible IAPD update to support an extension of support services to Medicaid-eligible providers who aren't currently supported by the REC
- IOO services similar to those currently available to Primary Care Providers
  - Currently $2,500 or $4,500 per provider
- Other options
  - New services model specifically for Behavioral Health organizations and clinics
  - Possibly include providers who do not currently qualify for federal EHR Incentive programs (Psychologists, LICSW, etc.)
  - Specific services to assist Long Term Care facilities (Skilled Nursing Facilities, Home Care Organizations, etc.)

# Medicaid Incentive Program Update

# Massachusetts Medicaid EHR Incentive Performance Metrics



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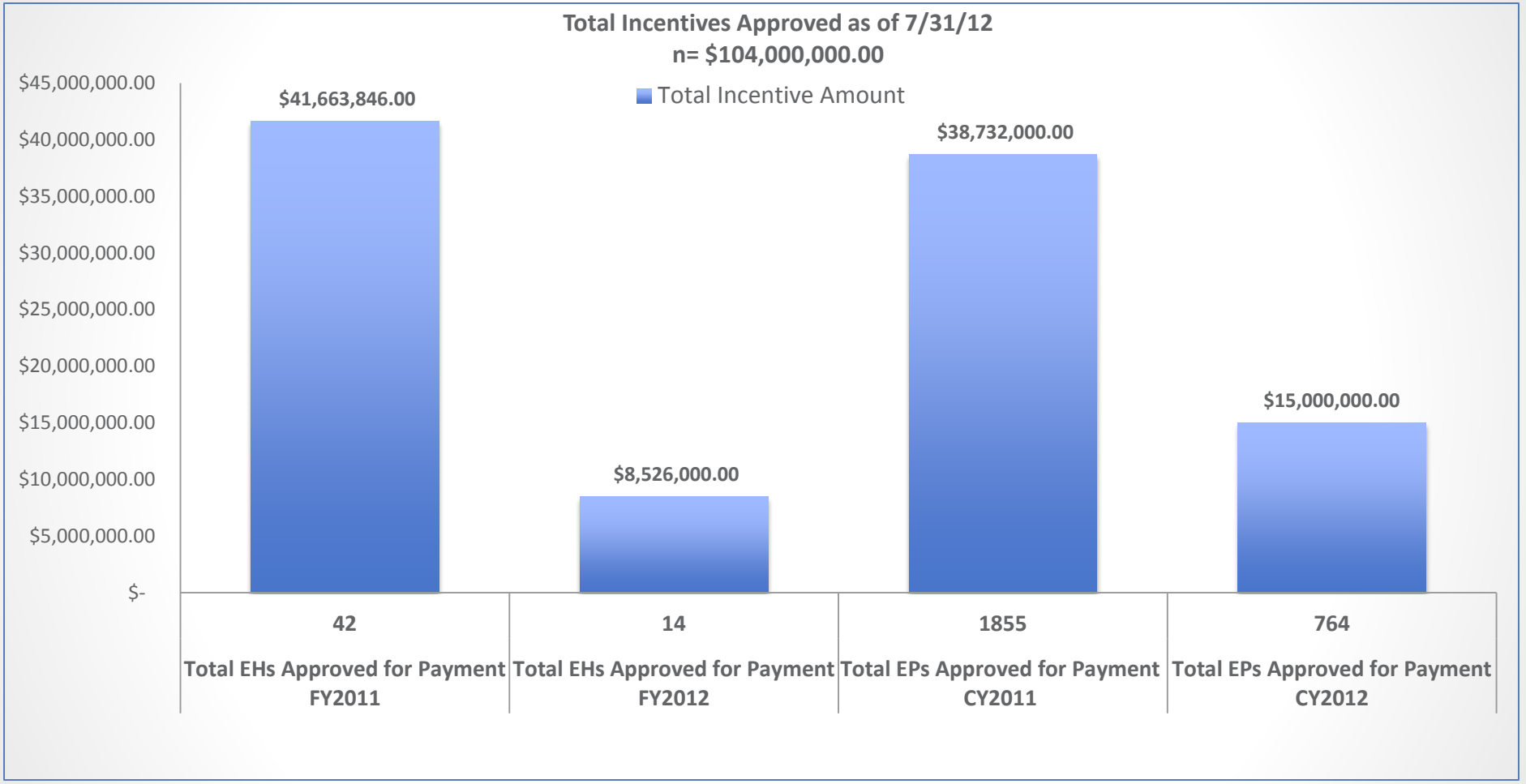

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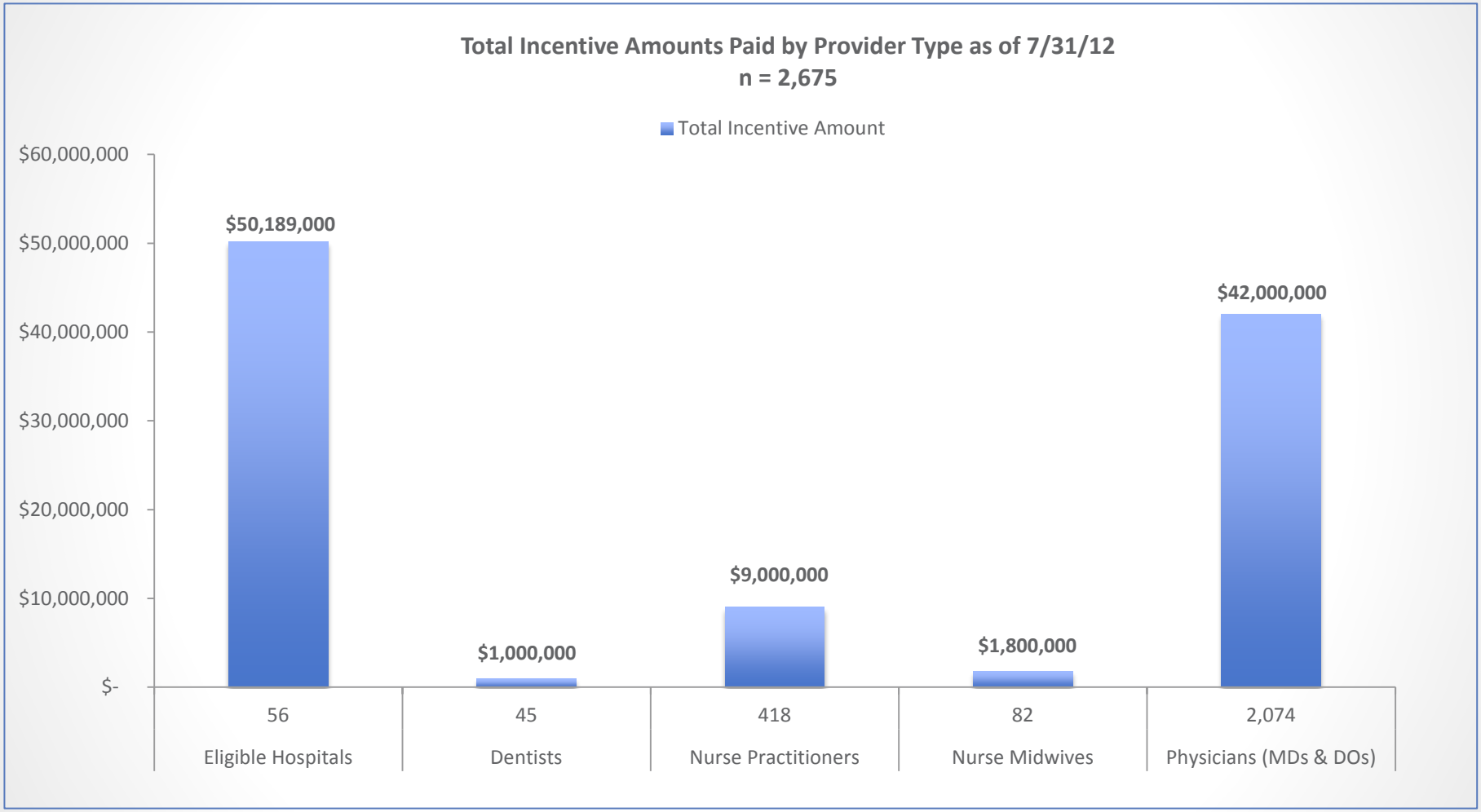




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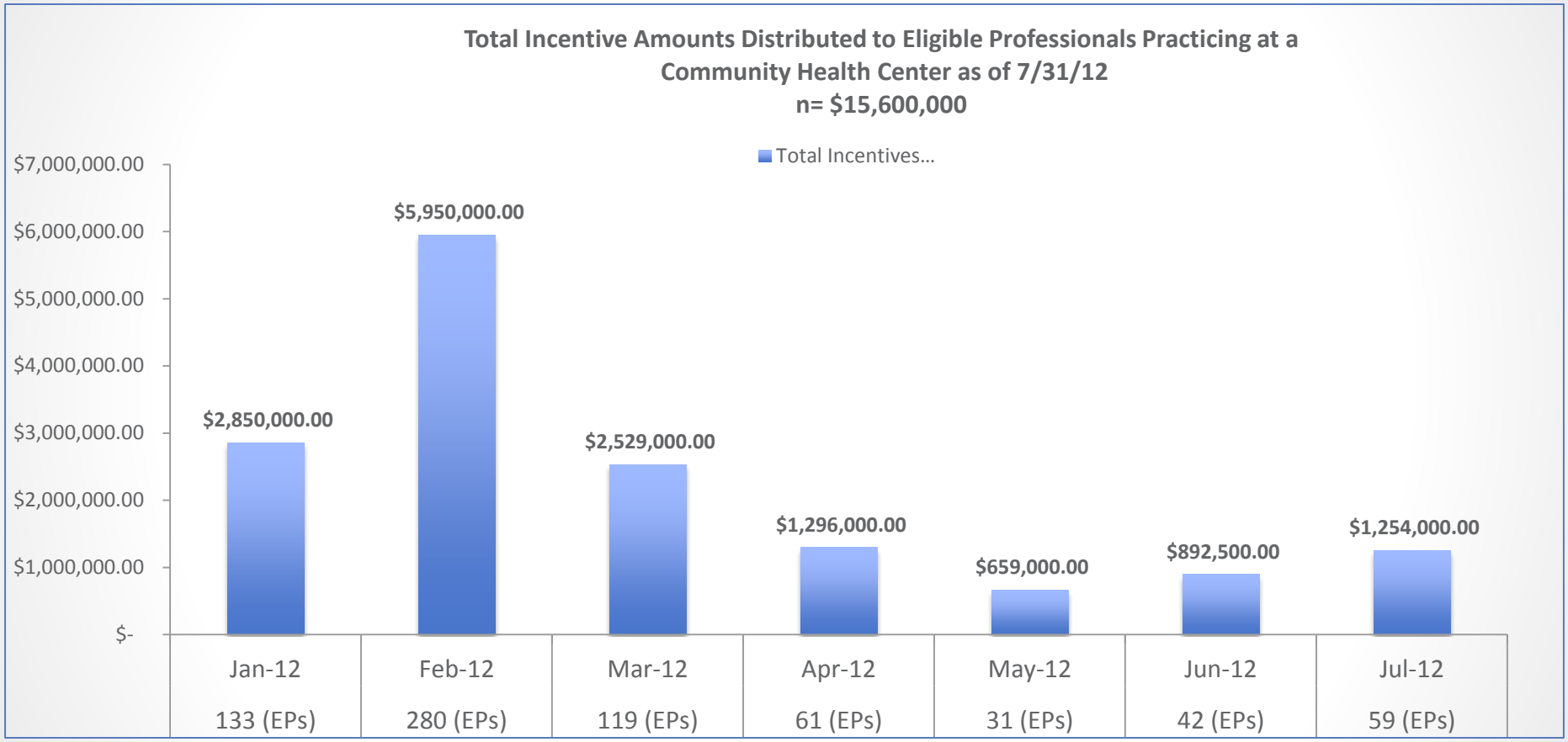

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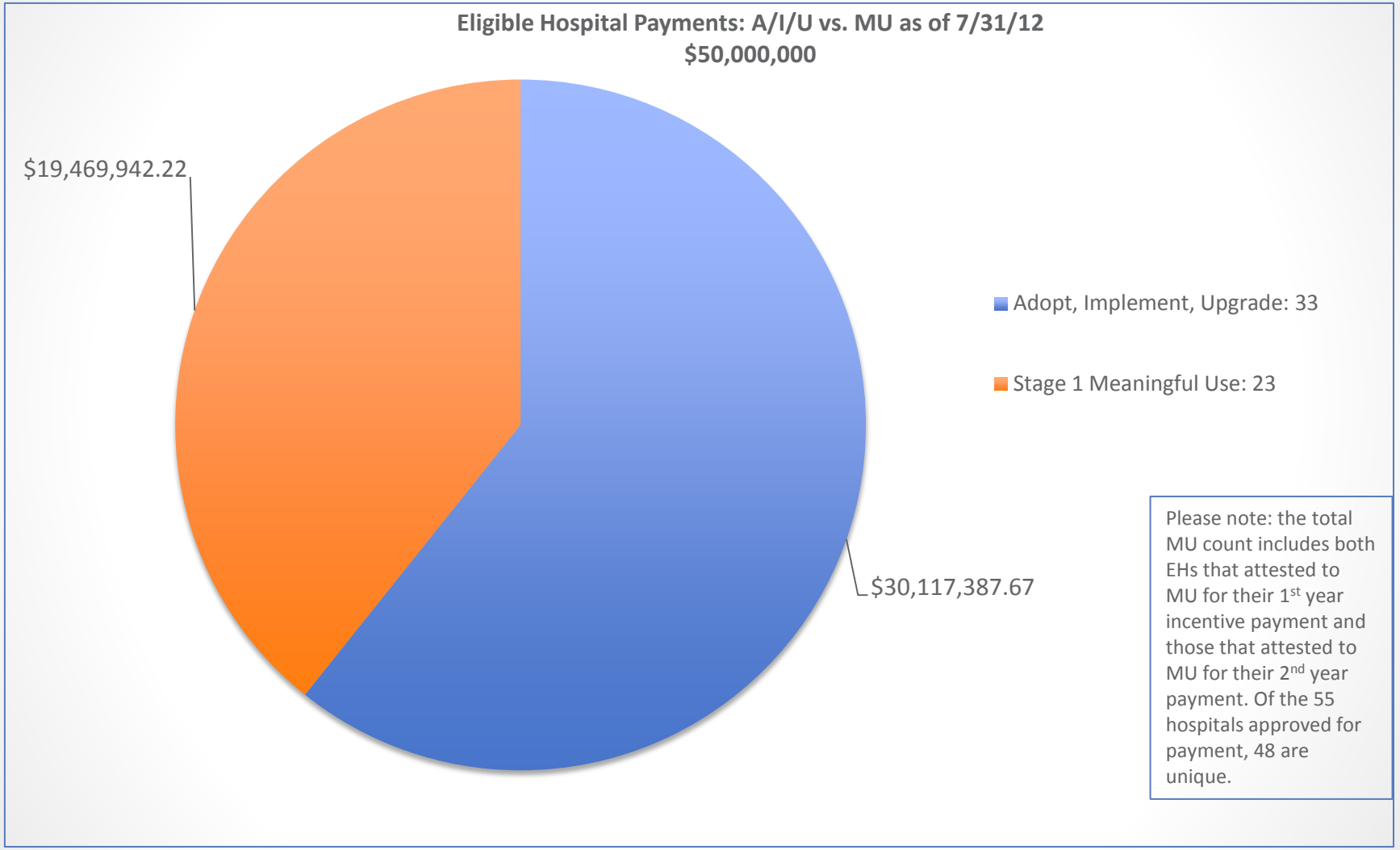




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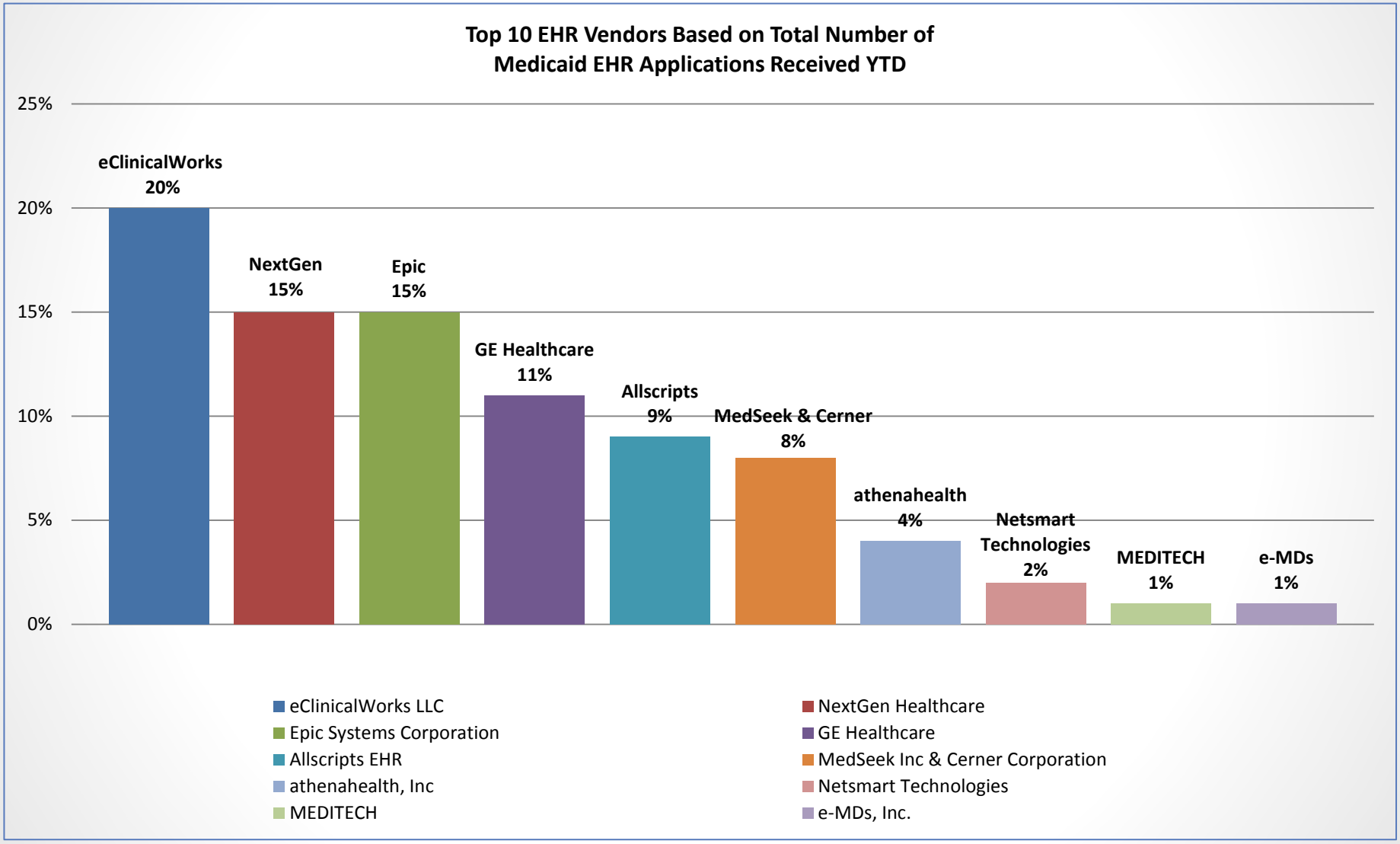

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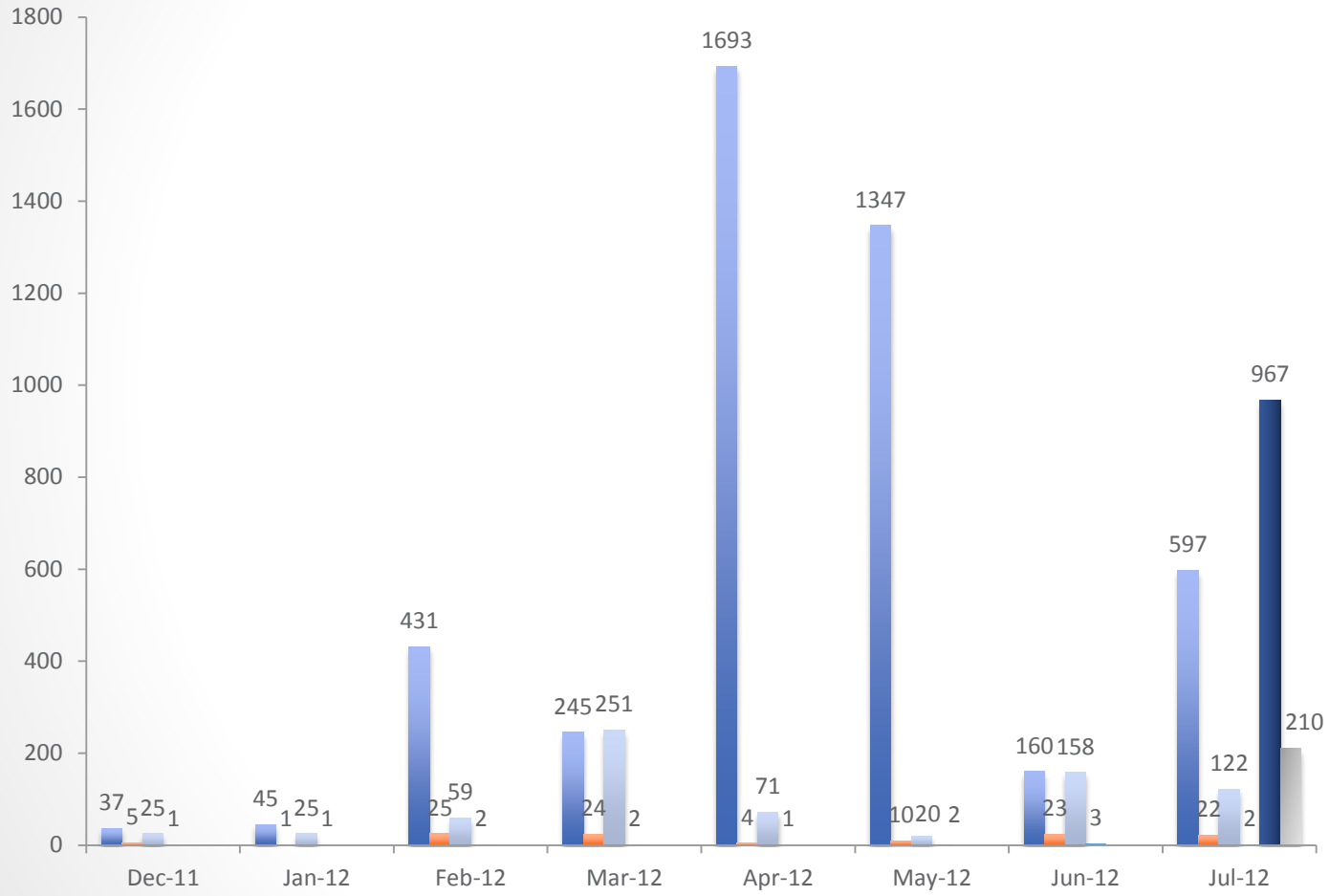


Please note: the high volume of calls during the months of April and May is a result of the Provider Enrollment Staff assisting with outreach calls due to the low number of CY2011 applications remaining for approval and the delay in receiving the 2011 Data Warehouse claim information to validate CY2012 applications.

*Please note: Postcards Sent & Letters Sent is a newly captured Outreach field as of July 2012*



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# Barriers to Participation in the Program/EHR Adoption

| Barriers to EHR Adoption/Participation in the Massachusetts Medicaid EHR Incentive Payment Program<br>N= 1,253 barriers captured from outreach calls | |
|---|---|
| **Barrier Description** | **Percentage** |
| Unable to Meet Medicaid Patient Volume Threshold | 23.28% |
| Provider Does Not Accept Medicaid | 18.04% |
| Hospital Based Eligible Professional | 10.61% |
| Provider is Not Actively Seeing Patients | 8.06% |
| Delays in Implementation | 7.26% |
| Administrative Challenges | 3.11% |
| Training | 7.02% |
| No EHR | 5.51% |
| Certification | 2.08% |
| Challenges with Meeting Stage 1 Meaningful Use Requirements | 1.92% |
| Inability to Engage Provider | 1.76% |
| Practice Issues | 1.60% |
| Vendor Issues | 1.60% |
| Required Reports Unavailable | 1.36% |
| Inaccurate Reports | .80% |
| GAP Provider | .72% |
| Workflow Issues | .64% |
| Financial | .48% |
| Total: | 100% |

# MeHI Medicaid Operations Update

- Due to collaborative efforts with MassHealth, 2,619 eligible professional (EP) and 56 eligible hospital (EH) applications have been approved for payment year to date.

- Boston Medical Center's (BMC) Resident Proposal reviewed and approved by CMS.
  - The BMC Resident Proposal will be used as a guideline for other institutions that have Residents eligible to participate in the Program.

- Mass outreach initiative implemented to promote the Program.
  - The Medicaid Outreach and Provider Enrollment teams prepared mass mailing of letters and postcards to those providers that are eligible to participate in the program but have yet to submit an application.

# Other