



National Association of State Medicaid Directors

an affiliate of the American Public Human Services Association

August 17, 2009

Ms. Cindy Mann
Director
Center for Medicaid and State Operations
Center for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop, S2-26-12
Baltimore, MD 21244-1850

Dear Ms. Mann:

We are writing on behalf of the Medicaid programs that are participating in the Multi-State Collaboration for Health System Transformation to request your assistance in releasing funds and guidance related to the Health Information Technology for Economic and Clinical Health Act (HITECH) provisions of the American Recovery and Reinvestment Act of 2009 (ARRA). As you know, the HITECH provisions established that the States will be responsible for much of the planning, implementation, oversight of electronic health records (EHR) adoption, and the statewide expansion of health information exchanges (HIE).

It is essential that the guidance and the financing plan be released now in order for the State Medicaid programs to begin the necessary planning and readiness assessments for HITECH implementation in January, 2011. There are less than 18 months before the first EHR incentive payments can be made to Medicaid providers and hospitals. It is critical that CMSO give states an adequate amount of time to plan and administer this major new program.

Section 4211 of ARRA (***Medicaid Provider EHR Adoption and Operation Payments; Implementation Funding***) appropriates Recovery Act funds for:

- Eligible Medicaid providers and hospital EHR incentive payments starting January 2011;
- State Medicaid administration, oversight tracking, and reporting of meaningful use of EHRs and incentive payments; and
- Pursuing initiatives to encourage the adoption of certified EHR technology to promote health care quality and the exchange of health care information.

Moreover, the federal government invested significant dollars in Medicaid Transformation Grants authorized by the Deficit Reduction Act to promote state

innovations to improve efficiency and care in the Medicaid program. These grants provided the foundation for health information technology (HIT) initiatives in many states and most of those projects have or will soon exhaust their federal funds. With state budgets at crisis levels, funds from the Recovery Act are the only viable sources to continue many of these projects.

Through the Multi-State Collaborative, states have developed expertise and have successfully implemented a wide range of health information projects and initiatives that will support the President's goal for adoption and meaningful use of electronic health records and health information exchange. We are very concerned that these important projects and the collaborative relationships that have been built may be in jeopardy of losing momentum. It is critical that CMSO build on the foundation and momentum that state Medicaid programs have started and release the ARRA appropriated funds. Continued delay in federal funding will jeopardize the progress we have made to date.

This unique launch window of opportunity for HIT in Medicaid may close if CMSO does not act quickly. Medicaid programs have a strong sense of responsibility and accountability for achieving the goal of meaningful use of EHR in Medicaid; but states are and will remain under continuous pressure to reduce budgets and personnel. This endeavor will require dedicated and skilled Medicaid agency staff in order to achieve success.

Therefore, we respectfully request that CMSO use the \$300 million dollars allocated in the Recovery Act's HITECH provisions to implement the following recommendations that we believe are critical to advancing the Administration's HIT goals.

- Release the State Medicaid Director letter that provides guidance to states on applying for matching funds for planning, developing, implementing, and administrating EHR incentive programs, EHR adoption support and assistance programs and HIE support and financial assistance programs and initiatives.
- Assign CMSO staff to work with the Multi-State Collaborative to gather information about how CMSO can assist Medicaid agencies with CMSO supported and funded technical assistance resources. Technical assistance should include, but is not be limited to, health information technology management, EHR adoption administration, business process engineering, information privacy and security management, clinical informatics, clinical decision support, and clinical data repository architecture design and development.
- Establish an on-going Medicaid staff development and training institute for Medicaid health system transformation to provide an organized curriculum to develop managerial and technical competencies for Medicaid staff in areas such as clinical informatics and data analysis, managing HIT in Medicaid, quality and health care system performance improvement, provider network management and

design, and population health management using HIT.

- Support HIT learning networks and mentoring programs to transfer knowledge between “front runner” state Medicaid programs and states that are at the planning and development stage of the EHR adoption and health information exchange initiatives.
- Develop operational process and procedure guidelines, administrative tools, tracking methodologies, and EHR incentive program policy guidance, in collaboration with state Medicaid programs.
- Evaluate best practices related to HIT implementation and EHR adoption and provide grants and other financial support to states that have demonstrated best practices and have taken the initiative to achieve rapid adoption of EHRs and HIE within their Medicaid provider networks.
- Facilitate the coordination between state Medicaid and Medicare related to HIT initiatives and EHR adoption and meaningful use.
- Facilitate coordination between Medicare and State Medicaid Meaningful Use Programs and Regional Extension Center Programs established within each state.

We further recognize that CMSO has \$14 million allocated for FY 2009 and request that CMSO take action this fiscal year to allocate those resources based on our request.

Thank you for your consideration of our recommendations. We appreciate your expeditious review of our request and look forward to continuing to work with you on these initiatives. Should you have any questions please contact me at 202-682-0100 x299.

Sincerely,



Ann Clemency Kohler
NASMD Director

Sincerely,



Anthony D. Rodgers
Chair, Multi State Collaboration

cc: Dr. David Blumenthal
Carol Steckel, Chair, NASMD
Members, Multi-State Collaboration