

AP/AL: Appropriation **Project Type:** Life / Health / Safety
Category: Health/Human Services
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Michael Frawley
Estimated Project Dates: 07/01/2016 - 06/30/2021 **Contact Phone:** (907)465-1870

Brief Summary and Statement of Need:

New Centers for Medicare and Medicaid Services (CMS) Tribal claiming policy requires Tribal and non-tribal providers to ensure that services provided by non-tribal providers are tracked and managed by the Tribal provider. The most effective method of tracking services is through a Health Information Exchange (HIE), however not all providers are currently capable of HIE reporting. This project allows the State to enable providers to link to the HIE, removing a key barrier to utilization of the new CMS Tribal claiming policy.

Funding:	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>Total</u>
1002 Fed Rcpts	\$3,600,000						\$3,600,000
1003 G/F Match	\$480,000						\$480,000
Total:	\$4,080,000	\$0	\$0	\$0	\$0	\$0	\$4,080,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

No prior funding history.

Project Description/Justification:

This project assists the Department of Health and Social Services in receiving a 100 percent Federal Medical Assistance Percentage (FMAP) rate for state expenditures incurred within the Medicaid program when an Alaska Native receives services from a non-Indian Health Services (IHS)/Tribal provider through a care coordination agreement with an IHS/Tribal provider. The Centers for Medicare and Medicaid Services' (CMS) policy provides that in order to receive the 100 percent FMAP rate, the IHS/Tribal provider remains responsible for overseeing the patient's care and the IHS/Tribal provider retains control of the patient's medical records. The maintenance of medical records will be made possible through the use of a Health Information Exchange (HIE).

The Department of Health and Social Services will provide incentive or grant payments to Medicaid providers to support their ability to connect or onboard to the HIE. The Centers for Medicare and Medicaid Services' Health Information Technology for Economical and Clinical Health (HITECH)

administrative matching funds are available to fund 90 percent of the incentive payments. State general funds are used to provide the 10 percent match requirement.

CMS published a State Medicaid Director's letter on February 29, 2016, which allows federal financial support of onboarding Medicaid providers to HIEs that support the professionals and hospitals that are eligible for the Medicaid Electronic Health Record (EHR) Incentive Payment Program and their ability to achieve meaningful use.

This project supports:

- Activities in the Medicaid Reform bill, SB74, section 38, Tribal Medicaid Reimbursement
- Activities associated with the CMS State Medicaid Director's letter #16-002: Federal Funding for Services "Received Through" an IHS/Tribal Facility and Furnished to Medicaid-Eligible American Indians and Alaska Natives
- Activities associated with the CMS State Medicaid Director's letter #16-003: Availability of HITECH Administrative Matching Funds to help Professionals and Hospitals Eligible for Medicaid EHR Incentive Payments Connect to Other Medicaid Providers

Based on projections provided by the Alaska eHealth Network, the cost obligation for this type of incentive would be:

- Total number of projected provider organizations: 100 (includes primary care, specialty, behavioral health, others such as case managers or similar)
- Average cost per EHR per site (meaning that if a provider organization has 10 practitioners, and all are using a single EHR solution, these costs would be applied just once for the EHR not 10 times for each practitioner): \$40,000/per EHR

Costs would include project management, administrative costs, interface development, and training. Providers will use incentive dollars to pay for the connection and/or interface of their Electronic Health Record solutions (which is an IT solution the provider already owns) to the HIE, or for fee-for-service, web-based query access of the HIE because they do not have/own an Electronic Health Record solution.

Cost Breakdown

Project Management & Administrative Cost	\$9,000
System Interface Cost	\$30,000
Training Cost	\$1,000

Project Management and Administrative Costs include: data coordination, standardization, marketing, contracting, participant liaison/coordination, account management, coordination of statewide planning for all HIE participants and other general administrative costs.

Funding Breakdown

Federal	\$3,600,000
State General Funds (GF/Match)	\$400,000
Capital Fund Administration (GF/Match)	\$80,000
Total cost for incentives to 100 provider organizations	\$4,080,000

Capital Fund Administration Costs include: general administrative costs for Capital project management.