Medi-Cal EHR Incentive Program

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Status of all Californians"

Medi-Cal EHR Incentive Program

- Introduction –Program Basics
- History-Where have we been?
- Current Activities-Where are we going?
- Forward-Ongoing Activities

Funding Flows – Entitlements

Entitlement Funds (Up to $45 billion in gross outlays)

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Program	Distribution Agency*	Use of Funds
Medicare Payment Incentives	CMS	Incentive Payments through Carriers

Acute Care and Children's Hospitals

Physicians and Dentists

Source: California HealthCare Foundation, 2009
CMS is Center for Medicare and Medicaid Services,

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Funding Flows – Entitlements

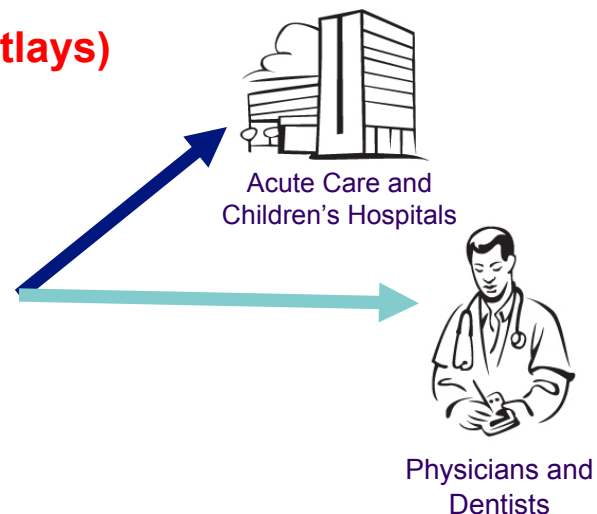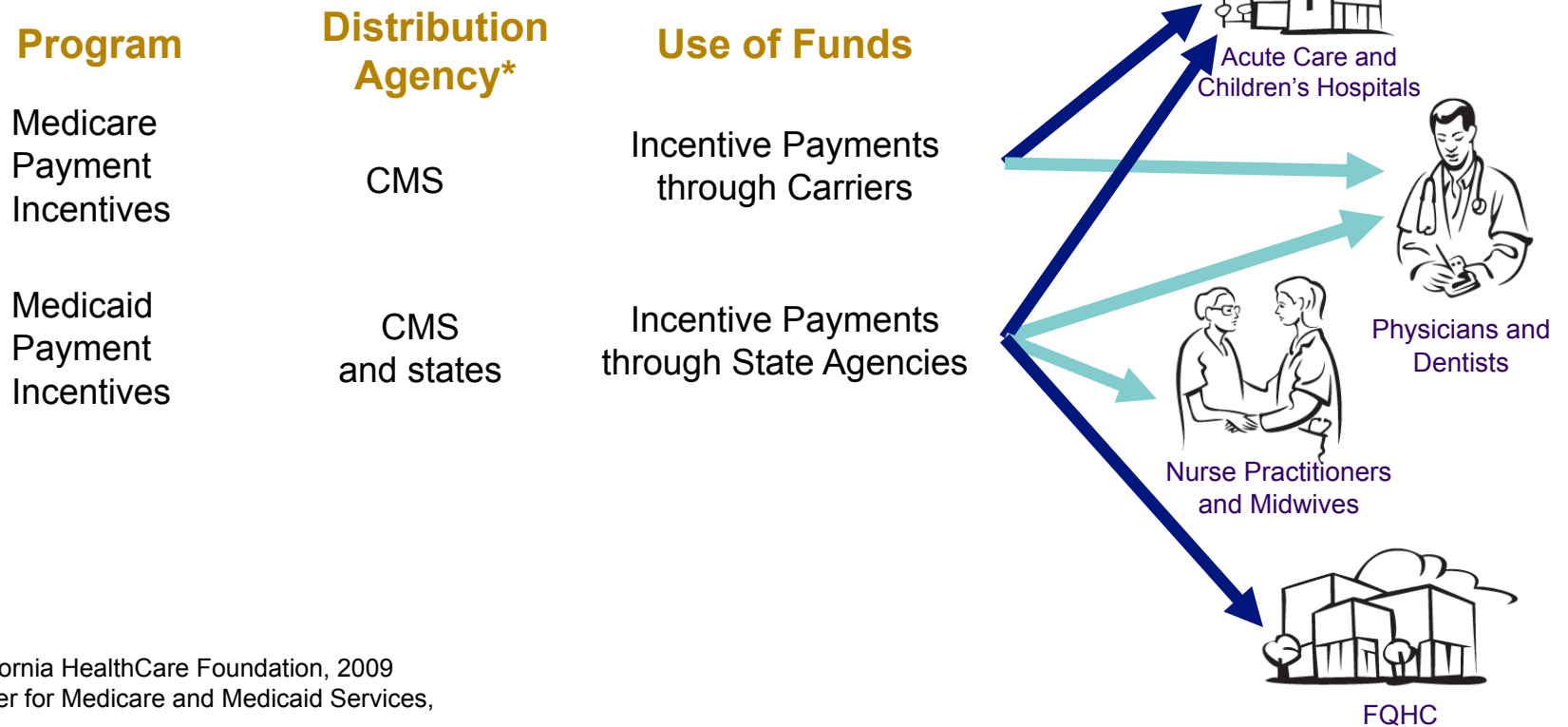## Entitlement Funds (Up to $45 billion in gross outlays)

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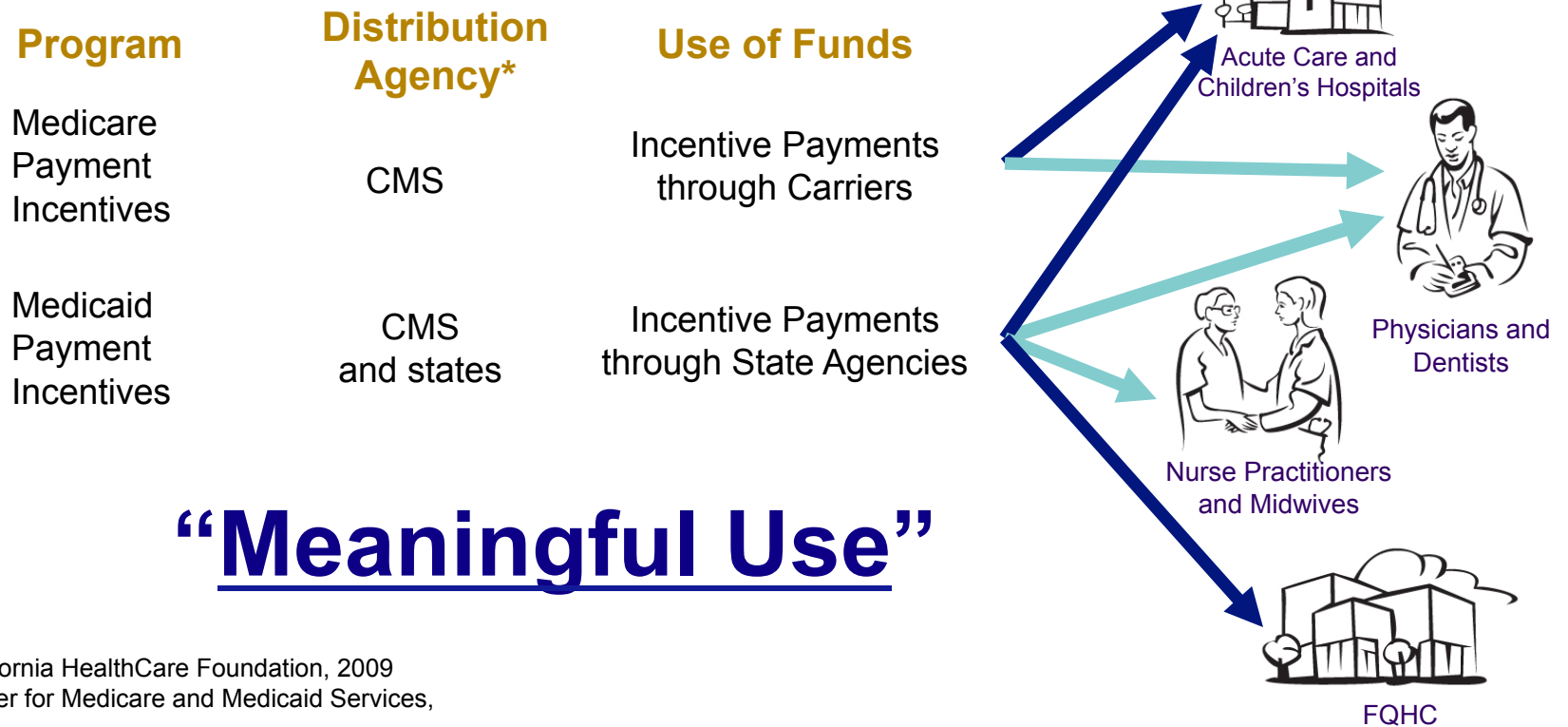
Nurse Practitioners and Midwives

FQHC

Source: California HealthCare Foundation, 2009
CMS is Center for Medicare and Medicaid Services,

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Nurse Practitioners and Midwives

FQHC

"Meaningful Use"

Source: California HealthCare Foundation, 2009
CMS is Center for Medicare and Medicaid Services,

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Criteria to Receive Medicaid Provider Incentive Payments

1. Be an "*eligible*" provider

2. Use "*certified*" EHR technology

3. Meet the "*meaningful use*" criteria in the employment of the certified EHR technology

Medicaid Eligible Hospitals

Acute care hospital	> 10% Medicaid share, Ave LOS $\leq$ 25 days, Last 4-digits of Medicare CCN = 0001-0879
Children's hospital	All

- Hospitals eligible for incentive under Medicare and Medicaid may receive both payments.

Potential Medicaid Provider Incentives

Year 1:	$21,250
Year 2:	$8,500
Year 3:	$8,500
Year 4:	$8,500
Year 5:	$8,500
Year 6:	$8,500
Total:	**$63,750**

- Year 1 payment for adoption of certified EHR—demonstration of actual installation, not efforts to install. May recapture 85% of costs.

- Year 2-6 payments contingent on provider demonstrating "meaningful use" of the EHR

- Year 1 payment does not need to be in 2011, but cannot be later than 2016.

- One time switch to Medicare incentive program if before CY2015.

- No penalties for failure to adopt certified EHRs.

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Three Purposes of 90% FFP ARRA State Admin Match

The State Medicaid Agency must:

1. **Administer** _**the incentive payments**_ to eligible professionals and hospitals;

2. _**Conduct oversight**_ of the program, including tracking meaningful use by providers

3. Pursue initiatives to _**encourage**_ the **adoption of certified EHR technology** to _**promote health care quality and the exchange of health care information**_

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Medi-Cal EHR Incentive Program Planning

– Created a partnership with California Healthcare Foundation

– Through public/private collaboration-created a Vision Statement for the program

Medi-Cal EHR Incentive Program
Vision Statement

The health and well-being of all Californians will be dramatically improved by the widespread adoption and use of Electronic Health Records

Incentive Program Planning Effort to Date

- Efforts to date

  - Creation of the Advisory Board

  - Provider Landscape Assessment

  - Strategic Plan

  - Campaign Plan

  - Implementation Plan

  - http://www.dhcs.ca.gov/Pages/DHCSOHIT.aspx

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Medi-Cal EHR Incentive Advisory Board

Representatives	Organizations
Bill Barcellona	California Association of Physician Groups
Erica Murray	California Association of Public Hospitals
Chris Perone	California Health Care Foundation
Pam Lane	California Hospital Association
David Ford	California Medical Association
Andie Martinez	California Primary Care Association
Robert Moore, MD	Community Health Clinic Ole & Redwood Community Health
Mark Savage	Consumers Union
Paul Chung Fu, MD	Harbor-UCLA Medical Center
Brad Gilbert, MD	Inland Empire Health Plan
John Mattison, MD	KP HealthConnect
Sajid Ahmed	LA Care
Laura Landry	Long Beach Network for Health
Patricia Ostrander, MD	Mercy Medical Group
Ron Jimenez, MD	Santa Clara Valley Health and Hospital System
Eileen Moscaritolo	CalOptima

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Types of
Eligible Providers

Approximately 20%, or nearly 10,000 Medi-Cal providers, are estimated to meet the patient volume thresholds; the percentage varies substantially by provider type

California Providers, various years (see sources below)

Medi-Cal Providers, 2009

Estimated Eligible Providers

20% of eligible physicians practice in FQHCs/RHCs

57% of eligible dentists practice in FQHCs/RHCs

~67,000
~45,000
~35,000
~7,900
~2,200
~700
~15,000
~600 ~600
~8,300
~500 ~500
~500 ~100 ~70

Physicians | Dentists | Nurse Practitioners[1] | Physician Assistants[1,2] | Nurse Midwives[1]
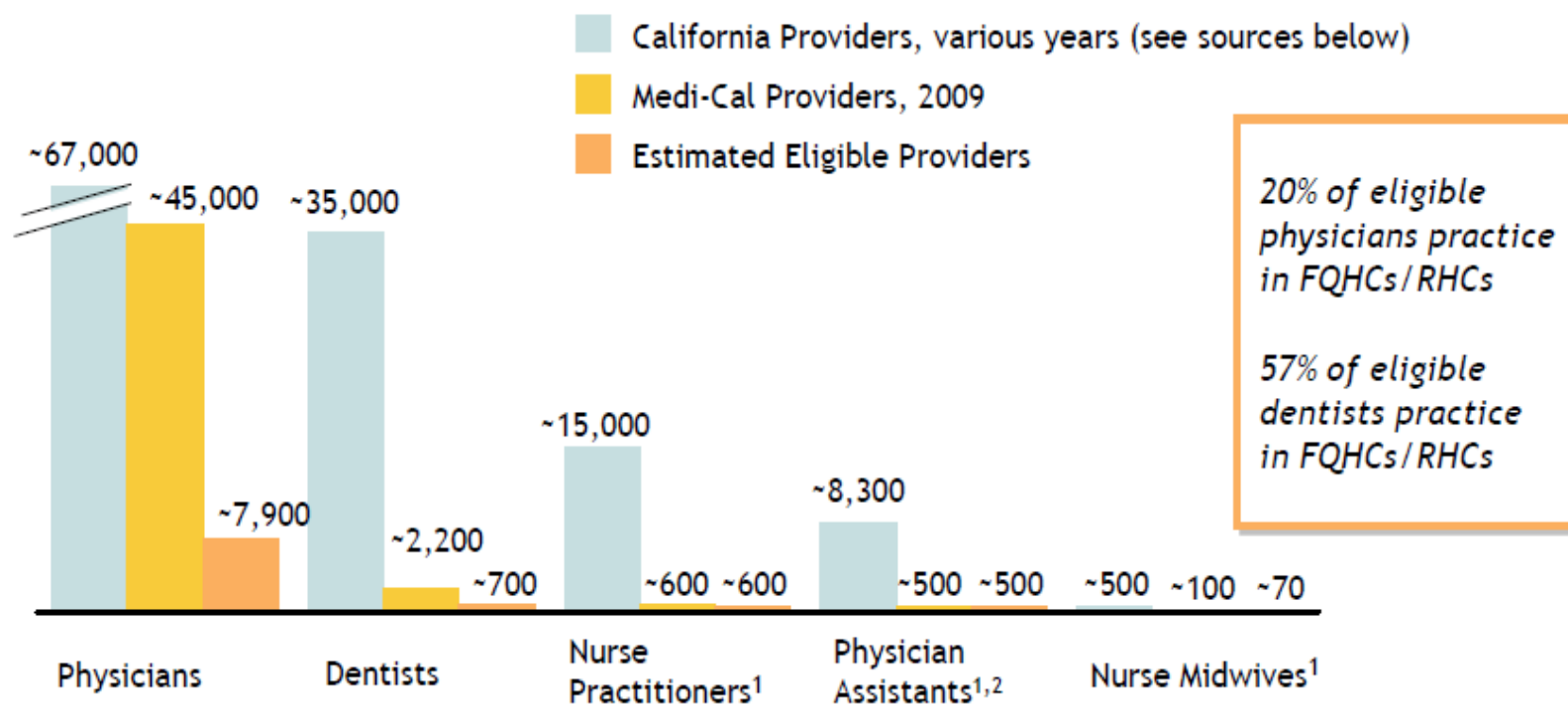
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2009 Active Medical Groups
Doing Medi-Cal Business

Total Number of Groups Inventoried (Medical Groups with at least 6 PCP's)	292
Total Medi-Cal Enrollment of Groups	2.7 million
Number of Groups with Medi-Cal	178 (61%)
Number of Groups with > 30% enrollment	135 (46%)

Of the Groups with > 30% enrollment:
- Total of 11,699 Primary Care providers
- Total of 28,484 Specialists

Source: Cattaneo & Stroud for CAPG, August 2009

Rural Providers are More Likely to Meet Patient Volume Thresholds

Eligible   Non-eligible

Medi-Cal urban providers
Percent

19

81
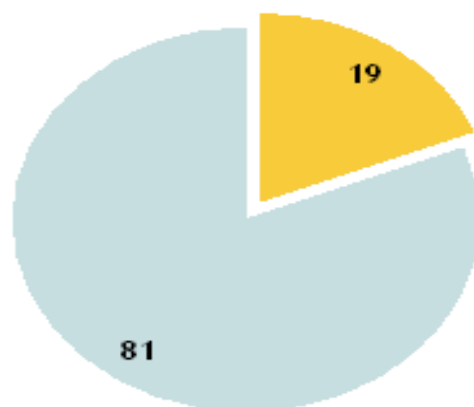
Total: 41,600

Medi-Cal rural providers
Percent

26

74
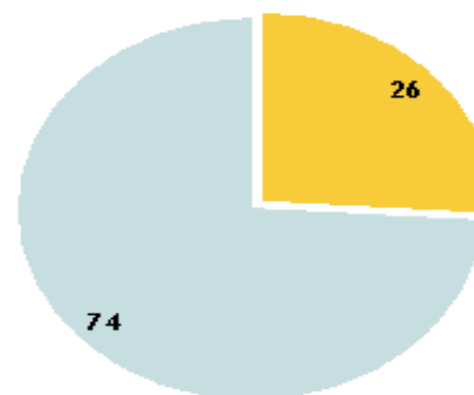
Total: 6,800

SOURCE: MIS/DSS, 2009; Lewin analysis

Rural Communities

- **Approximately 50% of Medi-Cal Beneficiaries are cared for in the Rural Communities**

- **How will we target and move the rural communities to adoption?**

  - Regional Extension Center Activities - Local Extension Centers

  - Others?

Potentially
Eligible Hospitals

– Of the state's 435 hospitals

- • Approximately 242 are potentially eligible for the incentive payments

- • These 242 hospitals cover 93% of all Medi-Cal discharges

Statewide, hospitals eligible for the EHR incentive cover almost 93% of Medi-Cal discharges

Medi-Cal discharges in hospitals eligible for the Medicaid EHR incentive
Percent
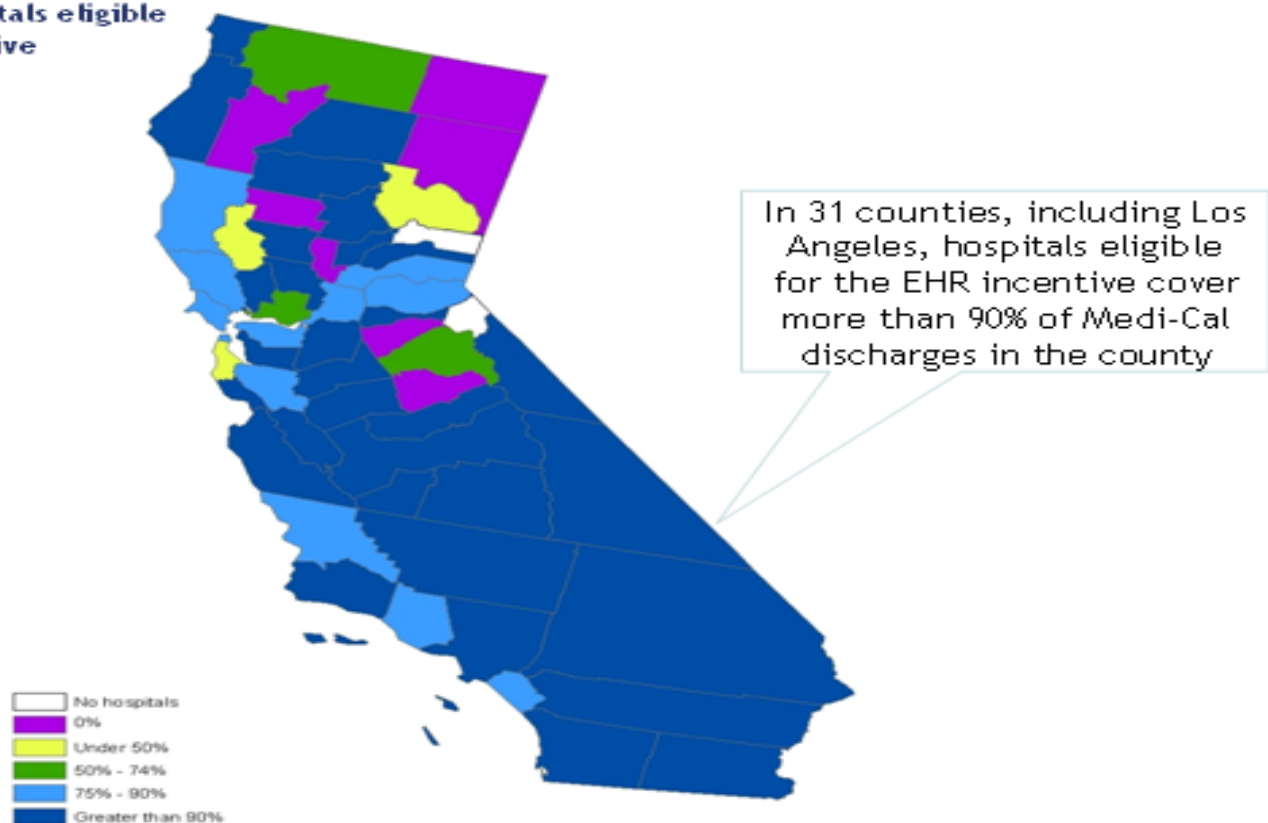
In 31 counties, including Los Angeles, hospitals eligible for the EHR incentive cover more than 90% of Medi-Cal discharges in the county

No hospitals
0%
Under 50%
50% – 74%
75% – 90%
Greater than 90%

SOURCE: California Office of Statewide Health Planning and Development, Healthcare Information Division, 2008; Lewin analysis

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Almost half of hospitals eligible for the Medi-Cal EHR incentive are affiliated with a healthcare system

Unaffiliated	127	
		24 Catholic Healthcare West
		19 Sutter Health
		10 Prime Healthcare Services Inc.
		10 Adventist Health Systems
		10 Tenet Healthcare Corporation
Affiliated	115	42 Others
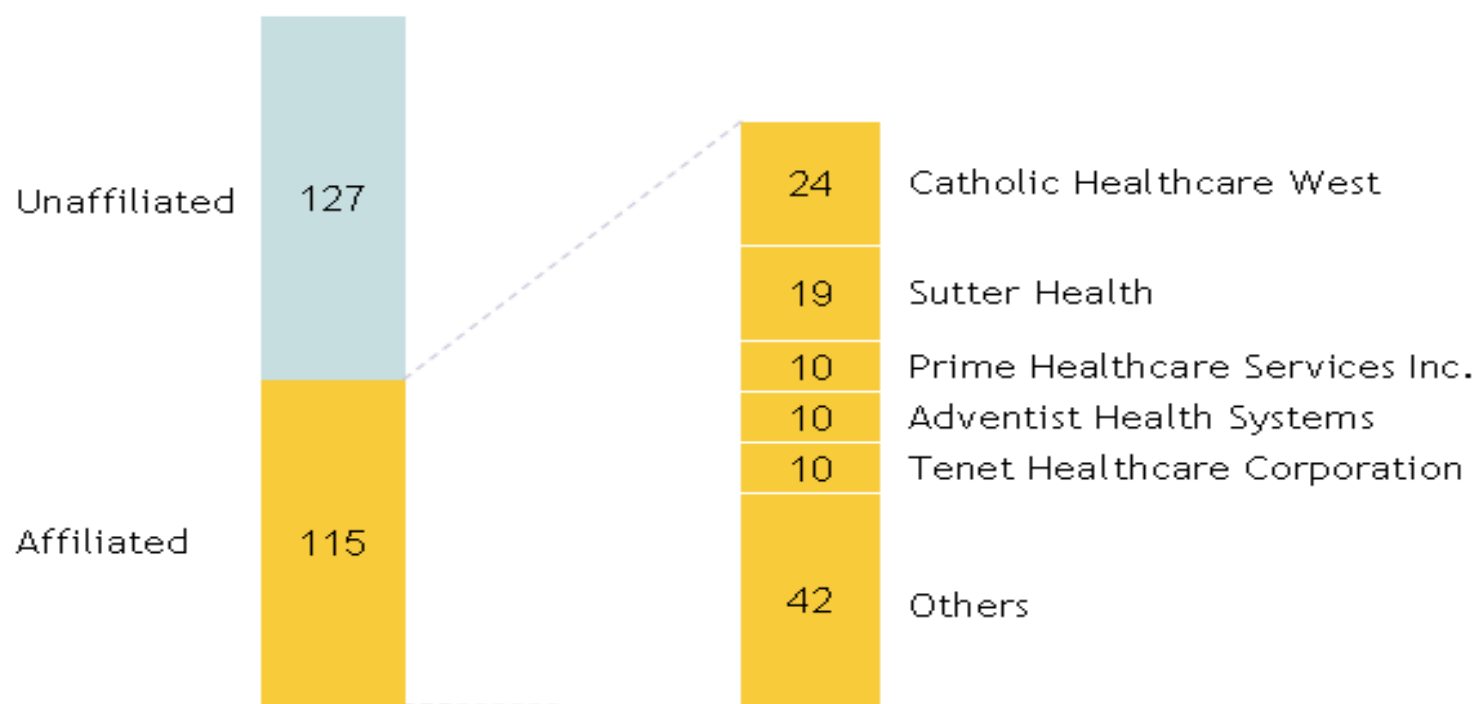
NOTE: "Affiliated" is defined as hospitals affiliated with a system with more than 3 hospitals
SOURCE: California Office of Statewide Health Planning and Development, Healthcare Information Division, 2008; Lewin analysis

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Campaign Planning

- CMS will be conducting a widespread campaign plan with the Medicare providers and beneficiaries (August)
- California has established a workgroup to develop the Master Campaign Plan messaging
- DHCS will focus on the Medi-Cal EHR Incentive Program messaging

What's Next?
State Medicaid HIT Plan

- The State's "As-Is" HIT Landscape
- The State's "To-Be" Landscape
- Activities Necessary to Administer/ Oversee Incentive Program
- Testing National Level Registry
- The State's Audit Strategy
- The State's HIT Roadmap

Why Refine the Landscape Assessment

- Understanding the environment will provide the information necessary to:
    - Target outreach & education
    - Leverage existing HIT/HIE resources
    - Understand the gaps to achieve "adoption of EHR"
    - Provides valuable data for the State Medicaid HIT Plan – a.k.a. funding for success!

How will we accomplish the Landscape Assessment Refinement?

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With your help!

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With your help!

- California State Rural Health Association-completing assessments of Rural Hospitals

- California Primary Care Association are surveying their membership

- California Association of Physicians Groups will continue to collect and analyze Medical Group information

- California Children's Hospital Association will survey the eight Children's Hospitals

- Medical Board will distribute surveys to physicians

- DHCS will contract with UCSF to collect, evaluate and create reports for ongoing program evaluation

High-level program implementation activities can be divided into six key stages

Medi-Cal will collect information from CMS and providers to determine eligibility and disburse payments
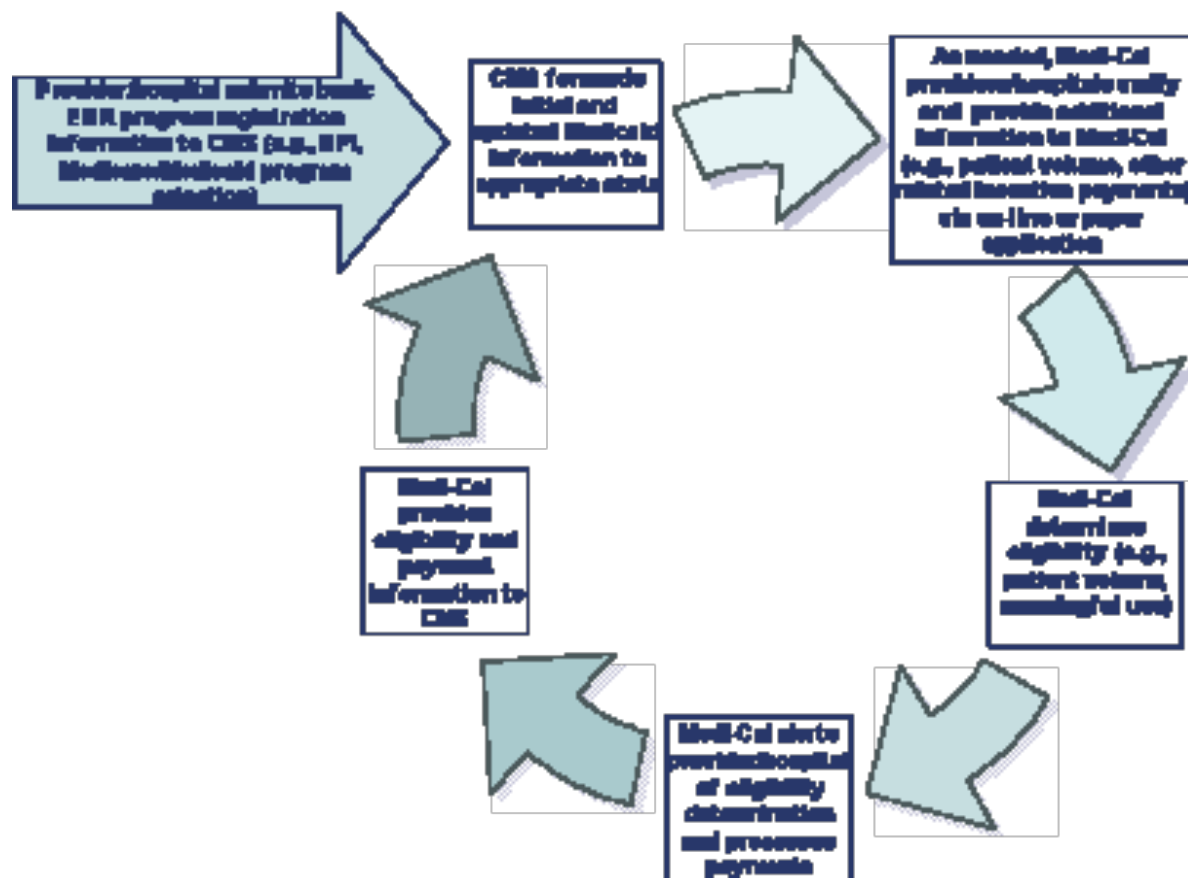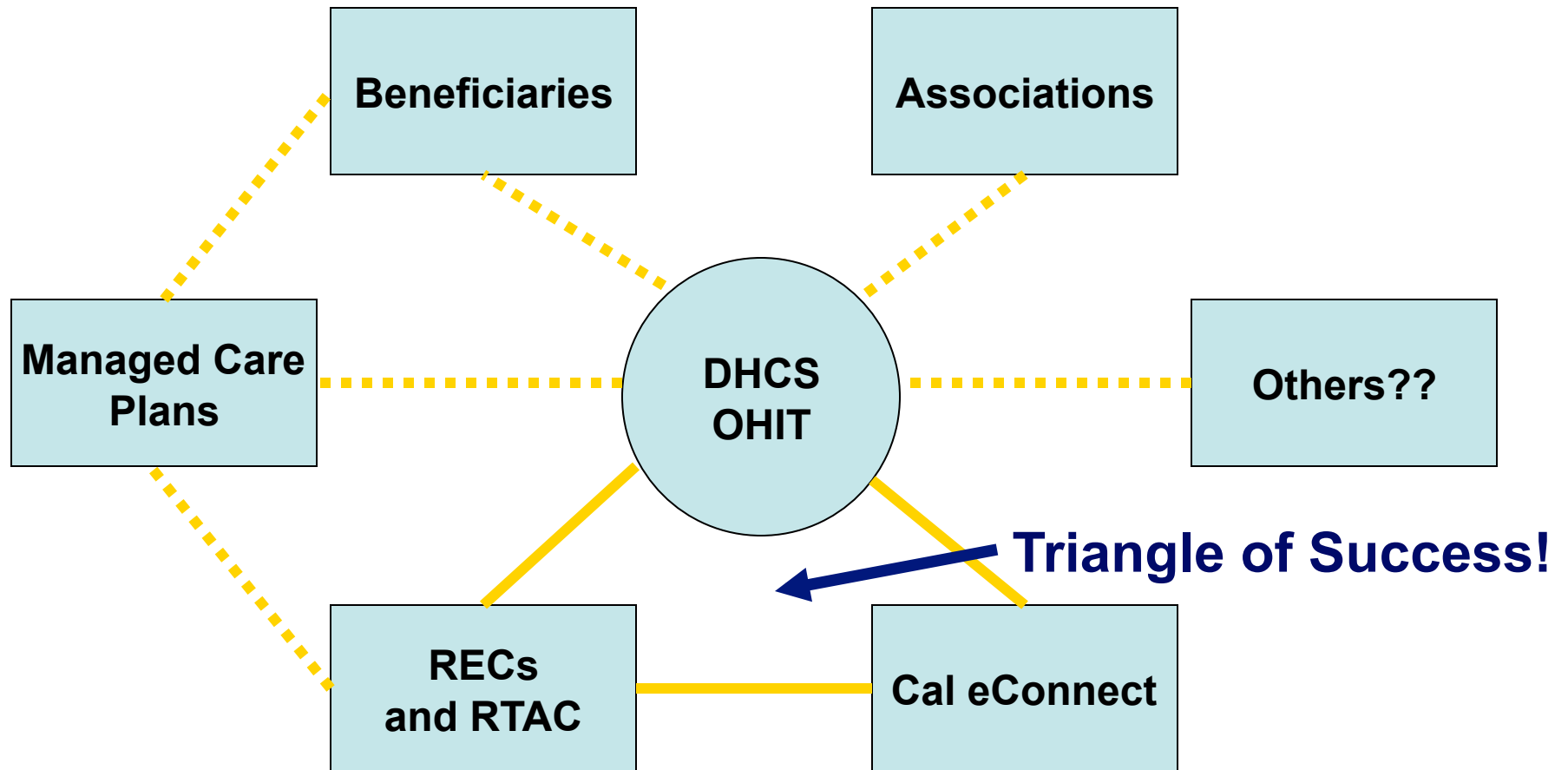
Timeline of Events

Jun-10	Submit updated Planning Advanced Planning Document (P-APD)
Jul-10	Complete environmental scans, Build core operations, Convene workgroups, Test NLR
Aug-10	
Sep-10	
Oct-10	Submit State Medicaid HIT Plan (SMHP)
Nov-10	Submit Implementation Advanced Planning Document (I-APD)
Dec-10	
Jan-11	Begin Enrollment
Mar-11	First Payments

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Coordination of Efforts

Beneficiaries

Associations

Managed Care Plans

DHCS OHIT

Others??

RECs and RTAC

Cal eConnect

Triangle of Success!

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Resources

http://healthit.hhs.gov/portal/server.pt

http://www.cms.gov/EHRIncentivePrograms

http://www.dhcs.ca.gov/Pages/DHCSOHIT.aspx

Send questions to: Medi-Cal_Incentive@dhcs.ca.gov

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Discussion