
# Maryland Medical Assistance Program

# Health Information Technology Planning Advanced Planning Document

**Prepared For:**
**The Centers for Medicare & Medicaid Services**

**March 2010**

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# HEALTH INFORMATION TECHNOLOGY PLANNING ADVANCED PLANNING DOCUMENT

## EXECUTIVE SUMMARY

The Maryland Medical Assistance Program is pleased to submit its Health Information Technology Planning-Advanced Planning Document (HIT P-APD) to request Federal Financial Participation (FFP) from the Centers for Medicare and Medicaid Services (CMS) for administrative costs to support planning activities authorized by the *American Reinvestment and Recovery Act of 2009* (ARRA) Health Information Technology (HIT) Incentive Program. Title IV of the ARRA established an eleven year program to promote the use of HIT and electronic health records (EHRs) among Medicaid providers. Under the program, providers can qualify for 100 percent Federal incentive funding for adoption and meaningful use of certified EHR technology and support services, such as maintenance and training. Title IV also authorizes a 90 percent FFP for reasonable administrative expenditures to support state efforts to administer this program.

The Maryland Medical Assistance Program manages the Maryland Medicaid program. The objective of Maryland's HIT P-APD is to describe how the Maryland Medical Assistance Program will develop a high-level management statement of the state's vision, needs, objectives, plans, and estimated costs that will result in a *State Medicaid HIT Plan* (SHMP), a deliverable resulting from the HIT P-APD. The SMHP will explain how the Maryland Medical Assistance Program will administer incentive payments necessary to support the implementation of certified EHR technology by eligible Medicaid providers, as well as the procedures to oversee incentive payments made to eligible Medicaid providers.

Included in this HIT P-APD is a description of a series of planning tasks pertaining to: provider education and awareness activities; development of the SMHP comprised of an "As-Is" HIT landscape assessment of the current status of HIT, particularly among Medicaid providers; a "To-Be" vision and Roadmap Plan; development of the HIT Implementation Planning Advance Planning Document (HIT I-APD) to implement activities identified in the Roadmap Plan necessary to support the "To-Be" vision and the SMHP; and the development of a Request for Proposal (RFP) for a vendor to provide operational support and program audit services.

The Maryland Medical Assistance Program will collaborate with the Maryland Health Care Commission in developing the SMHP. The Maryland Health Care Commission is the agency identified by the Governor to advance HIT adoption and to implement a statewide health information exchange (HIE). In November, the Maryland Health Care Commission submitted the state's *Health Information Technology State Plan* (HIT State Plan, see Appendix) to the Office of the National Coordination for Health Information Technology for funding under the *State*

*Health Information Exchange Cooperative Agreement Program*. Monies received under the grant will be used to continuously improve and expand HIE services over time to reach all health care providers in an effort to improve the quality and efficiency of health care. The SMHP will eventually become part of the HIT State Plan.

Maryland is currently in the implementation phase of an HIE and has a variety of initiatives that are currently underway to advance EHR adoption in the state. Descriptions of these projects are provided in Section 2: *Overview of Current HIT Initiatives*. Pending approval of this HIT P-APD, the planning project will start on May 1, 2010, for a period of twelve months. Maryland is requesting a total of $1,370,043 in Federal funds with matching $152,227 of state funds for a total amount of $1,522,270.

# SECTION 1

# STATEMENT OF NEED AND OBJECTIVES

## Statement of Purpose

The purpose of the HIT P-APD is to create the SMHP that will outline the strategic HIT vision for the Maryland Medical Assistance Program. The SMHP will lay the groundwork for achieving this vision by describing the current "As-Is" HIT landscape, the desired "To-Be" HIT landscape, and a comprehensive five year plan for expanding HIT using Medicaid Information Technology Architecture (MITA) principles and approaches as a foundation. The HIT P-APD activities also include planning to support the incentive payments for EHR systems authorized in Section 4201 of the ARRA. Section 4201 of the ARRA provides funding support for certified EHRs through Medicaid adoption and implementation payments. CMS and the Maryland Medical Assistance Program will provide oversight, as directed in the ARRA.

The SMHP will become a component of the state's HIT State Plan and will reflect the high priority that Maryland places on advancing HIT in the state Medicaid program. Maryland's planning efforts have led to a comprehensive design to expand the use of certified EHRs and to facilitate and expand the secure, electronic movement and use of health information among providers according to nationally recognized standards. The state has taken an ambitious approach to advancing HIT that balances the need for information sharing with the need for strong privacy and security policies, while maintaining a judicious approach to funding the initial development of a statewide HIE. The SMHP will serve as Maryland's five year strategic plan to expand EHR adoption among Medicaid providers and to ensure connectivity with the statewide HIE in a manner consistent with the existing HIT State Plan. Developing a SMHP that will become part of the HIT State Plan is an appropriate and timely next step to ensure that the state has a complete strategic and operational plan for a comprehensive HIT initiative in Maryland.

## Relation to Current HIT Initiatives and the MMIS Environment

### Current HIT Initiatives

#### *CMS EHR Demonstration Project*

Maryland is one of four states currently participating in the CMS EHR Demonstration Project. A consortium of stakeholders including the state's medical society provides guidance to the initiative. Approximately 127 primary care practices were selected to take part in the initiative. These primary care practices will receive payment for implementing an EHR during the first year and begin reporting on 26 clinical measures during the remaining years.

Incentive payments are determined by several factors and the maximum amount for participation in the five year demonstration project is $290,000 per practice.

### *Planning for a Statewide Health Information Exchange*

Building a successful HIE requires considerable planning in order to implement a business model that creates incentives for use, and recognizes the need for funding from those stakeholders who derive value and benefits from using technology that shares health information. Two distinct groups of diverse stakeholders were brought together to address the complex policy and technology issues from somewhat different perspectives. The two multi-stakeholder groups selected to participate in the planning phase were the Chesapeake Regional Information System for our Patients (CRISP) and the Montgomery County Health Information Exchange Collaborative. These teams focused specifically on addressing issues related to governance; privacy and security; role-based access; user authentication and trust hierarchies; architecture of the exchange; hardware and software solutions; costs of implementation; alternative sustainable business models; and strategies to assure appropriate consumer engagement, access, and control over the information exchange.

### *Service Area Health Information Exchange*

Providers throughout the state have begun to exchange limited amounts of electronic patient information. Service area health information exchanges (SAHIEs) are emerging and are typically made up of providers in a select geographic area that share the same patients across practices and settings. These providers must address challenges related to privacy and security, business practices, and technology. A workgroup consisting of chief information officers, privacy officers, and various other health care stakeholders was convened to develop a resource guide that includes the policies regarding the patient's rights to access and control their health information; the range of business practices for access, authentication, authorization, and audit; the technical requirements for standards and process workflows; the communication mechanisms and outreach initiatives; the key community-level financial, organizational, and policy challenges; and the alternate community data uses.

## Initiatives with the Medicaid Management Information System (MMIS)

The Maryland Medical Assistance Program is in the initial stages of releasing a request for proposal (RFP) to update the existing legacy MMIS to comport with MITA 2.0 principles. Once complete, the new system should allow for integrated data sharing across agencies, data monitoring, and workflow management. It will include a robust business rules engine to aide in creating and managing flexible benefit plans. In the future, MMIS will process all Medicaid claims and eliminate the duplicative adjudication of the Mental Hygiene Administration (MHA), Developmental Disabilities Administration (DDA), and dental claims. The MMIS system will also support coordination of benefits, surveillance and utilization review, federal and management reporting and case management. These improvements will help the Maryland Medical Assistance program become more interoperable with the developing EHR network and HIE.

## HIT Workgroups and Collaborative Efforts

### *An Assessment of Privacy and Security Policies and Business Practices: Their Impact on Electronic Health Information Exchange*

Various multi-stakeholder workgroups have addressed the issues related to privacy and security of electronic health information. Approximately eight health care sector groups were assembled to assess business policies and practices in general, and security policies and practices in particular that could impede the development of an effective statewide HIE. This assessment included an examination of each sector group's perception of HIE; concerns regarding the benefits, risks, and challenges impacting each group; and various alternatives to address these issues.

### *Management Service Organizations*

Nearly 30 stakeholders are participating on an Advisory Board to develop criteria for MSOs that seek state designation. The criteria will include requirements for privacy and security, technical performance, business practices, and resources. MSOs offer a viable alternative to the traditional stand-alone EHR client-server model, which requires practices to individually negotiate pricing and maintain the technology required to support the software. MSOs are capable of supporting multiple EHR products at reduced costs through economies of scale and bulk purchasing. Data is safeguarded through a network operating center that, by design, ensures high quality and uninterrupted service. MSOs enable providers to access a patient's record wherever access to the Internet exists. EHRs maintained outside of the physician practice enables physicians to focus on practicing medicine rather than dedicating staff to support the application. The state plans on accepting applications from MSOs interested in becoming state designated in the fall of 2010.

### *Privacy and Security Solutions and Implementation Activities for a Statewide Health Information Exchange*

A multi-stakeholder workgroup was assembled to formulate solutions and develop implementation activities that address organization-level business practices affecting statewide privacy and security policies in order to support interoperable HIE. Workgroup participants developed guiding principles for exchanging patient information electronically, and evaluated privacy and security barriers to HIE that impact all stakeholder groups. The workgroup also evaluated the impact of these barriers on the guiding principles, and proposed implementation activities to guide the development of HIE in Maryland. Barriers identified by the workgroup included: access to data, a common patient identifier, concerns regarding the use of data, funding, interoperability, liability, stakeholder trust, and technical and process infrastructure. Workgroup participants agreed on a set of guiding principles that included: accessibility, consumer-centric exchange, emergency access, governance, misuse, security, standards, and sustainability. These principles and barriers provided the framework for the solutions developed by the workgroup.

### *Statewide HIE Policy Board*

An independent Policy Board that has oversight authority of the statewide HIE was established by the state. This separation of responsibilities assures a strong role for the public in both policy development and operational oversight. The Policy Board consists of roughly 25 stakeholders, with the majority of members representing consumers and broad public interest, as opposed to individuals representing health care interests. The Policy Board also includes ex-officio members from the state, including the Maryland Medical Assistance Program, the Maryland Health Care Commission, and the Health Services Cost Review Commission. The statewide HIE is required to implement the Policy Board decisions, which has primary responsibility for developing policies pertaining to privacy and security, among other things.

## Opportunities for Efficiency

### *Statewide HIE*

Implementing a statewide HIE is part of a long-term strategic plan to improve the quality, safety, and efficiency of care that will create cost savings for the Maryland health care system. Maryland has many factors working in its favor for implementing a successful and sustainable statewide HIE. Stakeholder collaboration and broad consensus on key privacy and security issues has been paramount to the success in planning and implementing a statewide HIE. Maryland's relatively compact geography has mitigated some of the distance and communication challenges that some other state HIE efforts have encountered. Maryland's unique hospital all-payor rate setting system provides a mechanism for funding this initiative where all private payers participate equally in the cost of implementing the statewide HIE.

Three years ago, the state began the statewide HIE planning process by engaging numerous stakeholders to address fundamental policy issues and develop a course of action for implementing a statewide HIE. These efforts led up to a competitive process where, in August 2009, the state selected CRISP as the state designated HIE entity and authorized nearly $10 million for the initiative through Maryland's hospital all-payor rate setting system. CRISP consists of Johns Hopkins Health, MedStar Health, University of Maryland Medical System, Erickson Retirement Communities, and the Erickson Foundation, along with the support of more than 25 other organizations.

### *Centers for Medicare & Medicaid Services EHR Demonstration Project*

EHRs are generally viewed as an optimistic advancement in efficiency, productivity, and workflow. The state expects to increase the use of EHRs through participation in the CMS EHR Demonstration Project. Maryland is one of four states participating in the CMS five year demonstration project to encourage small to medium sized primary care physician practices to use EHRs. Each month, practices that have not adopted an EHR receive educational material. Practices could be selected to participate in the demonstration without having implemented an EHR. However, all practices must implement an EHR by 2011 to remain in the demonstration project. Approximately 254 practices participate in the demonstration project. The

demonstration project aims to improve the quality and efficiency of patient care by improving the way health care information is managed.

## HIT Environmental Assessment

### *Assessment of the Current "As-Is" Landscape*

The Maryland Medical Assistance Program will use existing data included in the analysis for the HIT State Plan as the basis for assessing the "As-Is" landscape for Medicaid providers. The Medicaid Information Technology Architecture State Self-Assessment (MITA S-SA) will also provide critical information in determining the "As-Is" landscape of the Medicaid systems and HIT adoption and readiness of Medicaid providers. Objectives associated with this assessment include: determining the field of eligible providers, identifying barriers to acceptance of HIT by providers, identifying barriers to acceptance of HIT by Medicaid beneficiaries, providing a foundation for identifying future goals and available resources by assessing the status of the current program and HIT environment; determining the interrelationships between Medicaid, Medicare and other populations as they relate to the adoption of HIT; and identification of policy issues where additional guidance from CMS may be required.

Nearly five years ago, the Maryland Board of Physicians that licenses physicians began collecting practice information from physicians, which includes an assessment of HIT adoption. Physicians are required to renew their license every two years. Practice information is compiled into a data base that will be used in assessing the current state of HIT adoption among Medicaid providers. Ad hoc workgroups are also expected to provide information that can be used to augment the data with questions that were not included in the Maryland Board of Physicians' practice questions. The data will be evaluated by jurisdiction and ranked by the level of adoption. This information will be used in developing a strategy to advance HIT adoption by Medicaid providers.

For the most part, EHR adoption in Maryland is consistent with national statistics. The Maryland Medical Assistance Program expects to collaborate with bordering state Medicaid agencies to share its findings of the "As-Is" landscape and to identify synergies that can be used in developing the "To-Be" vision in the SMHP. The existing HIT State Plan indicates that EHR adoption is at about 34 percent for physicians in Maryland with the lowest county reporting adoption of just about 24 percent. Approximately 13,795 physicians are in active practice in Maryland. Roughly 5,035 are in primary care practices and nearly 3,666 are priority primary care providers, providing care in about 2,325 practices. Physicians that have fully deployed EHRs account for around four percent. The adoption rates for practices with fewer than 10 providers (88 percent of all practices in the state) are dramatically lower, as seen in the table below.

**Practice EHR Adoption Rates**

| Practice Size | Percent Adoption | Percent of Practices |
|---|---|---|
| 1 | 13 | 35 |
| 2-4 | 16 | 40 |
| 5-9 | 20 | 13 |
| 10-19 | 29 | 7 |
| 20+ | 39 | 5 |

Maryland covers 9,774 square miles, with a 2008 population of about 5,633,597 with almost 302,052 individuals who live in rural parts of the state. According to the U.S. Census Bureau, more than 40 percent of the state's 5.6 million people are Hispanic, African-American, or Asian – making it one of the more diverse states in the nation. Approximately 13.8 percent of the state's population is uninsured, or about 769,007 individuals. Roughly 88 Federally Qualified Health Centers (FQHCs) serve patients in the state of Maryland. The majority of FQHCs are clustered in urban areas with a small portion located in rural parts of the state.

### *Completion of the "To-Be" Vision and Roadmap Plan*

The Maryland Medical Assistance Program expects to develop a "To-Be" vision using HIT to improve health care quality and patient safety, promote care coordination and continuity, and assist in clinical decision making and the use of evidence-based guidelines. Consumer control over their health information and the development of sound policy related to access, authorization, authentication, and audit are essential components of the vision. The Maryland Medical Assistance Program will develop a Roadmap Plan with milestones and objectives that meets the meaningful use criteria in the proposed *Medicare and Medicaid Programs; Electronic Health Record Incentive Program; Proposed Rul*e. The Roadmap Plan will include overseeing the Medicaid incentive payment to eligible providers and readying nearly 5,901 Medicaid physicians to participate in the ARRA EHR incentives.

The SMHP will consist of a five year strategy to implement a Roadmap Plan that will address the administration of provider incentive payments, including provider eligibility determination, issuance and tracking of incentive payments, and auditing of financials and meaningful use. Objectives associated with these activities include: identification of short-term and long-term goals for the project; development of recommendations to ensure cost-effective strategies to be realized as part of the "To-Be" vision; establishment of measurable benchmarks, milestones, tasks, and timelines to guide project progress; and establishment of the framework for the development of I-APD tasks and activities. The Maryland Medical Assistance Program will bring together various stakeholder workgroups to address particular components of the Roadmap Plan and to identify appropriate measurable benchmarks.

The five year strategy will be aligned with the MITA transition. The "To-Be" vision and Roadmap Plan will provide direction in the development of the transition plan with the MITA requirements. The Maryland Medical Assistance Program assessed the current Medicaid

Management Information System (MMIS) along with the current Medicaid processes. This information will be used to develop a transition plan as part of the SMHP to align with the federally mandated MITA requirements. The MITA initiative is expected to modernize existing system functions and significantly enhance the goals of the MMIS. Replacing the existing legacy MMIS claims processing system with a new MMIS system based on the MITA requirements is part of the "To-Be" vision and Roadmap Plan.

### *HIT Implementation Advanced Planning Document*

The Maryland Medical Assistance Program will develop a HIT Implementation Advanced Planning Document (HIT I-APD) with the guidance of CMS, establishing specific implementation activities necessary to support the SMHP. Stakeholder involvement is a critical component in developing the HIT I-APD. The Maryland Medical Assistance Program plans to assemble stakeholder workgroups to fully address the objectives associated with this activity, and to develop a detailed approach to the implementation of the plan and obtain supporting FFP. The HIT I-APD development will be an iterative process; development of the document is expected to occur throughout the planning phase of the project.

Information contained in the SMHP will serve as the framework for the HIT I-APD. Developing the SMHP requires considerable planning in order to ensure that the vision and Roadmap Plan can be achieved. These efforts are very similar to the work that was required to develop the HIT State Plan. In general, the HIT State Plan is a reflection of a strategic and operational plan that emerged from several years of planning across all stakeholder groups. The SMHP will include a strategy for administering the ARRA incentives that will help providers derive value and benefits for using HIT to store and share electronic health information. Issues related to privacy and security; role-based access; user authentication and trust hierarchies; and hardware and software solutions, among other things will be addressed in the SMHP.

# SECTION 2

# PROJECT MANAGEMENT PLAN

## Leadership and Oversight Activities

The executive sponsor for developing the HIT P-APD and completing the work that will lead to the development of the SMHP is Charles Lehman, Executive Director, Office of Systems, Operations & Pharmacy at the Maryland Medical Assistance Program. Mr. Lehman can be contact by telephone at (410) 767-5420 or via e-mail at CLehman@dhmh.state.md.us. Project oversight will be the responsibility of Mr. Lehman. Mr. Lehman will work closely with the state designated HIT Coordinator, David Sharp, Director of the Center for Health Information Technology at the Maryland Health Care Commission to ensure that EHR adoption achieves interoperability with the HIE.

The Maryland Medical Assistance Program will manage the project, identify policy issues across all impacted departments and state agencies and will coordinate communications with stakeholders. In order to develop the "To-Be" vision, the Maryland Medical Assistance Program will work with a contractor to initiate discussions with key stakeholders about the future of HIT in Medicaid that will be defined in the SMHP. Leading stakeholders included in the discussion will be:

- Providers;
- Hospitals;
- County Health Departments;
- Community Health Centers;
- Managed Care Organizations; and
- State Agencies involved with Public Health, Behavioral Health, Education, Long-Term Care, and Rehabilitation.

The SMHP will also include the specific actions necessary to implement the EHR incentive program. The SMHP will describe a roadmap of steps needed to move from the current state of HIT to the HIT landscape desired in 2014 to achieve CMS's Stage 3 for meaningful use.

The Maryland Medical Assistance Program will use a competitive process following existing state procurement regulations to identify a contractor that can assist in the work. Specifications for the contractor will be published on eMaryland Market Place; responses will be evaluated by a panel assembled by Maryland Medical Assistance Program.

## SMHP Development

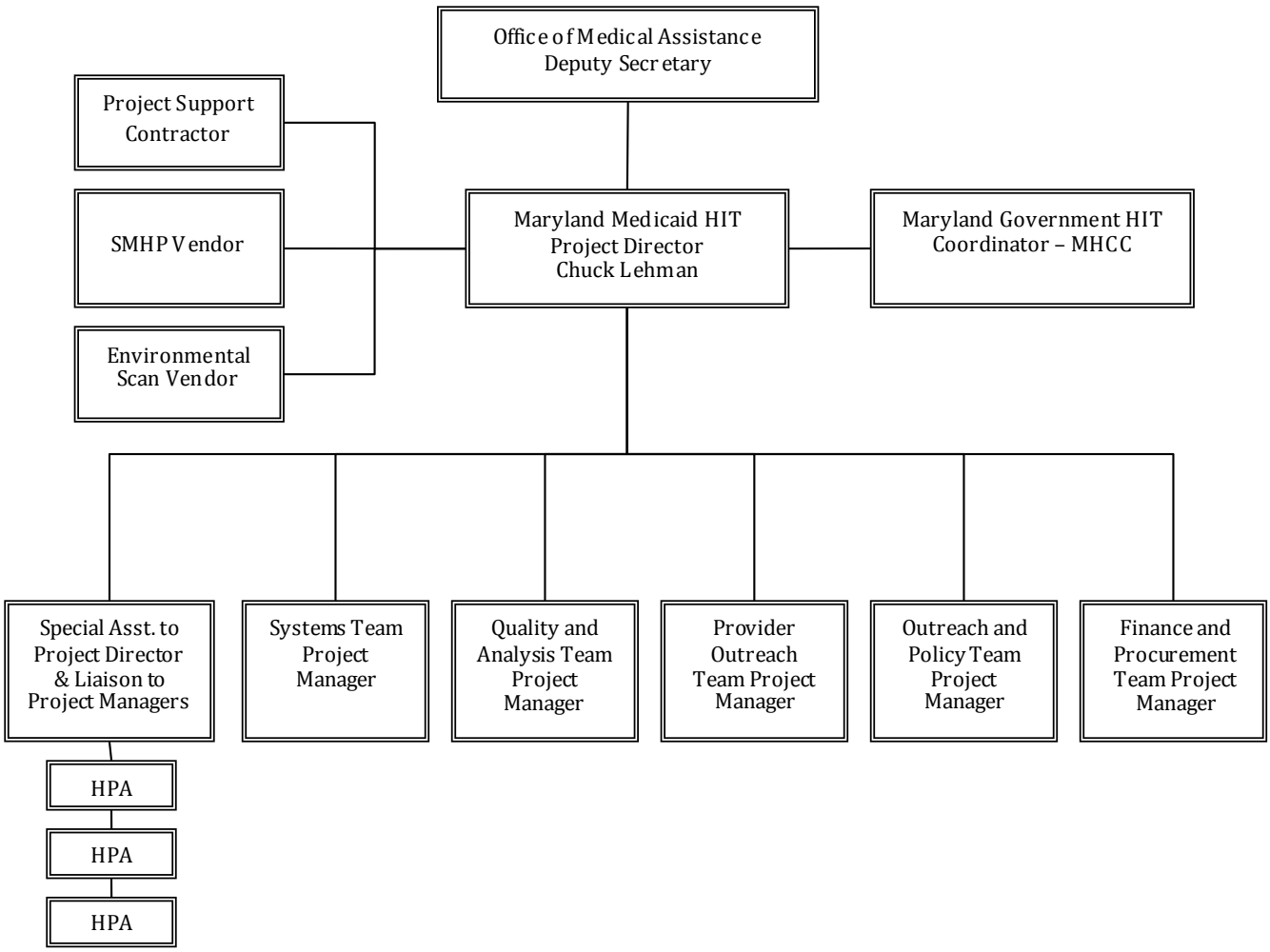
The Maryland Medical Assistance Program will work closely with the Maryland Health Care Commission to provide guidance in assessing the "As-Is" landscape, completing the "To-Be" vision, and the Roadmap Plan of the SMHP. The project will include approximately 28 staff resources internal to the state from the Maryland Medical Assistance Program and, if necessary, the Maryland Health Care Commission. These individuals will dedicate a portion of their time to complete the work leading to development of a SMHP.

Project staff will consist of a Project Director, Special Assistant to the Project Director and Liaison to Team Project Managers, three Health Policy Analysts, as well as five project managers and their teams to oversee various pieces of EHR planning activities. A contractor will be engaged to complete select activities of the project. The Project Director will develop the scope of work for the contractor with well-defined milestones and deliverables, and the Special Assistant and Project Director will work together to manage the contractor's work.

Project staff will establish workgroups and engage appropriate stakeholders to provide input into the development of the SMHP. These individuals will be a critical component in developing solutions to strategic issues affecting the planning of the SMHP.

## Project Organization

The Maryland Medical Assistance Program has developed a conceptual organizational structure for the project. The staffing matrix will facilitate the work leading to the development of the SMHP.




## Project Staff

Completing the project requires a combination of resources at the Maryland Medical Assistance Program and the Maryland Health Care Commission. Project participants are expected to allocate sufficient time to the work at various stages based on project milestones. The contractor will perform activities identified during the development of the procurement specifications. Project staff identified for the project will have prior HIT and policy experience. The Project Director will have responsibility for ensuring the completion of the work. The Maryland Medical Assistance Program believes that assigning staff from various departments to specific "teams" will provide the expertise necessary to complete the work leading up to the development of the SMHP. The anticipated costs and leading staff activities are described below; the project is expected to take approximately twelve months to complete.

**Proposed Staffing Model**

| Planning Phase | Percent FTEs | #FTE |
|---|---|---|
| Project Director | 20% | 1 |
| Special Asst to Director, Liaison to Project Managers | 75% | 1 |
| Health Policy Analyst | 50% | 1 |
| Health Policy Analyst | 30% | 2 |
| System Team Project Manager | 20% | 1 |
| System Team Staff | 10% | 3 |
| Quality and Analysis Team Project Manager | 10% | 1 |
| Quality and Analysis Team Staff | 10% | 3 |
| Provider Outreach Team Project Manager | 10% | 1 |
| Provider Outreach Team Staff | 10% | 8 |
| Outreach and Policy Team Project Manager | 10% | 1 |
| Outreach and Policy Team Staff | 10% | 2 |
| Finance and Procurement Team Project Manager | 10% | 1 |
| Finance and Procurement Team Staff | 10% | 2 |
| Contractor *(selected via competitive bid)* | TBD | TBD |
| **Total (less contractor)** | | **28** |

### *Project Director*

The Project Director will have responsibility for ensuring the planning and development of the SMHP and eventually the I-APD. This individual will select project participants and work closely with these individuals throughout the project. The Project Director will collaborate with the Maryland Health Care Commission and the executive sponsor for the project. This individual will oversee the various activities for developing the SMHP. The Project Director has responsibility for ensuring that all phases of work are completed timely and in accordance with the established plan. The Project Director will also track the number of staff hours on the project using a *Project Tracking System* developed in Excel. The *Project Tracking System* will be used to monitor staff time dedicated to the project and ensure the integrity of the charges for monthly billing. This position reports to the Deputy Secretary, Health Care Financing.

### *Special Assistant to Director and Liaison to Project Managers*

The Special Assistant to the Director should be a 0.75 to full-time FTE position because this individual will manage the day to day activities of the project plan with vendors, MHCC and Medicaid Teams. This individual will develop work plans to ensure that all projects have clearly defined goals, objectives, and performance timeframes. The Special Assistant will work

with the Director and MHCC to provide guidance to the contractor and maintain appropriate levels of communication with all stakeholders and workgroups. Facilitating workgroups will be an important part of this individual's responsibility. The Project Manager will be expected to provide routine guidance to the Health Policy Analysts. This individual will also have responsibility for ensuring that all work is completed on schedule with the highest possible quality. This position reports to the Project Director.

### *Health Policy Analysts*

The three Health Policy Analysts will be responsible for staffing workgroups and preparing meeting materials. These individuals are responsible for completing the research necessary to provide workgroup participants with a framework of the issues to be addressed by the workgroup. The Health Policy Analysts will be responsible for compiling workgroup recommendations and documenting their key concerns. These individual are responsible for supporting the drafting of the SMHP. The Health Policy Analysts will provide support to the Special Assistant and the Director in developing work plans, conducting literature reviews, developing presentations, writing information briefs, performing data analysis, making policy recommendations, and providing guidance as directed by the Special Assistant to the contractor. This position reports to the Special Assistant.

### *Systems Team*

The Systems Team will work closely with the Maryland Health Care Commission to develop the Maryland Medical Assistance Program HIT "As-Is" and "To-Be" assessments, developing the systems implementation plans, and preparing the SMHP and the Implementation APD. Through this process, the team will identify the changes that are required to the MMIS and other State systems in order to implement the infrastructure to support the information exchange between providers, Medicaid, and CMS and to help facilitate "meaningful use" of EHRs. The Systems Team will also be responsible for defining the system requirements for making the provider incentive payments.

### *Quality and Analysis Team*

The Quality and Analysis Team will be responsible for developing the tools needed for measuring and monitoring quality. This team will work with the Systems Team in defining the requirements to become an eligible provider and monitoring approaches to maintain the accuracy and quality of EHR data and EHR's effect on health care quality outcomes.

### *Provider Outreach Team*

This team will be responsible for all of the provider planning, outreach, training and coordination of technical assistance. The team will coordinate with the Quality and Analysis Team to work with the Environmental Scan vendor. They will also work with the Director and Special Assistant on various stakeholder workgroups through the planning phase.

### *Outreach and Policy Team*

This team will be responsible for developing policy and reaching out to stakeholders other than providers. This team will also oversee regulatory and statutory review efforts during the planning phase. They will also monitor the effect of EHRs on health care quality and make suggestions for encouraging quality improvement in consultation with Quality and Analysis Team.

### *Finance and Procurement Team*

This team will be responsible for work related to procurement of vendors, as well as establishing payment methods for eligible providers.

### *Contractor*

The work of the HIT P-APD will be supported by a contractor procured through Maryland's competitive bid process. With the assistance of the Special Assistant, the Project Director will develop a statement of work that reflects the key deliverables, as outlined below. Once the statement of work has been developed, it will be submitted to CMS for review and approval. Upon the approval from CMS, the Maryland Medical Assistance Program will notify the industry that it is accepting bids for a contractor to assist in the work effort. The Project Director and Special Assistant to the Director will monitor the activities of the contractor to ensure that the work is consistent with the established goals and objectives.

### *Vendor Support*

The Maryland Medical Assistance Program will procure assistance from two vendors to complete the required activities. The vendors will be tasked with completing the environmental scan and developing the SMHP. These vendors will be identified through a bidding process that is consistent with Maryland's procurement regulations. The Project Director will be responsible for ensuring that the vendors meet the deliverables of the contract. The Special Assistant will provide routine guidance to the vendors as they complete their work.

## Key Deliverables

The Maryland Medical Assistance Program will maintain and utilize a project plan to track the project's schedule. This schedule will itemize all of the key deliverables as part of the planning phase. A proposed, preliminary, and high-level project planning phase schedule that lists the leading deliverables and based upon a May 3rd funding award is list below.

**Leading Activities**

| Planning Phase Task | Start Date | Finish Date |
|---|---|---|
| Submit HIT P-APD to CMS/CMS Approval | 12/01/2009 | 03/31/2010 |
| Determine Statement of Work (SOW) | 03/31/2010 | 04/16/2010 |
| Submit SOW to CMS for Review and Approval | 04/30/2010 | 05/07/2010 |
| Conduct Provider Outreach and data gathering for "As-Is" Assessment | 05/10/2010 | 03/31/2011 |
| Complete "As-Is" Landscape Assessment Component | 06/23/2010 | 09/24/2010 |
| Complete "To-Be "Vision Component | 07/22/2010 | 10/22/2010 |
| Complete Roadmap Plan Component | 08/16/2010 | 12/31/2010 |
| Finalize the SMHP | 06/30/2010 | 03/31/2011 |
| Submit SMHP to CMS | 06/31/2010 | 06/31/2010 |
| Prepare I-APD | 01/10/2011 | 02/16/2011 |
| Submit Implementation I-APD to CMS | 03/01/2011 | 03/01/2011 |
| Complete RFP Development and Contractor Procurement for Support Services | 05/03/2011 | 05/24/2011 |
| Commence Operational Activities, Including Support, Program Audit/QA Services , and Incentive Payment Structure and System | 02/01/2011 | Ongoing |

## Method for Developing Key Deliverables

### "As-Is" HIT environmental evaluation

*Develop an assessment of the Maryland Medical Assistance Program providers' current HIT landscape, which will detail the "As-Is" environment.*

- Conduct a feasibility assessment of the Maryland Medical Assistance Program alignment with existing and external HIT/HIE efforts;
- Identify MMIS capabilities, or current functionality to participate in HIE; and,
- Conduct an environmental scan of existing systems, which may need updating or replacing in order to meet the standards required to support HIT that include the following:
    - Examine the current rate of EHR adoption and the barriers to meaningful use among providers in the Maryland Medical Assistance Program; and,

- Conduct an assessment of the Maryland Medical Assistance Program readiness of the larger public providers of Medicaid primary care services, the county health departments, etc.

*Identify specific actions necessary to implement the ARRA provider incentive program.*

- Develop a methodology, solution and budget for the identification of eligible providers, payment mechanism, auditing and tracking payments, and monitoring compliance with meaningful use that will include:
  - An algorithm for identifying volume threshold being met;
  - Coordination with CMS on payments to hospitals and providers; and
  - Establishing standards for data being reported to ensure quality and consistency.

## Develop the SMHP and "To-Be" HIT Landscape

*Develop Maryland Medical Assistance Program specific measures of meaningful use in coordination with the Regional Extension Center.*

- Develop an information toolkit for small providers to use in complying with the proposed meaningful use criteria that also includes printed materials for patients as a follow up to the visit or for post procedure care.
- Explore other potential uses of the EHR such as:
  - Reporting on measures of meaningful use process and quality measures for the Medicaid incentive program.
- Evaluate the Maryland Health Care Commission Physician EHR Product Portfolio that includes:
  - Identifying enhancements to the information contained on the website, and;
  - Propose additional features that will bolster its use by small practices in the state.
- Develop an outreach plan and budget for providers to be included in guidance and training.
  - Develop training seminars, focus groups and workshops for providers;
  - Develop an outreach plan for media buys, verbiage, and timeline and schedule for disseminating all information;
  - Establish a dedicated mailbox for responding to provider inquiries as well as a toll free number for those without e-mail access, such as providers in rural areas; and,
- Identify budget and needs assessment for dedicated staff and hardware/telecommunication for call centers in responding to provider inquiries.

*Develop a preliminary Roadmap Plan, Issues and Challenges Report to move to the "To-Be" HIT landscape desired in 2014.*

- Work with the Maryland Health Care Commission to identify key issues and challenges to include in the report.
  - Meet with various stakeholders to discuss leading issues and challenges to be included in the report;
  - Assemble a stakeholder workgroup to propose solutions to the leading issues and challenges;
  - Develop a report that identifies the issues, challenges, and proposed solutions; and
  - Draft the SMHP that can be used to plan the implementation activities that will be detailed in the HIT I-APD.

## HIPAA Compliance

The Maryland Medical Assistance Program requires its systems to be fully compliant with the *Health Insurance Portability and Accountability Act of 1996* (HIPAA) Administrative Simplification Provisions. All aspects of the work will be evaluated for compliance with the HIPAA requirements. The contractor on this project will be required to sign a Business Associate Agreement.

# SECTION 3

# PROPOSED PROJECT BUDGET

## Cost Elements and Amounts

Included below are the summary level budget estimates for planning phases. This section also contains the non-matching FFP amount that will be accounted for by the Maryland Medical Assistance Program to manage the project. This budget was prepared using actual and estimated costs from similar projects. The project is expected to take approximately twelve months to complete.

**Staffing Costs**

| Planning Phase | Percent FTEs | Cost |
|---|---|---|
| Project Director | 20% | **$24,800** |
| Special Asst to Director, Liaison to Project Managers | 75% | **$63,000** |
| Health Policy Analyst | 50% | **$34,680** |
| Health Policy Analyst | 30% | **$38,810** |
| System Team Project Manager | 10% | **$23,500** |
| System Team Staff | 10% | **$30,500** |
| Quality and Analysis Team Project Manager | 10% | **$10,680** |
| Quality and Analysis Team Staff | 10% | **$29,460** |
| Provider Outreach Team Project Manager | 10% | **$12,400** |
| Provider Outreach Team Staff | 10% | **$81,170** |
| Outreach and Policy Team Project Manager | 10% | **$12,400** |
| Outreach and Policy Team Staff | 10% | **$20,440** |
| Finance and Procurement Team Project Manager | 10% | **$10,500** |
| Finance and Procurement Team Staff | 10% | **$16,930** |
| **Subtotal Medicaid Staffing Cost** | | **$409,270** |
| Contractor *(selected via competitive bid)* | TBD | **$80,000** |
| **Total** | | **$489,270** |

*The Maryland Medical Assistance Program assumptions for this budget include the following:*

- *State project staff* – The cost of $409,270 is based on staffing for approximately twelve months. The rate for staff time is based on an average cost of salary and benefits for the position.
- *Contractor* – Based upon recent state procurements dealing with similar activities, the Maryland Medical Assistance Program estimates that the contractor will cost approximately $80,000 for planning activities.

**Non-Personnel Expenses**

| Category | Total | Percent | State | Percent | Federal |
|---|---|---|---|---|---|
| Vendor Services – Outreach Activities | $250,000 | 10% | $25,000 | 90% | $225,000 |
| Vendor Services – Environmental Scan | $275,000 | 10% | $27,500 | 90% | $247,500 |
| Vendor Services – SMHP Development | $400,000 | 10% | $40,000 | 90% | $360,000 |
| Auditing | $50,000 | 10% | $5,000 | 90% | $45,000 |
| Travel | $8,000 | 10% | $800 | 90% | $7,200 |
| Provider Communication Materials and Supplies | $50,000 | 10% | $5,000 | 90% | $45,000 |
| **Total** | **$1,033,000** | 10% | **$103,300** | 90% | **$929,700** |

*The Maryland Medical Assistance Program assumptions for this budget include the following:*

- *Non-personnel services costs* – The cost is $1,033,000 and includes vendor support in conducting the environmental scan, developing the SMHP, and performing outreach activities. Also included in the non-personnel services are costs for auditing, travel, and extensive provider communication materials and supplies.

## Cost Allocation Plan

The following charts show the cost totals for various categories, as well as the state share versus federal share. Total costs for the HIT Planning Project is **$1,522,270**. The federal share at 90 percent is **$1,370,043**. The state share, which will come from special funds, is **$152,227**.

## Anticipated Costs and Distribution

| Summary of Costs – State of Maryland and Contractor | | | | | |
|---|---|---|---|---|---|
| **Planning Phase** | **Total** | **Percent** | **State** | **Percent** | **Federal** |
| Project Staff | $409,270 | 10% | $40,927 | 90% | $368,343 |
| Contractor | $80,000 | 10% | $8,000 | 90% | $72,000 |
| Non-personnel Services | $1,033,000 | 10% | $103,300 | 90% | $929,700 |
| **Total** | **$1,522,270** | **10%** | **152,227** | **90%** | **$1,370,043** |

All HIT project planning costs will initially be allocated 100 percent to the Maryland Medical Assistance Program. While it currently appears that these costs will depend 100 percent on Medicaid, the Department acknowledges that additional programs may be impacted and this may later result in the need to develop a new cost allocation plan in accordance with OMB Circular A-87 principles.

The Chart on the next page shows the HIT Planning Project budget by federal fiscal quarter.

## HIT PROJECT COST SUMMARY BY FEDERAL FISCAL QUARTER

| Summary of Costs – FY2010: Fiscal Quarter and Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | FY2010 QTR 3 | | FY2010 QTR 4 | | FY2010 Summary | |
| | FFP | Federal Share | State Share | Federal Share | State Share | Federal Share | State Share |
| State Resources | 90% | 92,085.75 | 10,231.75 | 92,085.75 | 10,231.75 | 184,171.50 | 20,463.50 |
| Project Contractor | 90% | $18,000 | $2,000 | $18,000 | $2,000 | 36,000 | 4,000 |
| Vendor Services | 90% | $208,125 | $23,125 | $208,125 | $23,125 | 416,250 | 46,250 |
| Travel | 90% | $1,800 | $200 | $1,800 | $200 | 3,600 | 400 |
| Supplies | 90% | 11,250 | 1,250 | 11,250 | 1,250 | 22,500 | 2,500 |
| Auditing | 90% | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| **FY2010 Total** | **90%** | 331,260.75 | 36,806.75 | 331,260.75 | 36,806.75 | 662,521.50 | 73,613.50 |

| Summary of Costs – FY2010: Fiscal Quarter and Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | FY2011 QTR 1 | | FY2011 QTR 2 | | FY2011 Summary | |
| | FFP | Federal Share | State Share | Federal Share | State Share | Federal Share | State Share |
| State Resources | 90% | 92,085.75 | 10,231.75 | 92,085.75 | 10,231.75 | 184,171.50 | 20,463.50 |
| Project Contractor | 90% | $18,000 | $2,000 | $18,000 | $2,000 | 36,000.00 | 4,000.00 |
| Vendor Services | 90% | $208,125 | $23,125 | $208,125 | $23,125 | 416,250.00 | 46,250.00 |
| Travel | 90% | $1,800 | $200 | $1,800 | $200 | 3,600.00 | 400.00 |
| Supplies | 90% | 11,250.00 | 1,250.00 | 11,250.00 | 1,250.00 | 22,500.00 | 2,500.00 |
| Auditing | 90% | $22,500 | $2,500 | $22,500 | $2,500 | 45,000.00 | 5,000.00 |
| | | | | | | | |
| **FY2011 Total** | **90%** | 353,760.75 | 39,306.75 | 353,760.75 | 39,306.75 | 707,521.50 | 78,613.50 |

| Summary of Costs – FY2010 and FY2011 | | | |
|---|---|---|---|
| | Total | Federal Share | State Share |
| **FY2010 Total** | **$736,135** | $662,521.50 | $73,613.50 |
| **FY2011 Total** | **$786,135** | $707,521.50 | $78,613.50 |
| **HIT PROJECT TOTAL** | **$1,522,270** | **$1,370,043** | **$152,227** |

# SECTION 4

# CMS REQUIRED ASSURANCES

The State of Maryland provides CMS the following assurances in accordance with the requirements of 45 CFR 95.613, and 95.615, and 42 CFR 433.112(b)(5)-(9).

**Requirements**

| Category | 45 CFR Section | Yes | No |
|---|---|---|---|
| Procurement Standards (Completion/Sole Source) | 45 CFR 95.613 | X | |
| Access to Records | 45 CFR 95.617 | X | |
| Software and Ownership Rights | 42 CFR Part 433.112(b)(5)-9 | X | |
| Federal Licenses | 42 Part CFR 433.112(b)(5)-(9) | X | |
| Information Safeguarding | 42 CFR Section 431.300 | X | |
| HIPAA Compliance | 45 CFR Part 164 | X | |
| Progress Reports | | X | |

## Basis for Request of Enhanced FFP

In order to provide the proper and efficient administration of the plan, as described in 42 U.S.C 1396.b. (a) (D), the Maryland Medical Assistance Program requests enhanced FFP for planning activities to support the Medicaid HIT project. Maryland will provide the requisite matching state funds for the cost of the project.