

Kansas HIT – ARRA Incentives & Regional Center Program

Mike Aldridge, MBA
KFMC HIT Regional Center Director



American Recovery and Reinvestment Act

The American Recovery and Reinvestment ACT (ARRA) was signed into law on February 17, 2009. This Act includes significant funding for Health Information Exchange (HIE) and Health Information Technology (HIT) activities. Two areas resulting from this Act will be covered today:

- Payment Incentives (and penalties)
- Regional Extension Centers (RC)

ARRA Payment Incentives: Medicare

Medicare Incentives/Penalties for Providers						
EHR Adoption Year						
	2011-	2012	2013	2014	2015+	
Payment Year	2011	\$ 18,000	\$ -	\$ -	\$ -	\$ -
	2012	\$ 12,000	\$ 18,000	\$ -	\$ -	\$ -
	2013	\$ 8,000	\$ 12,000	\$ 15,000	\$ -	\$ -
	2014	\$ 4,000	\$ 8,000	\$ 12,000	\$ 12,000	\$ -
	2015	\$ 2,000	\$ 4,000	\$ 8,000	\$ 8,000	-1%
	2016	\$ -	\$ 2,000	\$ 4,000	\$ 4,000	-2%
	2017	\$ -	\$ -	\$ -	\$ -	-3%
	2018	\$ -	\$ -	\$ -	\$ -	-4%
	2019	\$ -	\$ -	\$ -	\$ -	-5%
	Total	\$ 44,000	\$ 44,000	\$ 39,000	\$ 24,000	

Note: The above table represents the maximum potential incentive. Numerous restrictions apply.

ARRA Payment Incentives: Medicaid

Medicaid Incentives for Eligible Providers												
<i>EHR Adoption Year</i>												
	2011-	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Payment Year	2011	\$ 21,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2012	\$ 8,500	\$ 21,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2013	\$ 8,500	\$ 8,500	\$ 21,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2014	\$ 8,500	\$ 8,500	\$ 8,500	\$ 21,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2015	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 21,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2016	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 21,250	\$ -	\$ -	\$ -	\$ -	\$ -
	2017	\$ -	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 21,250	\$ -	\$ -	\$ -	\$ -
	2018	\$ -	\$ -	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 21,250	\$ -	\$ -	\$ -
	2019	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 21,250	\$ -	\$ -
	2020	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 21,250	\$ -
	2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 21,250
	Total	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 55,250	\$ 46,750	\$ 38,250	\$ 29,750	\$ 21,250

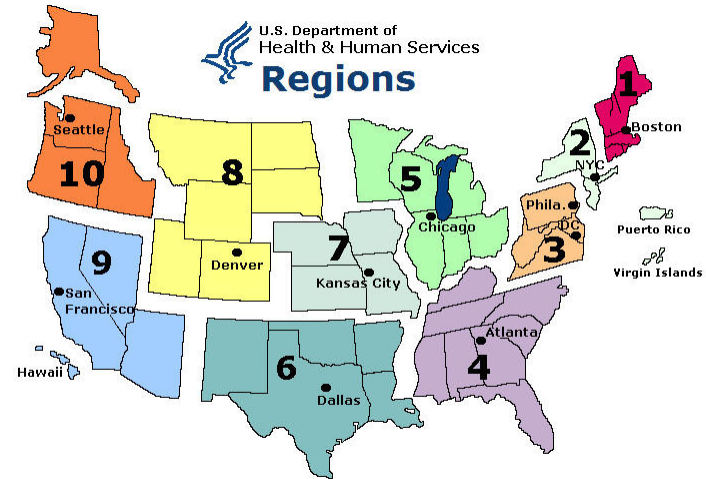
Note: The above table represents the maximum potential incentive. Numerous restrictions apply.

Meaningful Use Criteria

- HHS Secretary published the Interim Final Rule (IFR) on Standards & Certification Criteria on Dec. 30, 2009
 - Provides details on requirements for “certified” electronic health record (EHR) systems, and the technical specifications needed to support secure, interoperable nationwide electronic exchange and meaningful use of health information.
 - Now in a 60 day public comment period
- CMS also issued a Notice of Proposed Rulemaking (NPRM) on Dec. 30, 2009, that outlines provisions governing the Medicare and Medicaid EHR incentive programs, including a proposed definition for the central concept of “meaningful use” of EHR technology.
 - Specifies the initial criteria an EP and eligible hospital must meet in order to qualify for the incentive payment; calculation of the incentive payment amounts; penalties as well.
 - Now in a 60 day public comment period

Regional HIT Extension Program

- \$640 Million dollars to fund ~70 RCs
 - \$6400 per physician
- Awarded in two cycles
 - At least one RC in each region during first round of funding



Initial Cycle	Approx Funding	Preliminary Application	Preliminary Approval	Full Applications	Anticipated Awards Date
1	\$350,000,000*	September 8, 2009	September 29, 2009	November 3, 2009	January 21 2010
2	\$290,000,000*	December 22, 2009	January 5 th 2010	January 29 th , 2010	March 31 st 2010
3	This cycle will be canceled and the funds will be reallocated to the first two cycles				
* The approximate funding for this announcement is increased by \$43 million.					

Financial Support for RCs

Type of Award	Cooperative Agreement
Total Amount of Funding Available in FY2010	\$640,000,000
Average Award Amount	\$ 8,543,000
Award Floor	\$ 1,000,000
Award Ceiling	\$ 30,000,000
Approximate Number of Awards	70
Project Period Length	four-year project period with two separate two-year budget periods
Estimated Start Date	March 31, 2010

YEAR	FEDERAL AMOUNT OF COSTS	RECIPIENT AMOUNT OF COSTS
1	90 percent	10 percent
2	90 percent	10 percent
3	10 percent	90 percent
4	10 percent	90 percent

Please see Appendix C for information on calculation of cost share.

Priority Primary Care Providers

For purposes of the RC cooperative agreements, a “primary-care provider” is any MD or DO, any ARNP, Nurse mid-wife, or PA with prescriptive privileges in the locality where s/he actively practices in one of the following specialties: family, internal, pediatric, or obstetrics and gynecology.

Priority primary care providers function in the following settings:

- Individual and small group practices (ten or fewer professionals with prescriptive privileges) primarily focused on primary care;
- Public and Critical Access Hospitals
- Community Health Centers and Rural Health Clinics; and
- Other settings that predominantly serve uninsured, underinsured, and medically underserved populations

Regional Center Services

- Education and Outreach
- Participate in National Learning Consortium
- Vendor Selection and Group Purchasing Plans
- EHR Implementation and Project Management
- Workflow Redesign
- Functional Interoperability and Health Information Exchange
- Privacy and Security Practices
- Progress Towards Meaningful Use

Regional Center Services (continued)

- **Education and Outreach:** Disseminate knowledge about the effective strategies and practices to select, implement, and meaningfully use certified EHR technology to improve quality and value of healthcare
- **National Learning Consortium:** Participate in the National Learning Consortium facilitated by the HITRC and share tools and materials developed through the cooperative agreement with other Regional Centers, interested stakeholders, and the public.
- **Vendor Selection & Group Purchasing:** Help providers select the highest-value option -- the option that offers the greatest opportunity to achieve and maintain meaningful use of EHRs and improved quality of care at the most favorable cost of ownership and operation, including both the initial acquisition of the technology, cost of implementation, and ongoing maintenance and predictable needed upgrades over time.

Regional Center Services (continued)

- **Local Workforce Support :** Partner with local resources, such as community colleges, to promote integration of health IT into the initial and ongoing training of health professionals and supporting staff.
- **Implementation and Project Management:** Support end-to-end project management over the entire EHR implementation process, including individualized and on-site coaching, consultation, troubleshooting.
- **Practice and Workflow Redesign:** Support for practice and workflow redesign necessary to achieve meaningful use of EHRs
- **Functional Interoperability and Health Information Exchange:** Assist priority primary-care providers in connecting to available health information exchange infrastructure(s).

Regional Center Services (continued)

- **Privacy and Security Best Practices:** Support providers in implementing best practices in the privacy and security of personal health information.
- **Progress Towards Meaningful Use:** Participate in program training and be able to provide their clients effective assistance in attaining meaningful use.

KFMC Background

As a non-profit organization, Kansas Foundation for Medical Care, Inc. (KFMC) was incorporated in 1972. Serving Kansas for over 37 years, we have performed multiple contracted services for the federal and state government with focus on our mission – to Facilitate the Improvement of Healthcare.

Some of our contracts include:

- State of Kansas Quality Improvement Organization (QIO), 9th Statement of Work
- External Quality Review Organization (EQRO)
- Case Review – Medicare beneficiary protection & Medicaid utilization review

Next Steps

- Interested professionals are encouraged to submit letters of interest to KFMC.
- Once funded, the RC will contact providers that have submitted letters of interest and coordinate commitment letters and participation fees.
- Watch the KFMC website for updated information – www.kfmc.org

Questions?

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For More Information Contact

Mike Aldridge, MBA

The Kansas Foundation for Medical Care, Inc.

2947 SW Wanamaker Drive

Topeka, Kansas 66614

maldridge@kfmc.org

785-271-4141