

## **A Step-by-Step Guide for Health Departments Seeking HIT/HIE Funding Via the 90/10 Medicaid Match**

Under the American Recovery and Reinvestment Act of 2009, states can apply for 100% Federal financial participation (FFP) under the Centers for Medicare & Medicaid Services (CMS) Medicare and Medicaid Electronic Health Record (EHR) Incentive Program for adopting, upgrading, implementing and/or meaningfully using EHRs. Under what is commonly referred to as the Medicaid 90/10 match, states can also apply for a 90% FFP for administrative expenses related to funding health information exchange (HIE) activities, Meaningful Use, and the Medicaid EHR Incentive Program. Specifically, this funding can be requested by states for two categories of administrative activities – 1) on-boarding activities or 2) design, development, and implementation of infrastructure. This document discusses serves as a step-by-step guide for health departments as they look to secure Medicaid 90/10 Match funding.

### **Step 1: Review [CMS Letter SMDL# 10-016](#) and [CMS Letter SMDL# 11-004](#)**

- Before beginning the process to secure Medicaid 90/10 Match funding, understand the funding stream and restrictions for its use.
- Review CMS Letters [SMDL# 10-016](#) (issued August 17, 2010) and [SMDL# 11-004](#) (issued in follow-up to SMDL# 10-016 on May 18, 2011). These are open letters to State Medicaid Directors, issued by CMS, that provide guidance on Federal funding for Medicaid HIT, HIE, and EHR Incentive Program activities.
- Assess how the Medicaid funding stream might be applicable to public health HIT activities; Reviewing [SMD #9-006](#), particularly Enclosure E, may be helpful, as it includes guidance on activities which are potentially eligible for 90 Percent Administrative FFP match.

### **Step 2: Develop an Interagency Agreement between Public Health and Medicaid**

- An interagency agreement will be required prior to applying for Medicaid 90/10 Match funds if, in your state, public health and Medicaid are housed in separate agencies. These funds are only available via the Medicaid agency, meaning that the application must be submitted by Medicaid and if funding is approved, an interagency agreement will allow for those funds to be transferred from Medicaid to the health department.

### **Step 3: Drafting of Necessary Documents (P-APD, SMHP, I-APD)**

- Three documents are needed to obtain Medicaid 90/10 Match funds. Work closely with your Medicaid colleagues to review those documents which were previously developed, or to develop and/or edit them as needed.
  - [Health Information Technology Planning Advance Planning Document \(HIT P-APD\)](#): Gives states approval from CMS for any initial health IT funding requests; may have already been developed by state Medicaid agency.
  - [State Medicaid Health IT Plan \(SMHP\)](#): provides details on the state's plans for administering the Medicaid EHR Incentive Program payments; may have already been developed by state Medicaid agency.
  - [Health IT Implementation Advanced Planning Document \(I-APD\)](#): is ultimately the mechanism by which one "applies" for Medicaid 90/10 Match funding; through the I-APD, the state outlines for CMS their plans to implement the State Medicaid HIT Plan and requests matching federal funding for that implementation; public health and Medicaid must work together to develop, edit, and submit this document to CMS (see more under Step 5).

### **Step 4: Collaborate early and often with CMS**

- "Applying" for Medicaid 90/10 Match funding is an iterative process.
  - A draft of the I-APD is submitted to CMS, edits are requested, and changes are made to address concerns.
  - Close collaboration between public health, state Medicaid, and CMS will help ensure this process goes smoothly.
- Have preliminary conversations with CMS, even prior to deciding to submit for 90/10 match funds.

- Discussing plans with CMS will help answer preliminary questions, determine whether ideas are fundable, and cut down on unnecessary back-and-forth throughout the process.
- During these conversations with CMS, public health and Medicaid should receive specific indications of what they need to do and include in their application.

#### **Step 5: Develop I-APD and Submit to CMS**

- The template for the CMS EHR Incentive program HIT I-APD is available at [http://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Downloads/Medicaid\\_HIT\\_IAPD\\_Template.pdf](http://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Downloads/Medicaid_HIT_IAPD_Template.pdf)
- States should work closely with their State Medicaid agency, and use the guidance received from CMS, to fill out the I-APD template, which consists of the 9 Sections and 5 Appendices listed below:
  - Section I: Executive summary describing the intent of the I-APD
  - Section II: Describes current status of activities included in the P-APD and SMHP
  - Section III: Describes summary of project needs and objectives, as well as anticipated benefits
  - Section IV: Describes alternatives considered regarding implementing the EHR Incentive Program
  - Section V: Personnel Resource Statement provides an estimate of total staffing requirements and costs
  - Section VI: Proposed Activity Schedule presents project schedule for completing tasks and subtasks to meet project objectives
  - Section VII: Proposed Budget presents the total project cost and the overall request for FFP
  - Section VIII: Details a cost allocation plan that identifies all participants and their associated cost allocation
  - Section IX: Checklist (and required explanations for any “no” responses) for how the state will comply with relevant Code of Federal Regulations (CFR) and State Medicaid Manual (SMM) citations for security, assurances, interface requirements, and disaster recovery procedures
  - Appendices A-E
    - Appendix A: should contain breakout of allowable expenditures for MMIS FFP, if any, and how they will be integrated in the project
    - Appendix B: should contain estimates of provider incentive payments broken out by FFY quarter
    - Appendix C: should contain information about any grants, State or local funds, or other funding sources that are available to the State and that will contribute to the costs of activities for which the State is requesting HITECH matching funds
    - Appendix D: should contain, in checklist form, justification for their HIE approach, details regarding other payer and provider contributions and cost allocation
    - Appendix E: should contain a chart with information about how the system plans supported under this HIT IAPD are aligned with the 7 standards and conditions in 42 CFR Part 433
- States may also be interested in Washington State’s experiences in obtaining 90/10 Match funding as an example.

#### **Step 6: Revise I-APD Based on Feedback Received**

- The development of the I-APD is intended to be an iterative process including revisions and resubmissions. After your initial submission, work to address any comments and concerns received from CMS and re-submit the proposal.

#### **Step 7: Receive Approval Letter from CMS**

- An approval letter is needed from CMS. This letter will indicate that you can move forward with the health IT activities described in your planning document and are eligible to receive 90% reimbursement for the funds you spend.