State Medicaid Health Information Technology for the Economic and Clinical Health Act (HITECH) HIT Grant Awards - CMS-37/64 & Reporting

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July 2014
HIT Grant Awards

- There are 3 types of HIT Grant Awards:
  - Planning
  - Implementation
  - Incentive Payment

- Each type of grant is unique and handled differently
HIT Planning Grant

- *Planning* grants are treated like a *project*.
- State must request planning funds on the CMS-37.10 on lines 24A & 24B.
- Any activities occurring after the date of the first Implementation Advance Planning Document (IAPD) approval letter are considered implementation and not planning. Therefore, all expenditures must be reported as implementation on lines 24C & 24D.
- The time between the IAPD approval letter and the Planning Advance Planning Document (PAPD) close out date is to allow states time to report planning expenditures that were incurred before the IAPD approval letter.
HIT Implementation Grant

- *Implementation* grants are treated like *annual grant awards*.
- The state submits an IAPD to the CMS policy area and, once approved, is issued an approval letter stating the authorized amount, start date and expiration date.
- All IAPDs must be budgeted by Federal Fiscal Year (FFY) and end on the FFY (September 30).
- All IAPDs must be broken out by “bucket of money” (HITECH, Eligibility & Enrollment [E&E], Medicaid Management Information System [MMIS]).
HIT Implementation Grant

• The state must request implementation funds on the CMS-37.10 on lines 24C & 24D quarterly.
• However, the state must have an IAPD approval letter in order to request funds on the CMS-37.
• A timing problem may occur. The state must submit the CMS-37 45 days before the fiscal quarter begins; however, they may not have IAPD approval at that time.
HIT Implementation Grant

How does a state avoid this timing problem and ensure that they can request and receive their funding?
HIT Implementation Grant

- Use the IAPD template located on the Medicaid HITECH Technical Assistance (TA) Web site (www.medicaidhitechta.org)
- Budget by FFY (October 1 – September 30) – we will approve up to 2 FFY
- Submit the IAPD timely - at least 3 months before the quarter begins (see example on the next slide)

Ask questions- we are here to help!
HIT IAPD Expiration Dates - Example for September 30, 2013

• September: IAPD expires September 30, 2013
• August: CMS-37 due August 15, 2013 for Federal Fiscal Quarter (FFQ)
• Early July: Must submit IAPD-U
• June: Recommend submitting IAPD-U
HIT Implementation Grant

• The state should only request the funds necessary for the quarter.
• The funds are by FFY and do not rollover.
• HIT Implementation grants are finalized for each fiscal year.
HIT Incentive Payment Grant

- *HIT Incentive Payment Grants* are treated as *quarterly grant awards*.
- The State must request the incentive funds on the CMS-37.10 on lines 24E & 24F to obtain funds *quarterly*.
- Any funding that is not expended by the end of the quarter is recovered via a grant award adjustment to match expenditures reported.
- A new grant is issued each quarter.
HIT Incentive Payment Grants

- Timing issues:
  - The CMS-37 is submitted 45 days in advance; however, the state may not have an initial approved IAPD at the time of submission of the CMS-37.

Important: Once the initial IAPD is approved then the state may continue to request future incentive payment grants regardless of the IAPD expiration date.
The state does not know exactly how many physicians and hospitals will qualify for payment for each quarter. Therefore, the state must estimate how many and when payments will be made.

Important: Do not overstate your estimate.

States may request a supplemental grant at any time during the quarter.
Health Information Exchange (HIE)

• HIE is part of the HIT Implementation Grant,
  ▪ Activity that helps Medicaid providers achieve meaningful use
• Must use the IAPD template; Appendix D: HIE
  ▪ May submit a separate HIE IAPD or include in your annual HIT IAPD
• HIE budget must be separated from the HIT admin in your IAPD
• Contact Jason McNamara, Tom Romano or Katy Dyer early in your HIE planning discussions
• Refer to the State Medicaid Director’s (SMD) letter #11-004 dated May 18, 2011
  ▪ Cost allocation based on the fair share principle
  ▪ 90% FFP is not available for on-going HIE costs
FFY Quarters - CMS 37/64

Quarter 1: October 1 - December 31
   Budget: CMS-37 due from states August 15
   Expenditures: CMS-64 due from states January 31

Quarter 2: January 1 - March 31
   Budget: CMS-37 due from states November 15
   Expenditures: CMS-64 due from states April 30

Quarter 3: April 1 - June 30
   Budget: CMS-37 due from states February 15
   Expenditures: CMS-64 due from states July 31

Quarter 4: July 1 - September 30
   Budget: CMS-37 due from states May 15
   Expenditures: CMS-64 due from states October 31
<table>
<thead>
<tr>
<th>Category</th>
<th>FFP Rate</th>
<th>Line on CMS 37 &amp; 64</th>
</tr>
</thead>
<tbody>
<tr>
<td>HITECH HIT Planning- Cost of In-house Activities</td>
<td>90%</td>
<td>24A</td>
</tr>
<tr>
<td>HITECH HIT Planning- Cost of Private Contractors</td>
<td>90%</td>
<td>24B</td>
</tr>
<tr>
<td>HITECH HIT Implementation and Operation – Cost of In-house Activities</td>
<td>90%</td>
<td>24C</td>
</tr>
<tr>
<td>HITECH HIT Implementation and Operation - Cost of Private Contractors</td>
<td>90%</td>
<td>24D</td>
</tr>
<tr>
<td>HITECH HIT Incentive Payments - Eligible Professionals</td>
<td>100%</td>
<td>24E</td>
</tr>
<tr>
<td>HITECH HIT Incentive Payments - Eligible Hospitals</td>
<td>100%</td>
<td>24F</td>
</tr>
</tbody>
</table>
Line Item Reporting for MMIS

<table>
<thead>
<tr>
<th>Category</th>
<th>FFP Rate</th>
<th>Line on CMS 37 &amp; 64</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMIS Design, Development, Implementation (DDI) – MMIS – Cost of In-House Activities</td>
<td>90%</td>
<td>2A</td>
</tr>
<tr>
<td>MMIS DDI – MMIS – Cost of Private Sector Contractors</td>
<td>90%</td>
<td>2B</td>
</tr>
<tr>
<td>MMIS Operation Approved MMIS – Cost of In-House Activities</td>
<td>75%</td>
<td>4A</td>
</tr>
<tr>
<td>MMIS Operation Approved MMIS – Private Sector Contractors</td>
<td>75%</td>
<td>4B</td>
</tr>
<tr>
<td>MMIS Mechanized Systems, Not Approved Under MMIS Procedures – Cost of In-House Activities</td>
<td>50%</td>
<td>5A</td>
</tr>
<tr>
<td>MMIS Mechanized Systems, Not Approved Under MMIS Procedures – Cost of Private Sector Contractors</td>
<td>50%</td>
<td>5B</td>
</tr>
<tr>
<td>MMIS Mechanized Systems, Not Approved Under MMIS Procedures – Interagency</td>
<td>50%</td>
<td>5C</td>
</tr>
</tbody>
</table>
## Line Item Reporting for E&E

<table>
<thead>
<tr>
<th>Category</th>
<th>FFP Rate</th>
<th>Line on CMS 37 &amp; 64</th>
</tr>
</thead>
<tbody>
<tr>
<td>E &amp; E- Title 19 (Medicaid) DDI- In-house Activities</td>
<td>90%</td>
<td>28A</td>
</tr>
<tr>
<td>E &amp; E- Title 19 (Medicaid) DDI- Contractors</td>
<td>90%</td>
<td>28B</td>
</tr>
<tr>
<td>E &amp; E- Title 19 (Medicaid) Software/Services/Ops -</td>
<td>75%</td>
<td>28C</td>
</tr>
<tr>
<td>In-house Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E &amp; E- Title 19 (Medicaid) Software/Services/Ops -</td>
<td>75%</td>
<td>28D</td>
</tr>
<tr>
<td>Contractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E &amp; E- Title 19 (Medicaid) Eligibility Determination Staff -</td>
<td>75%</td>
<td>28E</td>
</tr>
<tr>
<td>Cost of In-House Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E &amp; E- Title 19 (Medicaid) Eligibility Determination Staff -</td>
<td>75%</td>
<td>28F</td>
</tr>
<tr>
<td>Cost of Private Sector Contractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E &amp; E- Title 19 (Medicaid) Eligibility Determination Staff -</td>
<td>50%</td>
<td>28G</td>
</tr>
<tr>
<td>Cost of In-House Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E &amp; E- Title 19 (Medicaid) Eligibility Determination Staff -</td>
<td>50%</td>
<td>28H</td>
</tr>
<tr>
<td>Cost of Private Sector Contractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E &amp; E- Title 19 (Medicaid) Other Financial Participation</td>
<td>50%</td>
<td>49</td>
</tr>
</tbody>
</table>
Please remember...

1. Timing re: IAPD submission - submit timely and use template
2. Budgets must be broken out by FFY and by “bucket” of money (HITECH, MMIS, E&E), AND reported on the correct lines of the CMS 37 & CMS 64
3. Funding does not roll over between FFY for implementation or FFQ for incentive payment
4. Do not draw down the grant amount for the full year in Q1
5. Prior period adjustments skew reporting amounts
6. States/territories must do an annual IAPD-Update (IAPD-U)
7. We approve for up to 2 FFY
8. Report all expenditures on the CMS-64 timely so that the grant can be closed out at the proper amount
9. Ask questions - we are here to help!
Resource

CMS Medicaid HITECH TA Web site

www.cms.hhs.gov/EHRIncentiveprograms
www.MedicaidHITECHTA.org
Questions?

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Carrie.feher@cms.hhs.gov
Overview of IAPDs, Request for Proposals (RFPs) & Contracts

Robert McCarthy
Consortium for Medicaid & Children's Health Operations (CMCHO)
Centers for Medicare & Medicaid Services (CMS)
What is an IAPD?

- Implementation Advanced Planning Document
- A plan of action, budget, and schedule requesting federal matching funds and approval to implement proposed State Medicaid HIT Plan (SMHP) activities, services, and equipment
- Submitted for adoption of planned updates and replacement of HIT systems
IAPD Template

- Structured format for CMS reviewers
- Easy to find information for anyone reviewing documents
- State HIT financial information
- Easy to understand state assurances
- Structured format for Appendixes
- Capture meaningful use data
- All states must use the IAPD Template
- Best over all examples: Georgia and Florida
- Best out of the box/difficult APD example: Michigan
Section I, Executive Summary

A brief summary and/or history of the project
- Previous IAPDs
- IAPD’s funding total amounts
- Dates of key funding milestones

All totals should be checked, twice

If you have questions, please ask

Best examples: Florida and Nevada
Section II, PAPD

- Short summary
- Key dates of funding milestones
- Date when the PAPD was closed
- A table of expenditures
- List of all approved PAPDs/IAPDs
- List of all approved funding totals
- If already in a previous IAPD, reference that IAPD

Best examples: Maryland and Maine
Section III, Needs & Objectives

- Initial needs & objectives
- On-going needs & objectives
- Needs and objectives will change
- Match needs & objective with funding
- Best examples: Illinois, Maryland, Maine, American Samoa
Section IV, Alternative Considerations

- Follow IAPD Template instructions
- If not changed, list location in the SMHP or previous IAPD
- If changed, summary of change and why
- If changed, update SMHP
Section V, Personnel Resource

- Organizational Chart
- List all state personnel supported by HIT funding
- Use example table for state personnel
- List contractor’s name, term of contract, total amount of contract and description of contractor’s scope of work
- Grand total needed for tables

Best examples: Guam, Georgia and Florida
Section VI, Activity Schedule

- List all activities supported by HIT funding
- Start to finish
- Must cover 2 years, prefer as long as the state can project
- Best examples: Oklahoma and American Samoa
Section VII, Budget

- Summary of funding, see italicized example
- Date funding is to cover, try to cover at least 2 years
  - Date From: October 1, 2013
  - Date To: September 30, 2015
- List all cost supported by HIT funding
  - State
  - Contractor
- List all contracts and total funding amounts
- Best examples: American Samoa and Washington State
Section VII, Budget (cont.)

- Use tables
- Define definitions of cost if not clear
  - No miscellaneous cost
  - No contingency cost
- All calculation and totals should be checked, twice
- All cost should be legible and clearly defined in SMHP and/or IAPD
- Should match what the state will or has reported in the CMS 37
Section VII, Budget (cont.)

- Cost should be broken out by FFY Quarters
  - Oct 1 – Dec 31 = FFQ1
  - Jan 1 – Mar 31 = FFQ2
  - Apr 1 – Jun 30 = FFQ3
  - July 1 – Sept 30 = FFQ4

- Include previous expenditure quarters
- Previous approved funding and not approved funding should be clearly defined
Section VII, Budget (cont.)

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>FFY 2011 (Previously approved)</th>
<th>FFY 2012 (Previously approved)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 Oct-Dec</td>
<td>Q2 Jan-Mar</td>
<td>Q3 Apr-Jun</td>
<td>Q4 Jul-Sep</td>
<td>Q1 Oct-Dec</td>
<td>Q2 Jan-Mar</td>
<td>Q3 Apr-Jun</td>
<td>Q4 Jul-Sep</td>
</tr>
<tr>
<td>HIT Implementation and Operation In-house Costs</td>
<td>$1</td>
<td>$1</td>
<td>$1</td>
<td>$1</td>
<td>$1</td>
<td>$1</td>
<td>$1</td>
<td>$1</td>
</tr>
<tr>
<td>HIT Implementation and Operation Private Contractor Costs</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
</tr>
<tr>
<td>Total Enhanced FFP</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
</tr>
</tbody>
</table>

The total cost of this HIT IAPD is $xxx.

The total amount of FFP requested is $xxx (details broken out in above table).
Section VIII, Allocation

- Used if the state has to allocate funding, other than 90/10
- Use Office of Management and Budget (OMB) Circular A-87
- Table is an example
- If no allocations needed, state so
- If allocations will be sent at a later date, list date
The total cost of this HIT IAPD is $xxx.

The total amount of FFP requested is $xxx (details broken out in above table).

### EHR Incentive Payment Program Administrative Costs Broken Out by FFY Quarters for Two Years

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>FFY 2011</th>
<th>FFY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hit implementation and operation in-house costs</td>
<td>Oct-Dec</td>
<td>Jan-Mar</td>
</tr>
<tr>
<td>HIT Implementation and operation in-house costs</td>
<td>$1</td>
<td>$1</td>
</tr>
<tr>
<td>HIT implementation and operation private contractor</td>
<td>$2</td>
<td>$2</td>
</tr>
<tr>
<td>Total Enhanced FFP</td>
<td>$3</td>
<td>$3</td>
</tr>
</tbody>
</table>
End Section VII

- If no allocation, still need this section filled out
- Total amount of request
- Use table
  - State
  - Contractor
- Break out cost by FFY Quarters for two years
Section IX, Assurance

- List all
- Mark yes or no
- If no, list reason
- Can list other assurances as needed
Appendices

- List all
- If they do not apply, then state so
- All appendices should be legible and clearly defined
- Can list other assurances as needed
Appendix A, MMIS

- Summary of requested funding needed for MMIS
- Be specific and/or how will it affect HITECH
- Table of expenditures
- SMD Letter 10-016
- OMB Circular A-87 (if needed)
- List MMIS assurance in Section IX
- Best examples: Kansas, Kentucky and Massachusetts
Appendix B, Incentive Payments

- List Eligible Professional (EP) and Eligible Hospital (EH) Payments
- Use table
- Break out cost by FFY Quarters for two years
- All information should be legible and clearly defined
- Should match what the State will or has reported in the CMS 37
Appendix C, Grants

- List all that will contribute to HITECH
- State Medicaid Director (SMD)
  Letter 10-016
- All information should be legible and clearly defined
Appendix D, HIE

- Should be submitted in separate IAPD
- Takes longer to review
- SMD 11-004
- OMB Circular A-87
- Answer questions in table
- If the state will submit Appendix D at another date, list date
Appendix E, 7 Standards & Conditions

- 42 CFR 433
- List standard and condition
- Define how the State will comply
- If the information is all ready in a previous SMHP/IAPD, list reference section
- All information should be legible and clearly defined

Best examples: Mississippi and Ohio
Procurement Standards

- Align RFPs / Contracts with SMHP & IAPD
- All RFPs & Contracts have to have Prior Approval, per 42 CFR 495.324
- Contract periods should be reasonable
- Contract costs should be realistic
- Contracts and costs should match what the State has listed in the current approved IAPD

http://www.cms.gov/EHRIncentivePrograms/
Procurement Best Practices

- Submit all RFPs/contracts that are associated with HIT funding
- Submit legible RFPs / contracts to CMS
- Add the appropriate federal language
- Ensure the contractor understands
- Have a well defined contract
- If you are unsure of the federal content, please ask questions

Best examples: Oregon, Georgia and Florida
Questions?

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