Building Medicaid HIEs

By MICHAEL McBRIE, Technology Editor

When the U.S. Supreme Court ruled on the constitutionality of the Affordable Care Act (ACA), it also ruled that the federal government could not coerce states into expanding their Medicaid programs. Consequently, many states likely will opt out of Medicaid expansion.

Expanding state Medicaid programs under the direction of the states themselves, not the federal government, might be in the best interest of the states, however. The Centers for Medicare and Medicaid Services (CMS) had awarded Massachusetts $16.9 million to help implement statewide health information exchanges (HIEs) to connect every Medicaid provider in the state, and other states may be able to obtain similar funding. Given the opportunity to implement HIE statewide as Massachusetts is doing by building on its existing Medicaid infrastructure, states that are considering not expanding Medicaid since the Supreme Court’s ACA ruling may want to reconsider and voluntarily elect to expand their programs.

MEDICAID HIE NETWORK

Thanks to Massachusetts’s previous healthcare reform implementation, the billing infrastructure for a statewide HIE already was in place, says John Halamka, MD, MS, chief information officer of Beth Israel Deaconess Medical Center (see www.MedicalEconomics.com/MassHIE for more on his comments).

In addition to being a practicing emergency physician as well as a professor at Harvard Medical School, Halamka is chairman of the New England Healthcare Exchange Network and co-chairman of the Health Information Technology Standards Committee.

Massachusetts realized Medicaid’s desire to increase the quantity and quality of outcomes for its beneficiaries aligned with CMS’ mandate to expand HIE nationwide, he says.

The state presented CMS with a three-phase model and was awarded $16.9 million to help implement phase 1 of its plan. Massachusetts estimates the total cost of the plan at approximately $50 million, to be partially funded by Medicaid, partially by the state, and partially from private industry stakeholders.

MEDICAID BACKBONE

If Massachusetts can do this, then every other state also might be able to implement statewide HIE by engaging in a similar Medicaid expansion program. Cash-strapped states that opt out of Medicaid expansion, however, might find it difficult to implement such a plan.

Halamka acknowledges that other states also can use this plan to expand HIE, but payers, providers, and government must work together. It’s a compelling argument, and one every state should consider, because use of the resulting HIE infrastructure won’t be restricted to only Medicaid-related activities.

“If you build a backbone that connects hospitals and healthcare providers in the state in order to support the care coordination Medicaid wants,” he says, “you can reuse that backbone for all kinds of purposes. By using state funds with Medicaid matching funds and private contributions, we created a sustainable business model.”

The Massachusetts HIE will connect every healthcare provider in the commonwealth through a common set of federal standards, which, not so coincidentally, are the same standards found in the meaningful use stage 2 proposed rule (see more information on the final stage 2 meaningful use rule at www.MedicalEconomics.com/ finalMU2). Using similar plans, every state in America could effectively build a statewide HIE. States would have to consider expanding Medicaid in their state.

IS IT WORTH IT?

Is it worth it for you to take on Medicaid patients if you don’t already participate in the program? Consider the three phases of the Massachusetts Medicaid/HIE program:

- Phase 1 creates an “information highway” infrastructure to enable secure transmission of clinical information that will support exchange among clinicians, public health, and stand-alone registries.
- Phase 2 builds infrastructure to facilitate “analytics and population health data aggregation/analysis and support” for Medicaid’s clinical data repository and quality measures infrastructure.
- Phase 3 establishes an infrastructure for the “search and retrieval” of cross-institutional queries that will support sending/receiving patient records.

In addition, the phase 1 funds will be distributed in three streams.

- Stream 1 will be used to build the HIE infrastructure.
- Stream 2 will be used to purchase EHR interfaces on behalf of hospitals and physicians from up to 16 EHR/HIE software vendors.
- Stream 3 will pay for full EHR installation and training for up to 2,000 providers and 20 hospitals that Massachusetts deems unlikely to be able to complete their own EHR implementations.

Massachusetts is ensuring that all of its healthcare providers will be able to exchange patient health data, even those who cannot afford the technology. Every state in America should watch these events unfold.

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