

ONC's State HIE Cooperative Agreement Program – Understanding the Nuts and Bolts from Notice of Award to Implementation

Presented by:

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Objectives

- What ONC is trying to accomplish
- What the States have to do
- Dig into the requirements of the Notice of Award
 - budget
 - grant terms generally applicable
 - laws that apply to Grantees
 - accounting system requirements
 - cost principles
 - procurement
 - funding streams
- Elements of State Strategic and Operational Plans
- Expectations for Years One and Two

View from the ONC

- Prepare 56 states and territories to support providers in meeting HIE meaningful use requirements
- Support states/SDEs in developing HIE strategic and operational plans within 6 months
- Support states/SDEs in implementing HIE intra- and inter-state
- ONC acts through its Project Officer assigned to the state
- ONC expects grant recipients to make *significant progress*

What the States Have To Do

- Understand the status of HIE activity
- Take a leadership role in developing an approach to HIE
- Develop a model for HIE governance and accountability
- Develop and implement Strategic and Operational Plans
- Work to remove regulatory barriers
- Use regulatory authority to advance HIE, including standards compliance
- Coordinate with Medicaid and public health
- Resolve privacy and security requirements for HIE

What the States Have To Do (cont.)

- Enable statewide technical infrastructure
 - eligibility and claims
 - prescribing
 - lab ordering and reports
 - public health reporting
 - quality reporting
 - medication history
 - clinical summary for care coordination and patient engagement

Notice of Award - Overview

- Budget and Project Periods are up to four years
- Budget items – Federal share (California budget \$38.7 Million) (86% of budget)
 - Personnel (29%)
 - Travel (2%)
 - Supplies (1.2%)
 - Facilities/Construction (0%)
 - Indirect Costs (0%)
 - Fringe Benefits(9%)
 - Equipment (0.8%)
 - Subcontractors (55%)
 - Other (3%)
- State Share – \$6.29 Million (14% of budget)
 - \$0 for 2010
 - \$1 for every \$10 Federal starting October 1, 2010
 - \$1 for every \$7 Federal starting October 1, 2011
 - \$1 for every \$3 Federal starting October 1, 2012

Notice of Award– *The Fine Print*

- HHS-Approved Standard Terms and Conditions for ARRA
 - Funds cannot be used for development of casinos, aquariums, zoos, golf courses or swimming pools
 - Report to HHS OIG any false claim, fraud, conflict of interest, gratuity or similar misconduct with grant funds
 - Segregate accounting of ARRA funds
 - public reporting of use of funds
 - identify funding of new vs. existing programs
 - Grantee and first-tier recipients must be registered in the Central Contractor Registration (www.ccr.gov)
 - “Buy American” requirements for construction projects
 - Quarterly reporting to HHS

Notice of Award – HHS Grants Policy Statement

- Active monitoring by ONC
- Compliance with Public Policy Requirements
 - Age Discrimination
 - Civil Rights Act of 1965 (Title VI)
 - Controlled Substances – no support of legalization of controlled substances
 - Drug Free Workplace – notice to HHS if an employee is convicted
 - Education Amendments of 1972 – no sex discrimination in educational activities
 - Hatch Act – restricting political activity
 - Limited English Proficiency
 - Public Health Security and Bioterrorism Preparedness and Response Act

Notice of Award – HHS Grants Policy Statement (cont.)

- Compliance with Public Policy Requirements (cont.)

- Rehabilitation Act of 1973 (Section 503) – no handicapped discrimination
- Resource Conservation and Recovery Act – purchase recycled goods
- Restriction on Abortions
- Restriction on Distribution of Sterile Needles
- Seat Belt Use – on the job policy
- Smoke-Free Workplace
- Standards of Conduct for Employees
- USA Patriot Act
- Work Place Safety

Notice of Award – HHS Grants Policy Statement (cont.)

- Accounting systems must meet the standards for financial management systems contained in 45 CFR 74.21
 - Accurate, current and complete disclosure of the financial results of each HHS-sponsored project or program in accordance with the reporting requirements
 - Identify the source and application of funds
 - Effective control over and accountability for all funds
 - Comparison of outlays with budget amounts
 - Written procedures to expedite distribution of grant funds
 - Written procedures for determining the reasonableness, allocability and allowability of costs
 - Supported by source documentation

Notice of Award – HHS Grants Policy Statement (cont.)

- Four Cost Principles – applicable to Grantee and Subcontractors
 - Reasonableness – prudent person rule, follow procedures
 - Allocability of funds to cost objectives – solely to advance the work under the grant and necessary
 - Consistency – grant funds assigned to cost objectives the same way non-grant funds are assigned
 - Specifically allowed as limited in the NoA
- Direct vs. Indirect Costs
 - Indirect costs (e.g., facilities and administrative costs) reimbursable if there is an agreed upon rate
 - With the HIE Cooperative Agreement Program, indirect costs are allocable to the state in-kind match

Notice of Award – HHS Grants Policy Statement (cont.)

- Allowable costs include (among other things)
 - audit costs
 - consultant services
 - consumer participation
 - indemnification (if specified in the NoA)
 - insurance
 - legal services
 - public relations
 - Taxes
- Single Audit Act compliance
 - due within 9 months after audit period

Notice of Award – HHS Grants Policy Statement (cont.)

- Unallowable costs include (among other things)
 - Bad debts
 - Contingency funds
 - Entertainment
 - Fines and penalties
 - Fundraising costs
 - Honoraria
 - Lobbying
 - Meals
- All match funds must be allowable

Notice of Award–Requirements

Directly Specified

- Compliance with Federal procurement standards
 - perform cost/price analysis
 - “green” procurement based on the HHS Affirmative Procurement Plan
 - Energy Star electronics
 - reuse and recycling
- Match contributions
 - must be expended in proportion to expenditure of Federal share – may raise implementation issues
 - documented and subject to audit
- Program income must support the program objectives
- Grantee must attend annual Leadership Training & State Forum

Notice of Award – Funding Streams

- **Three streams**
 - Planning – 10% of total grant (\$1 million cap)
 - all expenditures prior to approval of state implementation plan must be related to planning
 - unused funds rollover into nationwide inter-state category
 - Intrastate HIE – 60% of total funds in California – five domains
 - governance
 - finance
 - technical infrastructure
 - business & technical operations
 - legal/policy

Notice of Award–Funding Streams (cont.)

- Nationwide inter-state HIE – 40% of total funds in California
 - Funds in the five domains used to enable sharing across state borders between unaffiliated entities
 - Must follow NHIN guidelines for data sharing and infrastructure development

- Must be separately tracked

Elements of the State Strategic Plan

- Vision, goals, objectives and strategies to address statewide HIE
- How to support HIT adoption
- Environmental scan
- Coordination with Medicaid, Medicare and other federal programs

Elements of the State Strategic Plan (cont.)

- Coordination with other ARRA programs: RECs, workforce development, broadband
- Address the five domains
 - governance
 - finance
 - technical infrastructure
 - business & technical operations
 - legal/policy

Elements of the State Operational Plan

- How the Strategic Plan will be carried out
- Project schedule
 - Coordinate with ARRA programs
 - Coordinate with other states

Elements of the State Operational Plan (cont.)

- **Project schedule (Cont)**
 - Five domains
 - Governance
 - Finance: cost estimates, staffing plans, controls and reporting
 - Technical Infrastructure: technical solutions for interoperability standards, accommodation of HIE, plan for privacy and protection of data
 - Business & Technical Operations: how to leverage existing systems, development of shared services
 - Legal/Policy: how will discrepancies between and within states will be addressed and resolved

Requirements for Years 1 and 2

- Significant progress toward achieving a “critical mass” of providers participating in HIE
- Building off of existing networks and mechanisms
- Mechanism to assure that meaningful use requirements will be attained by 2015

Requirements for Years 1 and 2 (cont.)

- **Key accomplishments:**
 - **Governance Domain**
 - establish structure with broad stakeholder participation
 - set goals and metrics for HIE
 - alignment with Medicaid and public health programs
 - mechanism to oversee HIE to protect the public interest
 - anticipate flexibility required to participate in NHIN

Requirements for Years 1 and 2 (cont.)

– Finance Domain

- capability to manage funding for State Strategic Plan
- develop a path to sustainability
- creation of statewide infrastructure
- leverage existing efforts such as MPI, HIOs, Medicaid MIS
- develop shared services for
 - patient matching
 - provider authentication
 - consent management
 - secure routing
 - advance directives
 - messaging

Requirements for Years 1 and 2 (cont.)

– **Business & Technical Operations Domains**

- technical assistance to HIOs
- align efforts to achieve meaningful use for Medicaid and public health
- plan for remediation of actual performance of HIE
- document how efforts are enabling meaningful use

Requirements for Years 1 and 2 (cont.)

– Legal/Policy Domain

- harmonize federal and state legal requirements to enable HIE
- establish statewide privacy policy framework
- implement enforcement mechanisms to ensure HIEs employ safeguards
- minimize legal/policy obstacles to HIE
- establish policies and legal relationships necessary to guide technical services

Take Aways

- Potential for micro-management by ONC
- How will efforts of the various State Grantees be coordinated so that Inter-state HIE can be accomplished?
- Are we kidding ourselves with these time frames, particularly for larger and more diverse States?

Take Aways

- What are the “Catch 22s”
 - Ability of ONC to act on Operational Plans submitted for approval
 - Funding streams – are the pots right-sized?
 - How to fund items that are not “allocable” to the grant?
 - Coordinating the State match with the flow of Federal dollars
 - Where do all the qualified people come to implement this simultaneously in 56 jurisdictions?

Thank You for Participating

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