Opportunities to Expand State Health Information and Technology Systems to Improve Health Outcomes

Overview

The Medicaid Program has offered states Section 1115 waivers as an innovative way to demonstrate state-specific approaches to address important policy and implementation issues related to care delivery through shifts over the years in priorities across different administrations.

Section 1115 of the Social Security Act gives the Secretary of the Department of Health and Human Services (HHS) authority to approve experimental, pilot or demonstration projects that offer promise in promoting the objectives of the Medicaid Program.

The primary focus areas of approved state Section 1115 waivers include:

- Implementation of alternative Affordable Care Act (ACA) Medicaid expansion models
- Eligibility and enrollment restrictions
- Work requirements
- Benefit restrictions, copays and healthy behaviors
- Delivery system reform initiatives, especially efforts that tie provider incentive payments to performance goals
- Integrating physical and behavioral health or providing enhanced behavioral health services to targeted populations
- Authorizing the delivery of long-term Medicaid services and support through capitated managed care
- Responding to public health emergencies and providing coverage for other targeted groups

The purpose of these demonstrations, which give states additional flexibility to design and improve their programs, is to demonstrate and evaluate state-specific policy approaches to better serve Medicaid populations.
How are Section 1115 Medicaid demonstration waivers approved and renewed?

The Centers for Medicare & Medicaid Services (CMS) coordinates the application, negotiation and evaluation process for waivers. Generally, Section 1115 waivers are approved for a five-year period and then can be renewed (3-5 year renewals are provided depending on populations served).

Additionally, waivers must be budget-neutral (federal spending under a waiver must not exceed the projected federal spending in the state in lieu of the waiver).

In response to the Trump Administration’s review of Medicaid waivers, CMS posted revised criteria in November 2017, which outlines updated evaluation and reporting guidance for Section 1115 waiver applications. Furthermore, in January 2018, CMS issued new guidance for Section 1115 waiver proposals that impose work requirements (referred to as community engagement) in Medicaid as a condition of eligibility.

How are states currently using Section 1115 Medicaid demonstration waivers?

States use waivers for a variety of purposes, including expanding coverage and changing delivery systems, as well as modifying benefits and costing sharing. A full state waivers list can be found here.

What are the opportunities for states to leverage health information and technology through the Medicaid waivers?

The Delivery System Reform Incentive Payment (DSRIP) program, authorized through Medicaid Section 1115 waivers, is one of the existing vehicles that support states seeking to demonstrate cutting-edge delivery system reform programs at the community level with an emphasis on facilitating value-based care delivery. While CMS announced in December 2017 that they would no longer accept new or renewing proposals for Section 1115 demonstrations that rely on federal matching funding, existing demonstrations will continue receiving funding until the end of their demonstration period. CMS will no longer extend or renew DSRIP funding upon completion of the demonstrations.

Under DSRIP, states were invited to propose reforms that build upon the lessons of past demonstrations as well as novel approaches designed to promote Medicaid’s objectives, such as reforms that would:

1. Improve access to high-quality, person-centered services that produce positive health outcomes for individuals
2. Promote efficiencies that ensure Medicaid’s sustainability for beneficiaries over the long term
3. Support coordinated strategies to address certain health determinants that promote upward mobility, greater independence and improved quality of life among individuals
4. Strengthen beneficiary engagement in their personal healthcare plan, including incentive structures that promote responsible decision-making
5. Enhance alignment between Medicaid policies and commercial health insurance products to facilitate smoother beneficiary transition
6. Advance innovative delivery system and payment models to strengthen provider network capacity and drive greater value for Medicaid

While the future direction of the program is unclear, the current outputs have led to several significant model practices, namely in Texas and New York State, where interoperability and delivery system transformation were embraced with the goal of improving population health across care settings and provider organizations.

For example, New York State, through its DSRIP partner, Adirondack Health and Health Recovery Solutions, is implementing Unite Us software to support care coordination and collection of social determinants of health outcomes data among the partners in their five community-wide population health networks in the northern New York/Adirondack region. This effort is part of a larger effort to increase collaboration and interoperability between clinical and social service partners in communities across New York State to address patients’ social determinants of health and reduce avoidable hospital use by 25 percent over five years.

Texas, upon receiving a five-year waiver extension, is focusing on health system performance measurement and improvement for high-risk Medicaid populations. Texas, like New York State, is supporting enhanced care coordination by requiring hospitals to provide emergency department admission, discharge and transfer (ADT) data. Another goal of the Texas DSRIP program is reducing administrative burden. Texas hopes to accomplish this by combining small providers under a single project to reduce the reporting and measurement requirements.

**Funding Opportunities**

Among the existing tools for states seeking to leverage health information and technology for delivery system reform is the 90 percent enhanced federal financial participation (FFP) for Medicaid technology investment. Many states refer to this as the 90/10 match, which is provided under 42 CFR §433.112(a) and funded through an approved advanced planning document that requires states to promote sharing, leverage, and reuse of Medicaid technologies and systems within and among states.

In April 2018, CMS issued guidance to State Medicaid Directors outlining two paths for achieving reuse: (1) they can adapt existing capabilities within the state, capabilities in use by another state, or those available from the vendor community with minimal customization; or (2) they can incorporate reuse into the design of new capabilities.

Examples of how a state can facilitate reuse in new development include:
• Hosting software in a cloud and making it available for other states to use
• Developing open-source, license-free Medicaid Enterprise System modules that are sharable with other states
• Sharing specific customizations or configurations to a commercial off-the-shelf (COTS) software product with other states
• Further developing software or systems created for the Health Information Technology for Economic and Clinical Health (HITECH) Act to support other business processes in or connected to the Medicaid Enterprise

Additionally, new provisions now lend policy support to HIEs on an ongoing basis (using 75% operational match).

**Other Health IT Resources and Model Practices in the Medicaid Program**

CMS, in coordination with the Office of the National Coordinator for Health IT, has created a series of toolkits and resources for Medicaid initiatives (e.g., Health Home State Plan Amendment, 1115 demonstrations, and programs that advance home and community-based services) that are focused on health information exchange, health IT and interoperability.

States can use these toolkits as they are designing their Medicaid programs to help them:
• Ensure they have the health IT capacity and infrastructure to accomplish their Medicaid program goals

• Identify and adopt a common set of health IT standards (where federally recognized standards exist) among states to promote interoperability and information sharing