New York State Department of Health
Health Information Technology
Planning Advance Planning Document
(HIT P-APD)

October 2009

Table of Contents

1 Executive Summary 1

2 Statement of Needs and Objectives 2

3 Project Management Plan 5

4 Proposed Project Budget 8

5 Assurances 11

List of Exhibits

Exhibit 1: Communication Flow NY State & Federal HIT Stakeholders 4
Exhibit 2: Proposed HIT Project Planning Phase Schedule 6
Exhibit 3: HIT Project Organization 7
Exhibit 4: State Staffing Requirements 8
Exhibit 5: Proposed Budget 10
Exhibit 6: CMS Assurances 11

1 Executive Summary

This planning advance planning document (P-APD) is being submitted by the New York State Department of Health (the Department), Office of Health Insurance Programs (OHIP) to request Federal Financial Participation (FFP) from the Centers for Medicare and Medicaid Services (CMS) for administrative costs to support planning activities authorized by the American Reinvestment and Recovery Act of 2009 (ARRA) Health Information Technology (HIT) Incentive Program.

Title IV of the ARRA established an eleven (11) year program to promote the use of HIT and electronic health records (EHRs) among Medicaid providers. Providers can qualify for 100% Federal incentive funding for certified EHR technology and support services, including maintenance and training. To support State efforts to administer this program, Title IV authorizes 90% FFP for reasonable administrative expenditures.

The Department is committed to health care reform that supports HIT adoption and clinical practice workflow re-engineering to improve care coordination and the development of underlying policies and procedures. Initiatives are currently underway to support the State's health care reform agenda include an e-prescribing incentive; the Medicaid Medication History Exchange pilot project; incorporation of existing clinical and public health information into the Medicaid Data Warehouse (MDW); development of an interoperable health information exchange (HIE) capability and statewide health information network; creation of a continuity of care document for every Medicaid beneficiary in the state; and, a medical home enhanced reimbursement incentive. Descriptions of these projects are provided in section 2 Overview of Current HIT Initiatives.

This P-APD describes a series of planning tasks, including: 1) Provider Outreach task; 2) development of the New York State Medicaid HIT Plan (NY SMHP) comprised of an As-Is Landscape Assessment of the current status of HIT in New York State, a To-Be Vision and Roadmap Plan; 3) development of the HIT Implementation Planning Advance Planning Document (I-APD) to implement activities identified in the Roadmap Plan necessary to support the State's To-Be Vision and the NY SMHP; and 4) development of RFP(s) to support the procurement of qualified contractor staff to provide operational support and program audit services.

Pending development of the To-Be Vision and Roadmap Plan, the Department currently envisions NY SMHP implementation activities will include, but may not be limited to: 1) implementation of certified EHR technologies by eligible Medicaid providers; 2) administration of incentive payments to providers to support the implementation of EHR technologies; and, 3) development of policy and procedures necessary to oversee and administer Medicaid provider incentive payments.

The Department plans to secure the services of qualified contractor staff from the New York State Technology Enterprise Corporation (NYSTEC) to complete planning tasks outlined in this P-APD. The Department estimates a twelve (12) month planning phase and total budget of $x.xx million, with an estimated Federal share of $x.xx million, for all State and contractor staff expenses.

2 Statement of Needs and Objectives

Statement of Purpose

The purpose of this project is to develop the NY SMHP and I-APD that will support the Department's strategic vision and enable the State to move from the current As-Is Landscape to the To-Be Vision. The Department will employ Medicaid Information Technology Architecture (MITA) principles and approaches as a foundation for analysis to complete the NY SMHP.

The Department plans to secure the services of qualified contractor staff from the New York State Technology Enterprise Corporation (NYSTEC). NYSTEC contractor resources will be obtained via an existing state contract in accordance with New York State legislation effective June 27, 1996 authorizing state agencies to enter into contracts with NYSTEC to secure the services of information technology specialists. The Department will employ this contract vehicle to secure appropriate resources to accomplish project objectives outlined, below. The Department will use other general state contracts to acquire hardware and software as required.

Project Objectives

1. Conduct Provider Outreach

Provider outreach activities will include development and distribution of educational materials to promote the HIT project and use of HIT and EHRs by explaining the various HIT initiatives (Medicare, Medicaid and other government initiatives). Objectives associated with these activities include: 1) provision of provider education relative to the HIT incentive program; 2) determination of the distribution of providers servicing Medicaid, Medicare and other populations; 3) identification of issues associated with policy and procedure development; and 4) determination of the most efficient and effective approach to employing FFP to develop the NY SMHP.

2. Development of the NY State Medicaid HIT Plan: Completion of the As-Is Landscape Assessment Component

The State will review the Medicaid Information Technology Architecture State Self-Assessment (MITA S-SA), analyze data gathered as part of provider outreach activities and gather any required additional information. Objectives associated with this assessment include: 1) determining the field of eligible providers, identifying barriers to acceptance of HIT by providers, identifying barriers to acceptance of HIT by Medicaid beneficiaries, providing a foundation for identifying future goals and available resources by assessing the status of the current program and information technology environments; 2) determining the interrelationships between Medicaid, Medicare and other populations as they relate the adoption of HIT and EHRs; and, 3) identification of policy issues of areas where additional guidance from CMS may be required.

3. Development of the NY State Medicaid HIT Plan: Completion of the To Be Vision and Roadmap Plan Components

The State will develop the To Be Vision five (5) years into the future, develop a Roadmap Plan with measurable benchmarks and milestones to achieve the To Be Vision, and draft the NY SMHP. The Roadmap Plan will address the administration of incentive payments to providers, including provider eligibility determination, issuance and tracking of incentive payments, and auditing of financials and meaningful use. Objectives associated with these activities include: 1) identification of short- and long-term goals for the project; 2) development of recommendations to ensure cost-effective strategies to be realized as part of the To Be Vision; 3) establishing measurable benchmarks, milestones, tasks and timelines to guide project progress; 4) validation against the NPRM; 5) develop appropriate procurement materials for program operations and oversight; and, 6) establishment of a solid foundation for the development of I-APD tasks and activities.

4. Development of the HIT Implementation APD (I-APD)

The Department will develop a HIT I-APD, establishing specific implementation activities necessary to support the NY SMHP. Objectives associated with this activity are to develop a detailed approach to the implementation of the plan and obtain supporting FFP. HIT I-APD development will commence upon issuance of final the NPRM and will be an iterative process continuing throughout the planning phase of the project.

5. Development of RFP(s) for Operational Support Services Procurement(s)

Utilizing NYSTEC staff to develop RFP(s), the Department will conduct procurement(s) to obtain qualified contractor staff to provide operational support and program audit/quality assurance (QA) services. Program auditing/QA services will commence once all planning activities are completed and operational activities are initiated. The Department anticipates one or multiple RFP(s) and/or contracts or a single RFP and contract with the option for offerors to bid on multiple tasks, based upon recommendations NYSTEC will develop. Objectives associated with this activity are to develop RFP(s) to secure the services of qualified contractor staff to support the provider incentive payment program, including program auditing/QA services.

Current HIT Initiatives

Prior to the passage of the ARRA, the Department and OHIP had already made a significant investment in HIT/EHR through a number of diverse HIT/HIE activities. These activities include:

e-Prescribing Incentive Program - OHIP is implementing an e-prescribing incentive program using NCPDP and Medicare Part D standards. This program is designed to promote e-prescribing and reduce the incidence of adverse drug effects

Establishment of Medical Homes - State legislation incentivizing the creation and use of patient-centric medical homes is in progress, employing NCQA accreditation standards.

HIE and Current Medicaid Information Systems -Work is underway to develop HIE capability with the MMIS (eMedNY) which will ultimately be transferred to the new Medicaid Data Warehouse (MDW).

Medicaid Medication History Exchange Pilot and EHRs -Through the Medicaid Medication History Exchange pilot project, the use of EHRs has been promoted. Approximately 180 days of patient prescriptions can now be shared electronically between Medicaid and selected health care providers and their patients.

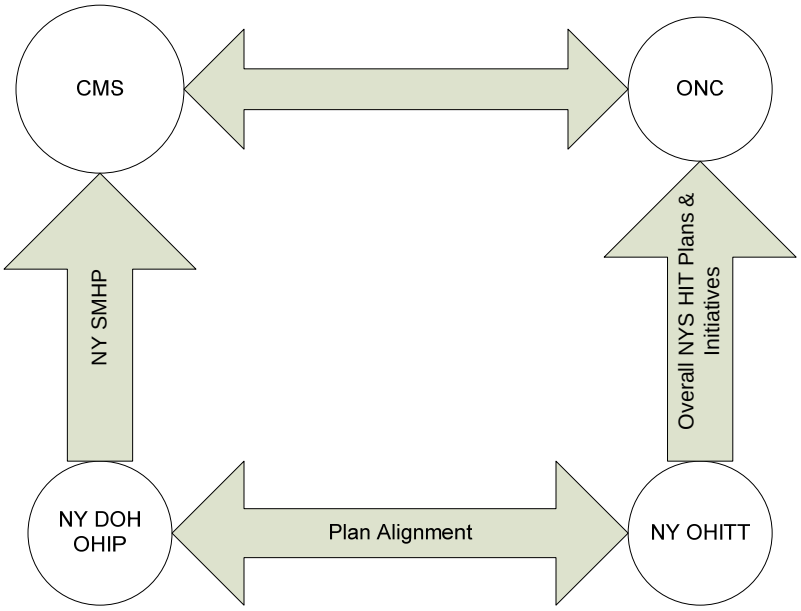
Pilot Personal Health Records (PHRs) – Building on the Medicaid Medication History Pilot experience, the Department is exploring the development of pilot PHRs for clients of the NYS Office of Mental Retardation and Developmental Disabilities.

Integration and Coordination of Current HIT, HEAL-NY and ARRA HIT Initiatives

The OHIP will coordinate work plan development and execution to ensure maximum use of all work products by the New York State Department of Health, Office of Health Information Technology Transformation (OHITT) and New York State's Health Care Efficiency and Affordability Law (HEAL-NY) program administration. HEAL-NY activities are governed by contracts through the OHITT focusing on infrastructure development (e.g., the State Health Information Network (SHIN-NY)) and collaboration on the Medicaid Medication History project which is supported by eMedNY. The planning process outlined in this P-APD will also focus on alignment of policy goals across these initiatives and will ensure that clear roles and responsibilities between OHIP and OHITT staff are established and duplication of state and federal investments is avoided.

As OHIP develops the NY SMHP, relevant materials and deliverables will be shared with the OHITT for incorporation into the state's overall HIT Strategic Plan which will be reviewed with the Office of the National Coordinator for Health Information Technology (ONC). The state will coordinate efforts to ensure that the overall New York State HIT Strategic Plan is aligned with the NY SMHP. Once plan alignment has been achieved, OHIP will focus on the execution and oversight of the NY SMHP. The NY SMHP will focus on Medicaid provider adoption of the electronic health record (EHR) and the demonstration of meaningful use. This communication flow is illustrated in Exhibit 1, below.

Exhibit 1: Communication Flow – New York State & Federal HIT Stakeholders



The Department has controls in place that support the segregation and tracking of NY-HEAL grant, ONC grant and HIT activity expenditures. There are two main control fields within the financial accounting system. First is the cost center, a unique six digit field within an appropriation that isolates specific non-personal service costs for a single purpose. Thus this would be the prime control in uniquely isolating NY-HEAL versus ONC versus Medicaid HIT expenditures. The cost center is the mechanism used for claiming non-personal service costs by the Department.

The second tracking mechanism is the accumulator code. This is a unique three digit code that is specific to the Department that can be used to track expenditures across appropriations. It is used for management purposes and not used for claiming. The controls in place from the establishment of the appropriate costs centers and the review of their usage in the claiming process allows for appropriate claiming and provides information that will also allow coordination and leveraging of infrastructure across all HIT related initiatives.

HIT Workgroups and Collaborative Efforts

The Department holds regular coordination and briefing meetings with the Office of Health Information Technology Transformation. This office oversees the NY e-Health Collaborative and workgroups, and the State's Health Care Efficiency and Affordability Law (HEAL) Grants for the promotion of HIE. Medicaid staff have participated in the majority of these state workgroups, as well as a number of national HIT activities.

The Department views the ARRA HIT provisions, along with the planning process detailed in this P-APD, as unique opportunities to leverage initiatives in progress to fulfill the

State's vision for interoperable information technology for health care. Planning is underway to expand current collaborative efforts to encompass a wider range of stakeholders within and outside State and Federal government to support the development of the NY SMHP. This expansion of collaborative efforts will help ensure that the ARRA provider incentive program becomes an integral part of the State's health care reform agenda.

3 Project Management Plan

During the planning phase state and NYSTEC contractor staff will develop the NY SMHP. The Department will employ the following project management structure to ensure that the project remains on schedule.

Project Management Structure

The Department's State Medicaid Director will act as the executive sponsor for the project. The State Medicaid Director will provide executive project management support and represent the project to executive staff. The Medicaid Medical Director will provide policy guidance.

The Department will establish a Project Management Office that will operate under the direction of OHIP's Division of Systems (DOS). The DOS Lead will ensure that the project accomplishes its objectives on schedule and within budget by employing standard project management processes and controls to manage the HIT project.

Proposed HIT Project Planning Phase Schedule and Deliverables

The Department will maintain and utilize a project plan to track the project's schedule. This schedule will itemize all of the deliverables as part of the planning phase. A proposed, preliminary high-level project planning phase schedule and deliverables list are presented in Exhibit 2, below.

Exhibit 2: Proposed HIT Project Planning Phase Schedule and Deliverables

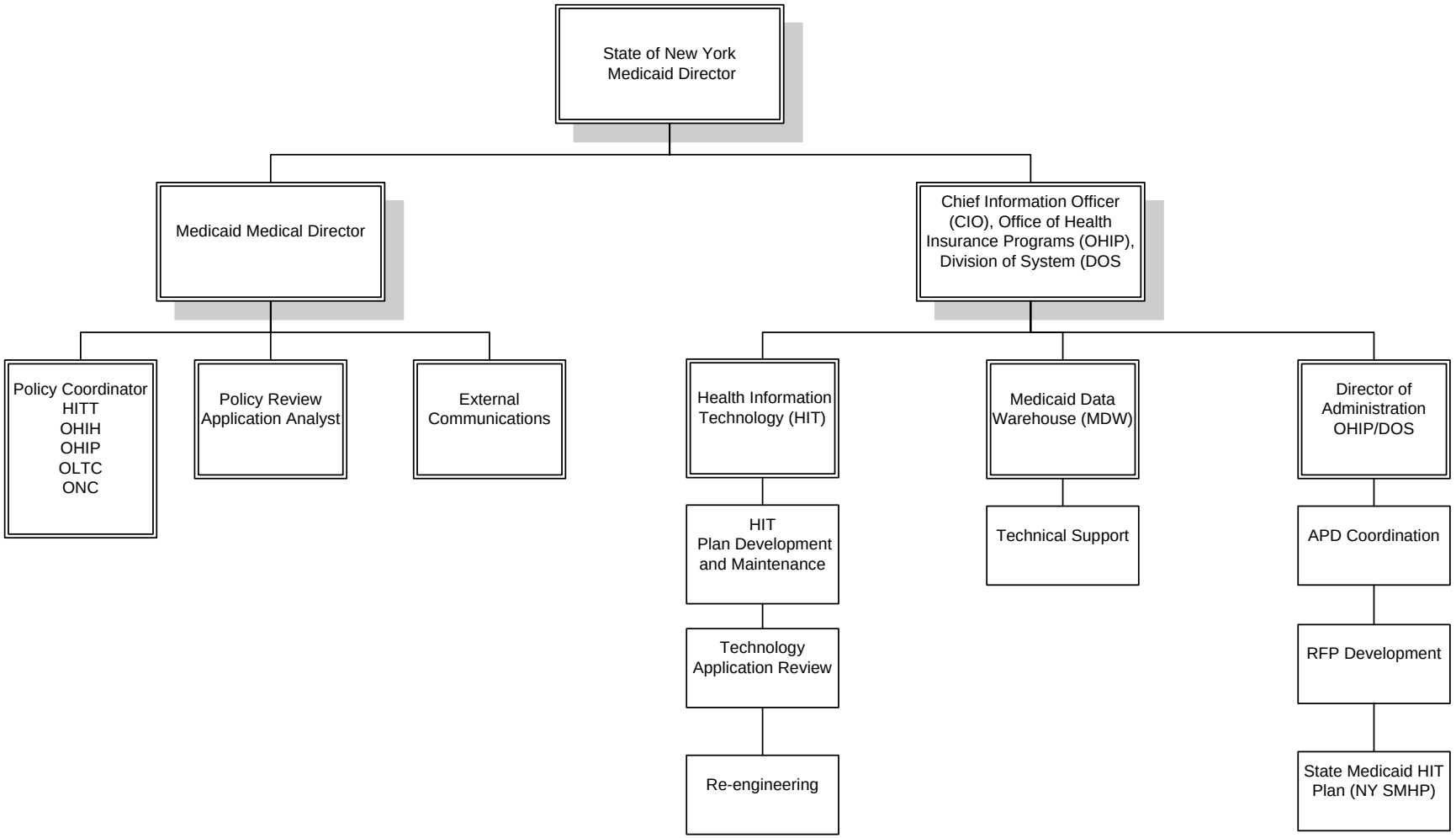
Planning Phase Task	Start Date	Finish Date
Planning/Procurement Phase		
Submit HIT P-APD to CMS/CMS Approval		
Determine NYSTEC Statement of Work (SOW)		
Submit NYSTEC SOW to CMS for Review and Approval		

Planning Phase Task	Start Date	Finish Date
Conduct Provider Outreach		
Complete As-Is Landscape Assessment Component		
Complete To-Be Vision Component		
Complete Roadmap Plan Component		
Finalize NY SMHP		
Submit NY SMHP to CMS		
Prepare I-APD		
Submit Implementation I-APD to CMS		
Complete RFP Development and Contractor Procurement for Operational Support Services		
Commence Operational Activities, Including Support, Program Audit/QA Services		

Project Organization

Exhibit 3 presents a conceptual organizational structure for the HIT project. The Department plans to staff the project with a combination of State and contractor resources.

Exhibit 3: HIT Project Organization



4 Proposed Project Budget

This section presents an estimated budget for the planning phase of the HIT project, including a summary of State and Federal funding distribution and applicable planning assumptions.

State Staffing Requirements

Resource requirements for the project will include a combination of Department and contractor staff to manage the project and participate in project tasks. Some staff will participate on a part-time basis. Exhibit 4 State Staffing Requirements presents a list of state staff requirements for the planning phase of the project. Costs for State staff to participate in planning activities for the twelve (12) month period October 1, 2009 through October 31, 2010 are presented, below.

Exhibit 4: State Staffing Requirements

Planning Phase	FTE%	#FTE	Cost*
Medicaid Director	3.75%	1	$0
Medicaid Medical Director	75%	1	$0
Chief Information Officer OHIP/DOS	11.25%	1	$0
Director of Administration OHIP/DOS	75%	1	$0
Policy Coordinator	48.75%	1	$0
Policy Review Lead	63.75%	1	$0
External Communications/OHITT Coordinator	75%	1	$0
Health Information Technology Lead	75%	1	$0
Health Information Technology Analyst	75%	1	$0
Medicaid Data Warehouse Lead	75%	1	$0
Subtotal		10	$0

The Department utilizes the Leave and Accrual Tracking System (LATS) to track staff time by the hour by project number. The number of hours is then used to allocate Personal Service costs to the correct program accounts so that the Personal Service can be correctly claimed. A unique project identifier will be established to aggregate state staff and track hours against planning estimates. Once the identifier is established, staff will be notified and appropriately instructed in its use. Project management staff will review these records on a regular (minimally quarterly) basis. This will insure the integrity of the charges and the claims generated. These records will be available for CMS review upon request.

Contractor Staffing Requirements

The Department plans to obtain contractor services via an existing state contract with NYSTEC and will work with NYSTEC management to develop a statement of work (SOW) detailing specific roles and responsibilities of contractor and state staff, including major tasks, milestones and deliverables. Once the SOW had been drafted, it will be submitted to CMS for review and approval. Contractor staff will report to the Department's Division of Systems (DOS) Lead. The Department will employ standard project management processes and controls to manage contractor staff. State staff will manage the project, provide policy and programmatic expertise and review and approve all contractor deliverables and work products. Under the direction of the Medicaid Medical Director, State staff will coordinate policy issues across all impacted Department offices and other State agencies and will coordinate communications with the provider community, including provider outreach activities. State staff will also administer all provider incentive payment programs. Under the direction of the OHIP CIO, the DOS Lead will manage all planning activities detailed in this P-APD and provide state technical support staff as needed. The MDW Lead will also provide state technical support as needed. The OHIP DOS Director of Administration will provide state staff to support development of the NY SMHP and subsequent I-APD.

The Department anticipates that NYSTEC will provide extensive technology planning expertise to support completion of the As-Is Landscape Assessment, To-Be Vision, and Roadmap Plan components of the NY-SMHP. Under the direction of the DOS Lead, state staff will review and approve plan components prepared by contractor staff. Under the direction of the DOS Director of Administration, state staff will incorporate plan components into the final NY SMHP and submit the plan for CMS approval.

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Cost Allocation Plan

All HIT project planning costs will initially be allocated 100% to the Medicaid program. While it currently appears that these costs will be 100% Medicaid, the Department acknowledges that additional programs may be impacted and this may later result in the need to develop a new cost allocation plan in accordance with OMB Circular A-87 principles

Proposed Budget

Exhibit 5: Proposed Budget

($s in 000s)					
	Total		**State**		**Federal**
Planning Phase					
State Project (Table 3)	$0	10%	$0	90%	$0
Contractor Staff	$0	10%	$0	90%	$0
Non-personal Services	$0	10%	$0	90%	$0
Total HIT Project Planning Cost	$0				$0

The Department's assumptions for this budget include the following:

1. **State project staff -** The cost of $x,xxx,xxx is based on staffing for approximately twelve (12) months. The rate for staff time is based on an average salary and benefits rate of $xxx per hour. The project cost was estimated by multiplying the FTE percent by salary and fringes.
2. **Contractor staff –**Based upon recent State procurements dealing with similar activities, the Department estimates that the NYSTEC HIT contractors will cost approximately $xxx for planning activities.
3. **Non-personal services costs -** The estimate of miscellaneous expenses includes such items as facilities, equipment, travel, informational website development, surveys, conferences, publications and town hall meetings. All required hardware and software will be purchased through existing state contracts.
4. **State Share -** The State share is currently available from the State Purposes appropriation within the State's General Fund. This appropriation is available for encumbrance through March 31, 2010 and for liquidation of encumbrance through June, 2010. The Department anticipates a like appropriation will be available in the Department's 2010-2011 appropriation.

5 Assurances

The Department confirms that it will adhere to the provisions identified from Federal regulations in Exhibit 6 as marked:

Exhibit 6: CMS Required Assurances

Procurement Standards		
45 CFR Part 95.613	☒ Yes	☐ No
45 CFR Part 74	☒ Yes	☐ No
SMM Section 11267	☒ Yes	☐ No
SMD Letter of Dec. 4, 1995	☒ Yes	☐ No
Access to Records		
45 CFR Part 95.615	☒ Yes	☐ No
SMM Section 11267	☒ Yes	☐ No
Software and Ownership Rights		
45 CFR Part 95.617	☒ Yes	☐ No
Information Safeguarding		
42 CFR Part 431.300	☒ Yes	☐ No
Progress Reports		
SMM Section 11267	☒ Yes	☐ No
Security and Privacy		
45 CFR Part 164	☒ Yes	☐ No

HIPAA Compliance

The Department requires its systems be fully HIPAA-compliant as mandated, including the Transaction and Code Sets Rule, Privacy Rule, Security Rule, as well as the National Provider ID and other rules that may be established. Contractors will be required to demonstrate HIPAA compliance.

Basis for Request of Enhanced FFP

In order to provide the proper and efficient administration of the plan, as described in 42 U.S.C 1396.b. (a) (D), the Department requests enhanced FFP for planning activities to support New York State's HIT project.