

## MAC Binder Section 2 – Letters to CMS

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Located online at <http://chfs.ky.gov/dms/mac.htm>

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#### **1 – CMS-SMHP-Ltr from LL to EO re KY SMHP Addendums\_dte050615:**

CHFS submission of the Kentucky State Medicaid Health Information Technology Plan (SMHP) – response to comments received requesting material from the Medicaid National Review Group.

#### **2 – CMS-IAPDU-Ltr from LL to JK RB re KY 2015 As Needed IAPDU\_dte050615:**

DMS, DCBS and KHBE submission of Kentucky’s 2015 as needed IAPD-U for review and approval; report to federal partners of Kentucky’s budgetary adjustments.

#### **3 – CMS-HCBS-Ltr from LL to JG re HCBSW Request Extension\_dte060315:**

DMS request for 30-day extension of the Home and Community Based Services Waiver.

#### **4 – CMS-SPA14-005-Ltr from LL to JG re DMS Response to RAI\_dte061915:**

DMS response to CMS request for additional information (RAI) issued on August 8, 2014, regarding KY SPA 14-005 – cost sharing.

#### **5 – CMS-UKRF-Ltr from LL to JG re Contract - UKRF\_dte062215:**

DMS request for review and approval of contract with the University of Kentucky Research Foundation (UKRF); contractor will provide DMS outreach in support of electronic health records (EHR) adoption and utilization for meeting meaningful use (MU) among providers.

#### **6 – CMS-NEMT-Ltr from LL to AMD re NEMT Waiver Extension\_dte062315:**

DMS request for a temporary 90-day extension to Kentucky’s non-emergency medical transportation (NEMT) 1915(b) waiver.

#### **7 – CMS-KHIT-IAPDU-Ltr from LL to JG re KHIT IAPDU EHR\_dte063015:**

DMS request for funding through the Kentucky Health Information Technology Implementation Advance Planning Document Update #4 (IAPDU) for continued support of the Kentucky Electronic Health Records Incentive Program.



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

**Steven L. Beshear**  
Governor

275 E Main St 6W-A  
Frankfort, KY 40621  
www.chfs.ky.gov

**Audrey Tayse Haynes**  
Secretary

**Lisa Lee**  
Commissioner

May 6, 2015

DHHS/CMS  
Atlanta Regional Office  
Attn: Enitan Oduneye  
Division of Medicaid & Children's Health Operations  
61 Forsyth Street SW, Suite 4T20  
Atlanta, GA 30303 8909

**RE: Kentucky SMHP Addendum(s)**

The Kentucky Cabinet for Health and Family Services is respectfully submitting the enclosed (2) CD-ROMs containing copies of the KY SLR 2013 system modifications for MU Stages 1 and KY SLR 2014 system modifications for MU Stages 1 and 2. This submission is in response to comments received requesting this material from the Medicaid National Review Group on March 31, 2015. CHFS is mailing these documents due to the large file size, which prohibits electronic submission.

If you have any questions, please contact John Hoffman at (502) 564-6479 ext. 2077.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Lee".

Lisa Lee  
Commissioner  
Kentucky Department for Medicaid Services



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

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Commissioner

May 6, 2015

Jessica Kahn, Acting Director  
CMS Division of State Systems  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore Maryland 21244-1850

Robin D. Bailey, Jr., Regional Administrator  
USDA Food and Nutrition Service  
61 Forsyth St. S.W., Room 8T36  
Atlanta GA 30303-3415

RE: Kentucky Medicaid E & E System As Needed IAPD-U for 2015

Dear Ms. Kahn and Mr. Bailey:

The Department for Medicaid Services (DMS), Department for Community Based Services (DCBS) and the Office of the Kentucky Health Benefit Exchange (KHBE) are pleased to submit Kentucky's 2015 As Needed IAPD-U for review and approval. Kentucky is submitting this As Needed-Advance Planning Document Update to report to their federal partners of Kentucky's budgetary adjustments.

Non-cost allocated items are not included in the funding request to CMS and FNS. For Federal Fiscal Year 2015 the total cost allocated amount is \$178,924,474 which is as illustrated below.

Jessica Kahn & Robin Bailey  
April 30, 2015  
Page 2

<b>Budget Request for FFY 2015</b>	
KHBE	\$74,206,096
Medicaid	\$77,019,461
CHIP	\$3,555,944
SNAP	\$2,300,493
TANF	\$1,589,518
State Share	\$20,252,962
	\$178,924,474

Please contact Tammy Bullock at (502)564-7940 ext. 2932 or Shannon MacDonald at 502-564-0105 ext. 2880 if you have any questions.

Sincerely,



Lisa Lee, Commissioner  
Department for Medicaid Services

And



Teresa James, Commissioner  
Department for Community Based Services

- Cc: Christine Gehardt, CMS  
Peg Haire, CMS  
David Henson, CMS  
Jackie Glaze, CMS  
Denise Osborn-Harrison, CMS  
Sue Sloop, CMS  
Kirti Patel, CMS  
Enitan Oduneye, CMS  
Kelly Leong, CMS  
Carlos Borges-Martinez, CMS  
Rachel Clement CMS  
Nicole Comeaux, CMS  
James Blackie ACF DHHS  
Kathy Tankersley, FNS  
Peggy Fouts, FNS



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**Audrey Tayse Haynes**  
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**Lisa D. Lee**  
Commissioner

June 3, 2015

Jackie Glaze, Associate Regional Administrator  
Division of Medicaid & Children's Health Operations  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303

RE: HCBS Waiver – Request for Extension

Dear Ms. Glaze:

In follow up to our conference call with CMS waiver staff on Thursday, May 28, Kentucky is requesting a 30 day extension for the Home and Community Based Services Waiver, KY.0144.R05.02, which expires on June 30, 2015. This extension will allow additional time for CMS to complete review of the waiver renewal application. We appreciate your consideration of this request. Should you need additional information, please do not hesitate to reach out to Leslie Hoffmann at [leslie.hoffmann@ky.gov](mailto:leslie.hoffmann@ky.gov) or 502-564-7540.

Sincerely,

A handwritten signature in blue ink, appearing to read "L. Lee".

Lisa Lee  
Commissioner  
Department for Medicaid Services

cc: Melanie Benning, Centers for Medicare and Medicaid Services  
cc: Leslie Hoffmann, Department for Medicaid Services

LL/lh/cs/kl



**CABINET FOR HEALTH AND FAMILY SERVICES  
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**Lisa Lee**  
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June 19, 2015

Jackie Glaze  
Associate Regional Director  
Centers for Medicare and Medicaid Services  
61 Forsyth Street, SW, Suite 4T20  
Atlanta, Georgia 30303-8909

RE: State Plan Amendment 14-005 - Cost Sharing

Dear Ms. Glaze:

This letter is in response to your Request for Additional Information (RAI) issued on August 8, 2014 regarding KY SPA 14-005. Please see our responses to our comments below and revised State Plan pages that are attached.

**General Questions**

1. The state must upload the public notice information and complete the necessary fields on the General Information Page. Please see the web site link: <https://wms-mmdl.cdsfdc.com/MMDL/faces/protected/mpc/pageOne.jsp>. The state should remove the language in the text box that says public notice has not yet been published. The state should remove public notice from the G1 page.

**DMS Response** - We have uploaded and made the above corrections.

2. Please explain why there is no stated budget impact if the state is reducing cost sharing.

**DMS Response** - This SPA is correcting an error that was made on the SPA in 2013 to clarify that Foster Children do not have cost sharing. The state has never charged Foster Children any cost-sharing.

**Plan Pages - Preprint Pages:**

- 3 Page 54, 56 and 56c: The state indicates that it exempts recipients between the ages of 18 and 21 who are in state custody and are in foster care or residential treatment from copays. Is this still the state's policy for children in residential treatment? If so, on Form Ge, the state should select "other reasonable category" under the exemption for individuals under age 18-21 and describe this in the text box. However, when the state selects this option, it deletes the option the state selected that exempts children under age 19 so the state will need to write in that the state exempts recipients between age 18 and 21 who are in residential treatment. Foster care children are already a mandatory exempt group so they are already captured on the template.

**DMS Response** - Corrections have been made on the attached files.

**Form G1 - Cost Sharing Requirements:**

4. On attachment 4.18-A of the current state plan, there is a paragraph at the bottom indicating that preventive services are exempt from copays. If the state intends to keep this language it could add it to the text box at the bottom of Form G1.

**DMS Response** - This language has been copied from Att. 4.18-A and added to G1.

5. On Page 3 of Form G3, the state indicates that recipients outside the exempt status will have a copayment due each month, which is printed on the recipients' Medicaid cards. Providers will use the Medicaid card to identify those recipients who should pay a copayment. However, the state did not check this option on Form G1. Does the Medicaid card indicate the cost sharing?

**DMS Response** - DMS has removed language from G3. Cost sharing is not included on the Medicaid cards.

**Form G3 - Cost Sharing Limitations:**

6. The state indicates it accepts self-attestation for the American Indians/Alaska Natives (AI/AN) exemption. In the text box, please describe what specifically is being attested to. It must address use of service and not that the beneficiaries are AI/ANs. Is the state relying on the question on the single streamlined application? The paragraph regarding AI/ANs in the second text box should be moved up to the text box pertaining to the AI/AN exemption.

**DMS Response** - We have moved the language regarding the Indian exemption up to the first text box. In addition, with regard to self-attestation, the single streamlined application asks the following questions:

Member of a federally recognized tribe, band, nation, community, etc?\*

Received services from Indian Health Service, a tribal health program, urban indian health program or through a referral from one of these programs?\*

Eligible to receive services from Indian Health Service, a tribal health program, urban indian health program or through a referral from one of these programs?\*

Tribe name\*

Tribe state\*

Federally recognized Tribe Verification\*

Federally Recognized Tribe Verification date

7. See the above comment under Form Ga regarding Medicaid cards: is this language still accurate?

**DMS Response** - See response to question 5 above.

8. The state may delete the sentence, "KY imposes cost-sharing for non-preferred drugs to individuals otherwise exempt from cost-sharing." because this is captured on Form G2a.

**DMS Response** - Language has been removed.

9. Please confirm that the state is counting all cost sharing incurred by all members of the household towards the 5 percent cap and that each individual in the family is not expected to spend 5 percent of family income on cost sharing.

**DMS Response** - Yes, the state is counting all cost sharing incurred by all members of the household towards the 5% cap and each individual in the family is not expected to spend 5% on cost sharing.

10. Has the state found that the tracking system it has in place is working well to ensure individuals do not exceed the 5 percent aggregate limit?

**DMS Response** - The state has been using the same tracking system for several years and has found it to be working well. We have not received complaints that it is not working.

#### Attachment 4.18-F

11. Page 3-5: The state plan discusses the following: In Family Choices cost sharing amounts are placed on the KCHIP Medicaid Expansion Children (101 - 150 percent of the poverty line) under 1916A(a) and 1916A(b)(1)-(2) of the Act. This cost sharing amounts for Family Choices can be found on Attachment 3.1-C, Page 10.17 - 10.20. The methodology to determine family income does not differ from the methodology for determining eligibility. Net income is used to determine eligibility. Does the state still charge this cost sharing? If so, it needs to be included on the Form G2c templates. Note that children with income under 133 percent of the federal poverty level are now exempt from cost sharing and MAGI methodology must be used for cost sharing purposes. Also, cost sharing amounts should not be listed in Attachment 3.1-C pages; this must be included on the Form G2c template. We believe the state previously removed this language from the Attachment 3.1-C pages and just needs to revise the Attachment 4.18-A pages. Please confirm this is the case.

**DMS Response** - Please see attached State Plan pages for Att. 4.18-F. The cost sharing outlined in this Attachment has been included in the revised PDF documents for this SPA.

12. Does the state still apply the \$225 out of pocket maximums for pharmacy and medical services?

**DMS Response** - No.

13. Does the state allow providers to deny services for non-payment?

**DMS Response** - No.

#### Attachment 4.18-G

14. Does the state apply the cost sharing listed in Attachment 4.18-G?

**DMS Response** - Please see attached State Plan pages for Att. 4.18-G. The cost sharing outlined in this Attachment has been included in the revised PDF documents for this SPA.

15. Any cost sharing in the state plan that continues to apply needs to be included in the new PDF templates and all previous pages should be deleted from the state plan.

**DMS Response** - All co-pays have been included in the new PDF templates

Any questions or correspondence relating to this SPA should be sent to Sharley Hughes.

Please let me know if you have any questions relating to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Lee". The signature is fluid and cursive, with the first name "Lisa" and last name "Lee" clearly distinguishable.

Lisa Lee  
Commissioner

LL/sjh

Enclosure



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

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**Audrey Tayse Haynes**  
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**Lisa Lee**  
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June 22, 2015

DHHS/CMS  
Chicago Regional Office  
Attn: Jackie Garner, Consortium Administrator  
Consortium for Medicaid and Children's Health Operations  
233 North Michigan Avenue, Suite 600  
Chicago, IL 60601

**RE: Support Services Contract – University of Kentucky Research Foundation (UKRF)**

The Kentucky Cabinet for Health and Family Services (CHFS) is requesting review and approval of the attached contract with the University of Kentucky Research Foundation (UKRF), the signing authority for the Kentucky Regional Extension Center (KY REC). The attached contract in the amount of \$2,247,750 begins October 1, 2015 and concludes June 30, 2016, which is the end of the Commonwealth's fiscal year. In the attached document, a modification increase amount of \$1,359,064.20 represents nine months of the original contract amount. CHFS will send to CMS for review and approval another contract for the last three months of FFY 2016. The nine-month and three-month contracts are necessitated by state biennial budget requirements specifying that contracts not cross the state's biennial.

As outlined in the forthcoming IAPDU, KY REC provides the Department for Medicaid Services (DMS) outreach in support of Electronic Health Records (EHR) adoption and utilization for meeting Meaningful Use (MU) among providers serving Medicaid patients.

Please contact me at (502) 564-6890, ext. 2009 if you have any questions.

Sincerely,

Lisa Lee  
Commissioner  
Kentucky Department for Kentucky Medicaid Services





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**Audrey Tayse Haynes**  
Secretary

**Lisa D. Lee**  
Commissioner

June 23, 2015

Alissa Mooney Duboy, Acting Director  
Disabled and Elderly Health Programs Group  
7500 Security Blvd  
Mail Stop S2-01-16  
Baltimore, MD 21244-1850

Dear Ms. Duboy,

Please consider this letter as an official request for a temporary 90 day extension to Kentucky's Non-Emergency Medical Transportation (NEMT) 1915(b) waiver denoted as KY 06.01. The current NEMT waiver extension expires June 30, 2015. As requested, the temporary extension is being requested to ensure adequate time for our office to obtain all pertinent information required by CMCS for the program. Currently, our actuary has stated they will have information related to the fiscal soundness of our NEMT rates by mid-July to mid-August timeframe. Therefore, we are requesting an extension of the current waiver until September 30, 2015.

Kentucky's NEMT program has been in place for approximately 15 years and serves a vital role in providing access to medically necessary services for Kentucky's most vulnerable population. Your favorable consideration of this temporary extension is greatly appreciated.

If you have additional questions regarding the NEMT program or the enclosed Independent Assessment, please contact Neville Wise or Lisa Lee at 502-564-4321.

Sincerely,

Lisa D. Lee, Commissioner

c: Lovie Davis, Baltimore, MD  
Shantrina Roberts, Atlanta Regional Office



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DEPARTMENT FOR MEDICAID SERVICES**

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**Audrey Tayse Haynes**  
Secretary

**Lisa Lee**  
Commissioner

June 30, 2015

DHHS/CMS  
Attn: Jackie Garner, Consortium Administrator  
Chicago Regional Office  
233 North Michigan Avenue, Suite 600  
Chicago, IL 60601

**RE: Kentucky Health Information Technology Implementation Advance Planning Document Update #4**

The Kentucky Cabinet for Health and Family Services (CHFS) is requesting funding through the attached Kentucky Health Information Technology Implementation Advance Planning Document Update #4 (IAPDU) for continued support of the Kentucky Electronic Health Records Incentive Program. Requested funding is for provider incentive payments during FFY 2016 and FFY 2017 and personnel costs to administer the program. CHFS respectfully asks for expedited review of this IAPDU.

Please contact me at (502) 564-4321, ext. 2009 if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lisa Lee".

Lisa Lee  
Deputy Commissioner  
Kentucky Department for Kentucky Medicaid Services



**CABINET FOR HEALTH AND FAMILY SERVICES/  
SMHP HIT IMPLEMENTATION ADVANCE PLANNING DOCUMENT  
UPDATE #4**

**June 30, 2015  
Version 1.0**

**COMMONWEALTH OF KENTUCKY  
CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

*Health Information Technology Implementation Advanced Planning Document  
(HIT IAPD) Template*

OMB Approval Number: 0938-1088

Name of State: Commonwealth of Kentucky

Name of State Medicaid Agency: Cabinet for Health and Family Services

Name of Contact(s) at State Medicaid Agency: Jennifer Harp, Office of Administrative  
and Technology Services, Director, Division of Medicaid Systems E-Mail Address(es)  
of Contact(s) at State Medicaid Agency: Jennifer.Harp@ky.gov

Telephone Number(s) of Contact(s) at State Medicaid Agency: (502) 564-0105  
x2076

Date of Submission to CMS Regional HITECH Point of Contact:  
06/30/2015

Version #: 1.0

## REVISION HISTORY

Version Number	Date	Reviewer	Comments
1.0	June 12, 2015	Commonwealth	Internal Review of Draft
1.0	June 30, 2015	CMS	CMS Review Team

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## **1 Executive Summary**

This document updates the Commonwealth of Kentucky's Health Information Technology (HIT) Implementation Advance Planning Document (IAPDU) covering the period of October 1, 2015 to September 30, 2017.

This IAPDU requests the following to:

- Continue implementation and administration of Electronic Health Records (EHR) incentive payments to Medicaid providers for adoption and Meaningful Use (MU) of certified EHR technology.
- Promote EHR adoption for health care quality and the exchange of health care information through the Kentucky Health Information Exchange (KHIE). KHIE resides in the Office of Health Benefit and Health Information Exchange (KOHBHIE).
- Continue planning efforts that support the long term vision for enabling Medicaid providers to meet MU requirements, including public health reporting, Transitions of Care (ToC) and Stage 3. This planning effort will continue to focus on using automated solutions to support the submission of MU attestations by Kentucky Medicaid providers participating in the Medicaid EHR Incentive Program.
- Integrate current and planned Medicaid HIT assets.
- Participate in statewide efforts to promote interoperability and MU of EHR technology through enhanced development of the Kentucky State Level Repository (KYSLR), Kentucky Medicaid Management Information System (KY MMIS) and KHIE.
- Engage multiple public and private stakeholders.
- Continue conducting outreach and educational activities supporting.
  - Provider community education on EHR adoption and MU;
  - KHIE and MU Requirements.
- Continue providing oversight and monitoring activities for the Medicaid EHR Incentive program.
- Engage in ongoing monitoring of MU issues for Medicaid providers using EHR technology.
- Report generation and analysis of program activities.

Approval of requested funding in this IAPDU, as well as approval of carry-forward funding enables the Commonwealth to continue the implementation and administration of the Kentucky Medicaid EHR Incentive Program. The Commonwealth of Kentucky has elected to build on the

activities chartered in the State's Medicaid HIT Plan (SMHP) and continue participating in the EHR Incentive Program funded through CMS as a centerpiece of the state's HIT activities.

The Kentucky Medicaid EHR Incentive Program is in implementation and began making payments to providers in January of 2011. The program provides the fiscal automated data processing resources required to administer incentive payments to Eligible Professionals (EPs), Eligible Hospitals (EHs), and Critical Access Hospitals (CAHs) who are meaningful users of EHR technology. These payments are not a reimbursement for all expenses associated with adopting, implementing or upgrading to certified EHR technology, but assist health care providers with offsetting the costs of transitioning to these products.

To continue implementing Stage 1 and 2 MU requirements and prepare for Stage 3 requirements, the Kentucky Medicaid EHR Incentive Program will make additional system and administrative changes.

The Commonwealth is requesting to carry forward funding in this IAPDU for the following projects included in the prior HIT IAPDU approved by CMS on March 19, 2015.

- Reportable Diseases/Labs Data Monitoring - to ensure that Medicaid provider hospitals comply with the ongoing submission requirement for MU and that the messages received are successfully delivered to the National Electronic Disease Surveillance System (NEDSS) for use by the Kentucky Department for Public Health (DPH).
- Medicaid Pharmacy Data Project - to integrate pharmacy claims data into Continuity of Care Documents (CCD) to facilitate and enhance medication reconciliation.
- KYCHILD Data Integration - to automate mapping from KYCHILD to KHIE to improve accuracy of immunization data to the state immunization registry (see Appendix D).
- ONC Modular Certification - to support eligible providers with syndromic surveillance reporting (see Appendix D).

The Commonwealth is requesting new funding for the Kentucky Regional Extension Center (KY REC) contract spanning the period of October 1, 2015 through September 30, 2017 and a one-year extension of the HIE contract outlined in Appendix D of this IAPDU.

This IAPDU addresses the following topics<sup>1</sup>:

- The results of activities included in the previously approved HIT IAPDU and SMHP submitted to CMS by the Commonwealth;
- A statement of needs and objectives;
- A statement of alternative considerations;

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<sup>1</sup> As required in CFR 45 §495

- A statement of personnel resources;
- The schedule of proposed activities;
- A proposed budget, including a consideration of all activity costs in the HIT IAPDU;
- A Cost Allocation Plan for implementation activities;
- Required assurances and security, and interface requirements.

This IAPDU also includes an estimated cost for Information Technology (IT) support and infrastructure services the Commonwealth Office of Technology (COT) provides to the Kentucky Medicaid Enterprise. This is a centralized statewide IT service delivery model being implemented under Executive Order 2012-880. COT is responsible for managing all executive branch IT infrastructure services, including, but not limited to the following: IT infrastructure, computing equipment, support staff, servers, networks, storage, desktop support, telephones, enterprise shared systems, IT security, disaster recovery, business continuity, database administration, software licensing, administration, asset management, procurement and all related planning. All state agencies are subject to this model with the goal of providing a single point of accountability for shared services performance and allowing agencies to focus on their mission rather than operational issues.

The Commonwealth has updated the SMHP in May, 2015 to document progress of EHR adoption by Kentucky Medicaid providers working to achieve MU and to perform a gap analysis of the “As-Is” and “To-Be” environments. The approval of the SMHP by CMS will enable Kentucky to set a new course for realizing future HIT goals. A primary objective is to align the HITECH programming within the SMHP with other Affordable Care Act activities underway in the Commonwealth.

## **1.1 Purpose**

In this IAPDU the Commonwealth is requesting funding necessary for supporting the HIT activities outlined in the Kentucky SMHP and implementing changes to the Medicaid Management Information System (MMIS) essential for the continued administration of the Kentucky Medicaid EHR Incentive Program for a two-year period, October 1, 2015 to September 30, 2017. These costs include state staff, contractor costs, and expenses associated with provider training and outreach. Section 6 of this IAPDU outlines and details descriptions of these activities.

Descriptions of the proposed modifications to the MMIS required for meeting Stage 2 MU requirements and projected provider volume, which are in Appendix A of this IAPDU. The projected cost for Provider Incentive payments during FFY 2015 and FFY 2016 are outlined in Appendix B.

All tables in this IAPDU are subject to immaterial rounding errors.

The cost of this IAPDU, which includes Appendices A and D, is \$25,895,464 (\$23,305,916 federal share and \$2,589,548 Commonwealth share). The cost of the implementation and administration of the Kentucky Medicaid EHR Incentive Program is \$7,340,495 (\$6,606,445 federal share and \$734,050 Commonwealth share).

Table 1: IAPDU Request Summary

HIT Activity	State Share	Federal Share	Total Computable
Staff and Contract Services	\$734,050	\$6,606,445	\$7,340,495
<b>Total HIT Activity</b>	<b>\$734,050</b>	<b>\$6,606,445</b>	<b>\$7,340,495</b>
<b>MMIS and/or HIE Activity</b>			
MMIS Activity from Appendix A	\$54,382	\$489,432	\$543,814
HIE Activity from Appendix D	\$1,801,116	\$16,210,039	\$18,011,155
<b>Grand Total</b>	<b>\$2,589,548</b>	<b>\$23,305,916</b>	<b>\$25,895,464</b>

The Commonwealth will charge all costs, including indirect costs at 90% Federal match and 10% State match, funded through this IAPDU.

In addition to these costs, provider incentive payments total \$92,791,647 (100% federal see section 1.1.2 and Appendix B) and Kentucky Fair Share payments of \$3,347,152 (0% federal, see Appendix D) as outlined in Appendix D.

### 1.1.1 MMIS Activities

The Commonwealth is utilizing the MMIS to conduct the business operations of the Kentucky Medicaid EHR Incentive Program. Appendix A (Table 177) of this IAPDU provides details outlining these costs.

- Request \$543,813 at the 90% federal match rate (\$489,432 federal share and \$54,381 Commonwealth share) for MMIS Activities in this IAPDU from October 1, 2015 to September 30, 2017.

### 1.1.2 EP and EH Incentive Payments

The Commonwealth estimates projected costs for Provider Incentive Payments for FFY 2016 and FFY 2017 to be \$92,791,647 at 100% FFP. Appendix B (Tables 19-20) of this IAPDU provides details outlining these costs.

### 1.1.3 KHIE

The Commonwealth estimates projected costs for funding of KHIE for FFY 2016 and FFY 2017 to be \$21,358,307 (Table 21), of which \$18,011,155 is from Medicaid funding at the 90% federal match rate (\$16,210,039 federal share, \$1,801,116 Commonwealth share, and \$3,347,152 Kentucky Fair Share). Appendix D (Tables 23-30) of this IAPDU provides details outlining these

costs.

### 1.1.4 Medicaid Detailed Budget Table

The FFP requested in this IAPDU will support Commonwealth activities directed toward the ongoing operation of the Commonwealth's Medicaid EHR Incentive Program, KY MMIS activities, and KHIE. The Medicaid Detailed Budget Table below reflects a breakdown of the FFP in this request and how the Commonwealth intends to report expenses for this funding on the CMS 64 report.

Table 2: Medicaid Detailed Budget Table – HITECH

	HIT CMS Share (90% FFP) HIT Administrative Funding	State Share (10%)	HIT CMS Share (90% FFP) HIE Funding	State Share (10%)	HIT ENHANCED FUNDING FFP Total	State Share Total	HIT ENHANCED FUNDING TOTAL COMPUTABLE
	24C & 24D	--	24C & 24D	--			
FFY 2016	\$3,584,383	\$398,265	\$8,600,685	\$955,632	\$12,185,068	\$1,353,897	\$13,538,965
FFY 2017	\$3,022,062	\$335,785	\$7,809,354	\$845,464	\$10,631,416	\$1,181,269	\$11,812,685
<b>Total for FFY 2016-2017</b>	<b>\$6,606,445</b>	<b>\$734,050</b>	<b>\$16,210,039</b>	<b>\$1,801,116</b>	<b>\$22,816,484</b>	<b>\$2,535,166</b>	<b>\$25,351,650</b>

	MMIS CMS Share (90% FFP)	State Share (10%)	MMIS CMS Share (75% FFP)	State Share (25%)	MMIS CMS Share (50% FFP)	State Share (50%)	MMIS ENHANCED FUNDING FFP Total	State Share Total	MMIS ENHANCED FUNDING TOTAL COMPUTABLE
	24C & 24D	--	--	--					
FFY 2016	\$244,716	\$27,191					\$244,716	\$27,191	\$271,907
FFY 2017	\$244,716	\$27,191					\$244,716	\$27,191	\$271,907
<b>Total for FFY 2016-2017</b>	<b>\$489,432</b>	<b>\$54,382</b>					<b>\$489,432</b>	<b>\$54,382</b>	<b>\$543,814</b>

## 2 Results of Activities Included in the HIT Implementation Advanced Planning Document Update (IAPDU) and SMHP

### 2.1 Description of Approved IAPDU Activities

Funding from the previously approved HIT IAPDU was used to continue implementing the Kentucky Medicaid EHR Incentive Program and updating the Commonwealth's SMHP. The last update to the SMHP reflected system changes required for the Certified Electronic Health Record Technology (CEHRT) Flexibility Rule and was an Addendum to the SMHP. The following addresses the Kentucky SMHP and progress in achieving approved IAPDU activities.

### 2.2 SMHP

The Commonwealth has submitted an updated SMHP to CMS in May 2015. This update of the SMHP outlines the specific measures underway in the Kentucky Medicaid program ("As-Is") in addition to those envisioned ("To-Be") by state health leaders as necessary for meeting the health care needs of Kentuckians over the next five years.

Each measure reflects both a vision and specific goals to positively affect the health, safety and wellbeing of Kentuckians. These include:

- Maximized efficiency and quality in the delivery of health services;
- A covered population embracing personal stewardship or ownership of individual healthcare;
- Cutting-edge Information Technology (IT) to streamline services with seamless data streams and data management conforming to an enterprise model;
- Accountable and incentivized Managed Care Organizations (MCO);
- A growing body of Medicaid providers fully oriented in compliance standards;
- Funding expended on behalf of services for the covered population that reflects vigilant accountability and stewardship;
- Cooperation and collaboration with sister agencies within Kentucky and across the nation.

These goals and the vision at which they are aimed create the “Roadmap” contained in this document. Also providing direction into creation of this Roadmap is a Medicaid Information Technology Architecture (MITA) 3.0 State Self-Assessment (SS-A) completed in December 2014. The SS-A examined and will affect the business, information, and technical architectures of DMS services and programs along with the Seven Standards and Conditions for enhanced federal funding published by CMS. In particular, the SS-A brings analysis of major programmatic changes within DMS, including the shift from Fee-For-Service (FFS) to Managed Care into examination of both the As-Is and To-Be landscape for the Commonwealth, DMS and CHFS agencies.

Evolution of HIT and MU, at this point, has enabled the Commonwealth to capture a vision of how data “pipes” can be integrated to create a truly integrated Medicaid system. The SMHP update provides both a detailed description of the State's current HIT activities and, of perhaps more importance, their connections to an overall HIT Enterprise. To be included also will be the technological path required to support the Enterprise as well as the ongoing implementation of the Kentucky Medicaid EHR Incentive Program. The outcome will be a greater degree of interoperability for MU and ultimately, improved healthcare for Kentuckians.

The SMHP provides CHFS with a Roadmap and assists the Commonwealth in moving the Kentucky Medicaid Enterprise from the “As-Is” to the desired “To-Be” operational configuration. Figure 1 provides a high-level overview of the activities identified as being essential for Kentucky to achieve the vision of an integrated automated Medicaid Enterprise capable of measuring healthcare quality improvement outcomes.

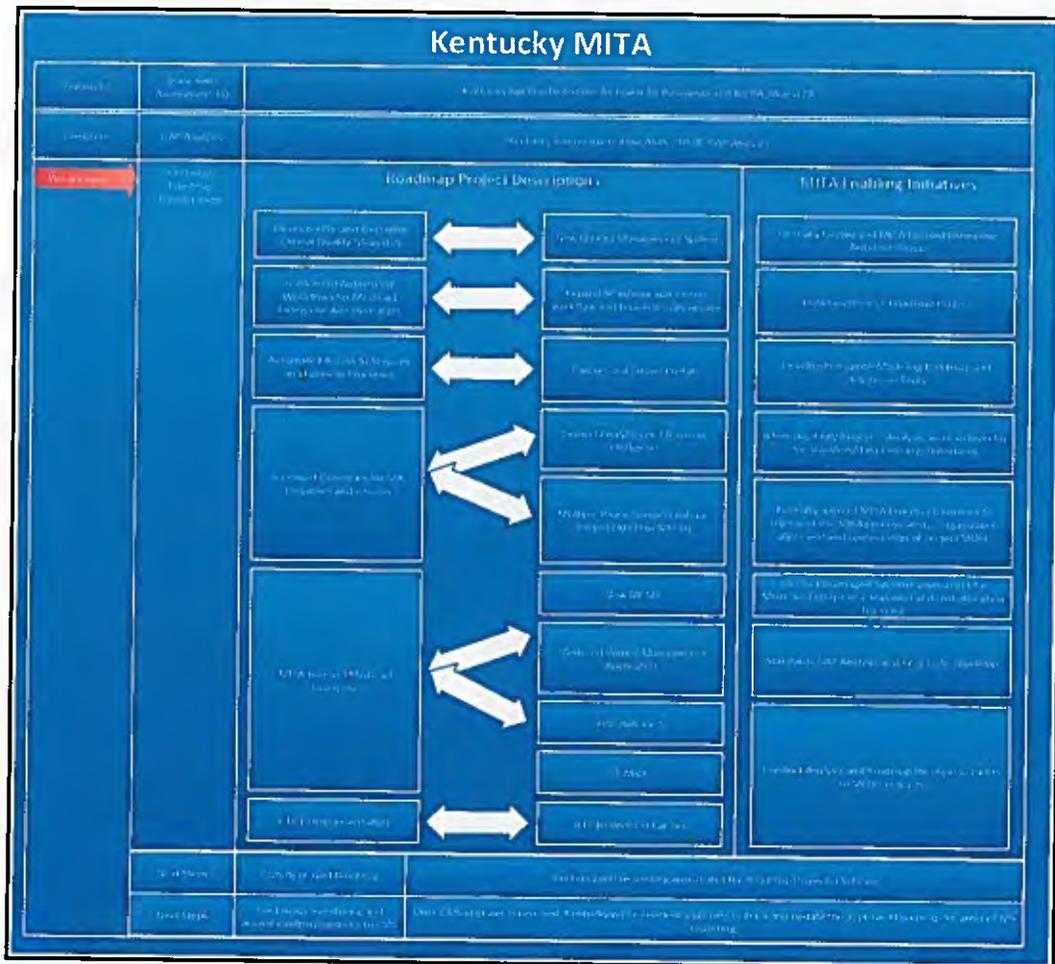


Figure 1: To Be Road Map

An update to the SMHP is appropriate at this time to document progress and plan and develop a future Medicaid Enterprise. Kentucky is a leader in enterprise level HIT systems implementation, therefore the state is ready to capitalize on past success to develop a true Medicaid Enterprise system to serve Kentucky Medicaid members and providers.

Prior to the recent submission of the SMHP update, annual Addendums have been made to the Kentucky SMHP to reflect system changes made to the KYSLR as required by regulations governing the EHR Incentive Program. As the Commonwealth moves forward implementing both HITECH and ACA the vision of the Commonwealth's Medicaid Enterprise is reflected in the new SMHP.

### 2.3 Outreach to EPs and EHS

CHFS continues to implement a provider outreach program. The resources deployed for the provider outreach component of the Kentucky Medicaid EHR Incentive Program includes KHIE's Outreach Coordinators and the Kentucky Regional Extension Center staff (KY REC).

## 2.4 Oversight and Monitoring

CHFS formed a Medicaid HIT Oversight Work Group during the development of the SMHP. The Oversight Work Group has ultimate responsibility for successfully administering the EHR Incentive Program in Kentucky, meeting the overarching goals of the federal program and ensuring Kentucky's Medicaid providers appropriately receive the benefit of federal EHR incentive payments. This work group is comprised of the executive level sponsorship and decision-makers who carry out their responsibility by monitoring progress on the development of the Kentucky Medicaid EHR Incentive Program, providing guidance on issues and making agency policy decisions.

## 2.5 Public Health Meaningful Use Readiness Assessment

CHFS has contracted with SDGblue to provide assistance to the Kentucky DPH to define the path needed for Medicaid providers in Local Health Departments (LHDs) to become eligible for Medicaid EHR Incentive payments and for Medicaid providers across the Commonwealth to meet the Stage 2 Public Health MU requirements. CMS granted approval June 9, 2014 of a contract with SDGblue to begin this assessment on May 12, 2014 through September, 2014. Approval came after the start date and the Commonwealth's contract with the vendor was not signed and executed until June 30, 2014. Additionally, the project was delayed due to a contract pending between an EHR vendor for the LHDs. This EHR contract is effective June 1, 2015 and work is now progressing to get the health department providers registered for EHR incentive payments. The anticipated end date for this project is now September 30, 2015.

## 2.6 HIT IAPDU Status Table

Table 3 below outlines a breakdown of the funds that will remain in the Kentucky SMHP at the completion of FFY 2015. At the conclusion of FFY 2015 there will be an estimated \$17,906,277.60 remaining in the IAPDU. Additionally, at the conclusion of FFY 2015, there will be an estimated \$77,224,178.00 in provider incentive payments remaining in the IAPDU. Both of these amounts represent the remainder of FFY 2015 and FFY 2016 funding approved by CMS on March 19, 2015. The funding the Commonwealth is requesting in this IAPDU will enable Kentucky to perform a budgetary realignment for FFY 2016 and FFY 2017.

Table 3: IAPDU Status Table

IAPDU Submitted	ACTIVITY TYPE	IAPDU RECEIVED			IAPDU EXPENDITURES			REMAINING BALANCE		
		State	Federal	Total	State	Federal	Total	State	Federal	Total
12/7/2010	HIT IAPDU	\$ 2,527,659.50	\$ 27,748,935.50	\$ 25,276,595.00	\$ 657,304.00	\$ 5,915,748.00	\$ 6,573,052.00	\$ 1,870,355.50	\$ 16,833,187.50	\$ 18,703,543.00
	Provider Incentive Payments	\$ -	\$ 101,594,041.00	\$ 101,594,041.00	\$ -	\$ 90,082,107.00	\$ 90,082,107.00	\$ -	\$ 11,511,934.00	\$ 11,511,934.00
8/14/2012	HIT IAPDU #1	\$ 1,218,920.80	\$ 10,964,882.70	\$ 12,183,203.00	\$ 816,514.80	\$ 7,348,818.20	\$ 8,165,348.00	\$ 401,785.50	\$ 3,616,069.50	\$ 4,017,855.00
	Provider Incentive Payments	\$ -	\$ 64,736,925.00	\$ 64,736,925.00	\$ -	\$ 64,736,925.00	\$ 64,736,925.00	\$ -	\$ -	\$ -
	Supplemental Request	\$ -	\$ 8,000,000.00	\$ 8,000,000.00	\$ -	\$ 8,000,000.00	\$ 8,000,000.00	\$ -	\$ -	\$ -
9/3/2014	HIT IAPDU #2	\$ 788,498.20	\$ 7,096,488.80	\$ 7,884,982.00	\$ 110,740.00	\$ 992,157.00	\$ 1,102,397.00	\$ 678,258.20	\$ 6,104,326.80	\$ 6,782,585.00
	Provider Incentive Payments	\$ -	\$ 77,177,195.00	\$ 77,177,195.00	\$ -	\$ 8,623,072.00	\$ 8,623,072.00	\$ -	\$ 68,554,123.00	\$ 68,554,123.00
1/23/2015	HIT IAPDU #3	\$ 2,587,172.00	\$ 23,284,553.00	\$ 25,871,725.00	\$ 786,991.60	\$ 7,168,453.80	\$ 7,965,447.40	\$ 1,790,180.40	\$ 16,116,097.20	\$ 17,906,277.60
	Provider Incentive Payments	\$ -	\$ 92,793,647.00	\$ 92,793,647.00	\$ -	\$ 15,567,469.00	\$ 15,567,469.00	\$ -	\$ 77,224,178.00	\$ 77,224,178.00
	PROGRAM TOTAL	\$ 7,121,650.00	\$ 408,174,461.00	\$ 415,316,311.00	\$ 2,181,070.40	\$ 208,441,747.00	\$ 210,622,817.40	\$ 4,740,579.60	\$ 191,091,936.00	\$ 195,832,515.60

### **3 Statement of Needs and Objectives**

The purpose of these activities is to continue implementing the Commonwealth of Kentucky's SMHP. The SMHP serves as the strategic plan to enable the Commonwealth to achieve its future vision of moving from the current "As Is" HIT Landscape to the desired "To Be" HIT Landscape. This includes a comprehensive HIT Roadmap and strategic plan for the next five years.

#### **3.1 Personnel**

Personnel – Kentucky Medicaid EHR Incentive Program Administration: The Commonwealth intends to expand upon the same staffing configuration (both State personnel and Contractor personnel) to support the ongoing implementation of the EHR Incentive Program and associated activities reflected in the SMHP and accompanying Addendums required to carry out the project.

- Funding request for State Personnel is \$306,528 at the 90% federal match rate (\$275,875 federal share and \$30,653 Commonwealth share).
- Funding request for Contractor Personnel is \$3,705,245 at the 90% federal match rate (\$3,334,721 federal share and \$370,525 Commonwealth share). A breakout by augmentation staffing vendor under contract with the Commonwealth is below:
  - Funding request for Pomeroy personnel is \$1,522,749 at the 90% federal match rate (\$1,370,474 federal share and \$152,275 Commonwealth share). CHFS has forwarded a copy of the Pomeroy contract to CMS and accompanying documentation with this IAPDU.
  - Funding request for Keane/NTT Data personnel is \$1,432,370 at the 90% federal match rate (\$1,289,133 federal share and \$143,237 Commonwealth share). CHFS has forwarded a copy of the Keane/NTT Data contract to CMS and accompanying documentation with this IAPDU.
  - Funding request for TEK Systems personnel is \$190,512 at the 90% federal match rate (\$171,461 federal share and \$19,051 Commonwealth share). CHFS has forwarded a copy of the TEK Systems contract to CMS and accompanying documentation with this IAPDU.
  - Funding request for Adecco Staffing personnel is \$58,350 at the 90% federal match rate (\$52,515 federal share and \$5,835 Commonwealth share). CHFS has included a copy of the Adecco Staffing contract to CMS and accompanying documentation with this IAPDU.
  - Funding request for To-Be-determined personnel is \$501,264 at the 90% federal match rate (\$451,138 federal share and \$50,126 Commonwealth share).

### **3.2 Provider Outreach**

The Commonwealth will continue implementing a robust provider outreach plan to promote EHR adoption and utilization for meeting MU among providers serving Medicaid patients that includes marketing for the Kentucky Medicaid EHR Incentive Program and assistance to Medicaid providers. Staff from both KHIE and the Kentucky Regional Extension Centers (KY REC) work together to coordinate provider outreach activities to ensure statewide coverage. Staffing costs for provider outreach services offered to Kentucky Medicaid providers by CHFS are described in the personnel request above.

### **3.3 KY Regional Extension Center (KY REC)**

The KY REC is an organizational unit of the University of Kentucky supported by the University of Kentucky Research Foundation (UKRF). DMS extended this assignment-based contract to continue utilizing the services of the KY REC for provider outreach activities. These activities are described in this IAPDU.

- Request \$1,797,750 at the 90% federal match rate (\$1,617,975 federal share and \$179,775 Commonwealth share) for KY REC provider outreach activities (marketing) from October 1, 2015 through June 30, 2016.
- Request \$450,000 at the 90% federal match rate (\$405,000 federal share and \$45,000 Commonwealth share) for KY REC provider outreach activities (marketing) from July 1, 2016 through September 30, 2016.

The contracts total \$2,247,750 at the 90% federal match rate (\$2,022,975 federal share and \$244,775 Commonwealth share).

### **3.4 Conferences**

The Commonwealth staff members involved in the implementation of HIT activities will continue attending state and federal conferences focused on HIT. Kentucky will also host an annual statewide conference dedicated to disseminating information from these conferences and promoting the benefits of EHR adoption to providers serving Kentucky Medicaid members.

- Request \$290,400 at the 90% federal match (\$261,360 federal share and \$29,040 Commonwealth share) for attending national conferences and hosting state HIT-related conferences in this IAPDU.

### **3.5 Reportable Diseases/Labs Data Monitoring**

One of the Core Objectives of MU Stage 2 for the 100 eligible hospitals in the Commonwealth is Electronic Lab Reporting (ELR) of Reportable Diseases/Labs through KHIE to the DPH/NEDSS enhancements to the current program are required to successfully handle the anticipated volume increase in data feeds resulting from Stage 2 MU and overall growth and expansion of EHR for hospitals. KHIE has begun onboarding hospitals for ELR reporting and two hospitals are currently live with six hospitals in testing. This is a fraction of the hospitals in the

Commonwealth, and KHIE is conducting a survey to assess the readiness of the remaining hospitals with regard to ELR and NEDSS. Personnel resources outlined in this document will enable hospitals to comply with the ongoing submission requirement for MU and for messages received to be successfully delivered to the NEDSS.

- Request \$10,000 at the 90% federal match (\$9,000 federal share and \$1,000 Commonwealth share) for DDI of interface for the Reportable Diseases/Labs Data Monitoring project.

### **3.6 Medicaid Pharmacy Data Project**

The project will integrate pharmacy claims data from DMS into Continuity of Care Documents accessible through the KHIE Community Portal (Virtual Health Record) to facilitate and enhance medication reconciliation at the point of care. Feeds will be mapped from other payers into a patient data hub and subsequently into a Record Locator System. Components of the project, in addition to data mapping, will include ETL (extract, transform, and load) process coding and testing, testing of loading and reporting, data quality reporting, and production loading of data. Mapped data would create an easily maintained and accessible data source for KHIE users.

- Request \$57,500 at the 90% federal match (\$51,750 federal share and \$5,750 Commonwealth share) for the Medicaid Pharmacy Data Project described above.

### **3.7 KHIE IT Planning**

The current HIE infrastructure architecture impedes interoperability in healthcare data exchange. This results in loosely defined standards for EHRs and certification of HIT systems. More critical, patients experience difficulty in gaining electronic access to their health information. HIE architecture is, however, moving toward web-based applications. These applications can be built on existing HIE architecture and enable data exchange across a variety of platforms. The Commonwealth, while a leader in HIE, recognizes the need to stay abreast of challenges to interoperability and more important, evolving and developing solutions in HIT architecture. The Commonwealth is requesting carry-forward funding to continue a nine-month planning project focusing on exploring and assessing future technology requirements. This positions Kentucky to better serve its Medicaid population and improve the health of those citizens.

A Statement of Work (SOW) for this project from the vendor was approved by CMS on April 15, 2015. Approval of this SOW will result in the planning of an upgraded HIE for the Commonwealth through the completion of a four-phase project by September 30, 2015. These phases include: 1) Phase I – assessment of the As-Is HIE environment; 2) Phase II - To-Be HIE Vision; 3) Phase III - Gap Analysis and RFP Development and; 4) Phase IV - Implementation.

Deliverables within each phase include:

#### **Phase I – As-Is**

- A statement of fact and summary
- A summary of data gathering efforts

- The current state systems and technology infrastructure
- A summary of current HIE stakeholders, participants, and organizational readiness (i.e. non-agency resources, performance metrics, documentation, governance)
- The current business processes and resources for HIE participant onboarding and recruiting
- A summary of funding sources
- Current state of all data connectivity (types and amount of data)

#### Phase II – To-Be

- A summary of vision
- Specific goals and milestones for HIE usage across Kentucky
- Future impacts (governance or legislative changes)
- Funding requirements including technical language for an Advance Planning Document

#### Phase III - Gap Analysis

- Evaluate and assess the gaps between the current and future state.
- Assess technological, organizational and stakeholder readiness, including alignment with MITA 3.0 Framework.
- Identify funding gaps and opportunities
- Document key issues and barriers
- RFP Development
- Use the requirements gathered as part of the previous phases and determine requirements to write develop a scope of work within a RFP
- Obtain the most recent template to use for the RFP
- Write all sections of the RFP and write a draft within seven weeks of obtaining approval of the requirements
- Assist with answering questions from the Q&A portion of the procurement
- Assist with a vendor conference for the procurement, if one is held
- Assist with oral presentations if necessary

#### Phase IV — Implementation

Upon contract award to the successful KHIE vendor, CHFS can begin implementation of the next generation KHIE to align with the Quality Health Initiative of CHFS. Based on successful completion of previous phases by the vendor and the needs of CHFS at the time for successful implementation of the KHIE, contract modifications will be executed for the additional resources.

- Request \$500,000 at the 90% federal match (\$450,000 federal share and \$50,000 Commonwealth share).

## **4 Statement of Alternative Considerations**

### **4.1 Department for Public Health Meaningful Use Project Alternative**

- The Kentucky Department for Public Health (DPH) defers all Public Health MU reporting requirements to KHIE, making it the state public health authority for MU. Medicaid providers pursuing MU in Kentucky must participate in KHIE to meet their public health reporting requirements. Taking no action with this project would result in non-compliance with public health measures as specified for Stages 1 and 2 MU.
- The DPH MU Project will enable both providers and citizens of the Commonwealth to benefit from the objectives of Meaningful Use as well as the overall health outcomes that can and will derive from MU. In terms of logistics and function, a key constituent among Medicaid providers in the Commonwealth would be unable to convert to an EHR or upgrade without the DPH MU Project going forward. EHR is at the heart of improved data and records, but more important, it is at the heart of improved health monitoring. In addition, LHDs, who serve the neediest of the Commonwealth's citizens and whose primary client-base are Medicaid-eligible citizens, would not be eligible for the EHR Incentive Program and consequently, be unable to meet Stage 2 MU requirements.

### **4.2 Reportable Diseases/Labs Data Monitoring**

#### **Alternative 1 – Non-Compliance**

- If enhancements are not implemented, the capacity for expanded reporting would present obvious difficulties if not an obstacle to meeting MU Stage 2 requirements for providers. As well, NEDSS specifications will not be met. Additionally, a new state regulation requires expansion of reportable conditions beyond the five conditions previously required to be reported. While the technical architecture is in place to accommodate expanding reporting, additional development work is required to accomplish expansion.

#### **Alternative 2 – Vendor Option**

- There is not a Commercial Off-The-Shelf product to achieve enhancements sought for the program. Enhancements created and managed by a vendor, as a result, are too costly in comparison to in-house development by Commonwealth staff.

### **4.3 Medicaid Pharmacy Data Project**

#### **Alternative- Non-Compliance**

- Pharmacy claims data is integral for CCDs and can support and enhance the medication reconciliation process at the point of care. Absence of this information could lead to potential medication errors.

## **5 Personnel Resource Statement**

DMS business areas regularly review the regulatory requirements for submission of SMHPs published in the Final Rule at §495.332 and in CMS guidance for developing the SMHP published on April 29, 2010.

The Kentucky CHFS has organized key staff into 11 work groups reporting to the Cabinet's executive team. The focus for work groups and the executive team is review and discussion of key areas of the HIT EHR Program. These work groups meet for the purpose of reviewing the progression of each component of the plan, regulations and policy related to the program, and to make decisions and recommendations regarding the program.

The work groups review each business process to affect or implement effective and compliant operations for the Kentucky Medicaid EHR Incentive Program. DMS adopted the approach of integrating the EHR Incentive Program business processes into DMS' corresponding standard Medicaid Information Technology Architecture (MITA) business processes and continues to do so during the transition as the Commonwealth is assessing MITA 3.0.

We are maintaining the structure outlined above, but reviewing it to adapt to a new SMHP as it develops.

Figure 2 is an organizational chart of the work groups showing the relationships and flow of information, decision making, and recommendations relating to the HIT EHR program.

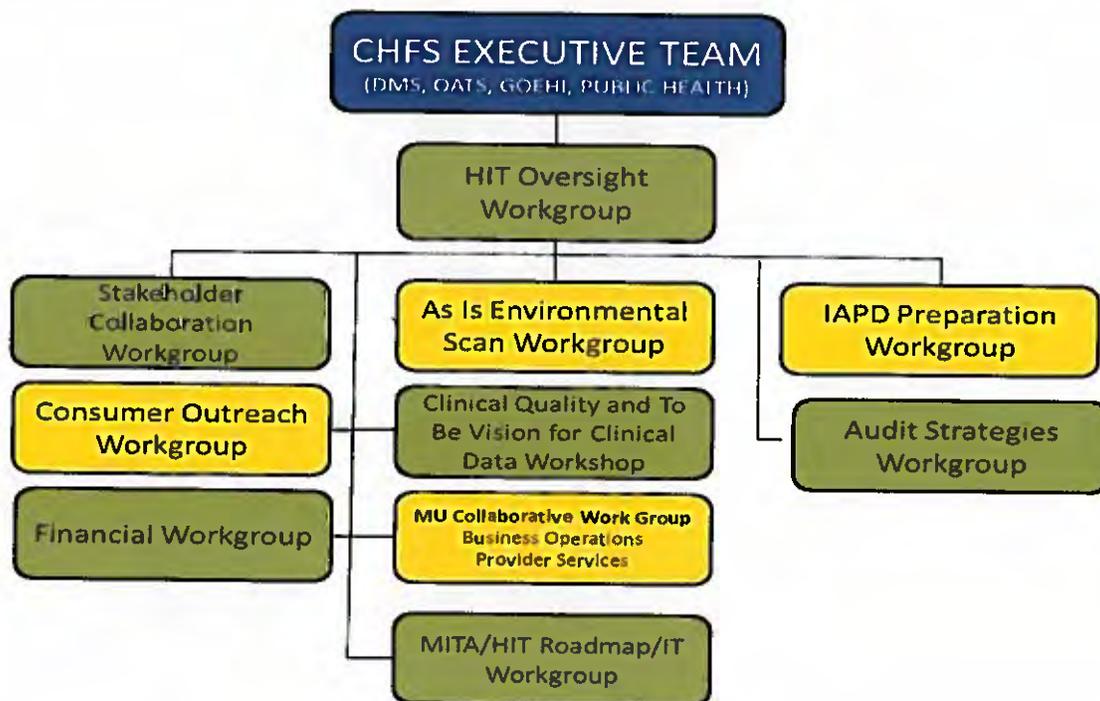


Figure 2: CHFS Work Groups and Executive Team

The HIT Oversight Work Group meets monthly to review information from the individual work groups, to review and make decisions on recommendations, and to track the overall status of the project. Ultimately, decision-making and recommendations flow up to the CHFS Executive Team for final review and decision-making.

### 5.1 Project Organization and Staffing

DMS has established a sound organizational structure and management plan to oversee the development of the SMHP for the Commonwealth. Executive Directors, Managers, Subject Matter Experts (SMEs) and operational staff from the DMS, OATS, and the KHIE, including the State Health Information Technology Coordinator participate on an as-needed basis in the project to provide specialized input and expertise. The following table, Project Organization, presents the organizational resources for the project:

Table 4: Project Organization

Resource	Description
<b>Project Management</b>	This project is under the overall direction of DMS Commissioner Lisa Lee. Reporting to the Commissioner will be the Commonwealth's designated on-site project manager.

Resource	Description
<b>Steering/Executive Committee</b>	An Executive Committee oversees the overall management, administration, and budget of the project. The Executive Committee consists of representatives from all major business areas. The Executive Committee reviews all key management, budget, and technical decisions.
<b>Medicaid HIT Core Team</b>	The Medicaid HIT Core team consists of five (5) full time analyst, functional, security and technical experts. The Core team brings its expertise to all phases of the project from procurement, planning, implementation planning and oversight. This team also has expertise in MITA and will ensure that MITA principles are applied to the planning process. Some of these personnel may be acquired through the temporary staff augmentation contracts established for the Commonwealth.
<b>Subject Matter Experts (SMEs)</b>	On an as-needed basis DMS plans to continue using the expertise of internal staff on a part time basis. This includes the DMS Medical officer, and personnel from the, Program integrity Division (PI), etc.
<b>Stakeholders</b>	<p>KHIE and DMS staffs hold a biweekly call with the RECs in the State, including the KY REC and NeKY RHIO regarding MU activities across the State. A collaborative MU Workgroup, consisting of a team made up of members from all these groups meets on a regular basis to review and strategize on MU challenges and how best to assist our providers across the State.</p> <p>DMS plans to continue using input from various stakeholders for updating and implementing the SMHP. This includes, but is not limited to, the State HIT coordinator, Public Health Commissioner, the DMS Chief Medical Officer, RECs, RHIOs, the Kentucky Medical Association (KMA), Kentucky Hospital Association, payers, consumers, Behavioral Health Commissioner, Kentucky Finance and Administration Cabinet (ARRA Broadband), the CHFS Chief Information Officer (CIO), and a representative with experience and expertise in health information privacy and security. These stakeholders are also engaged in the Kentucky SIM project focusing on payment model reform, which intends to leverage HIT systems to accomplish SIM project goals and objectives.</p>

Table 5 reflects a cost breakdown of State personnel resources allocated to the administration of this program.

**Table 5: State Personnel Resource Statement**

State Staff Title	% of Time	Project		Description of Responsibilities
		Hours	Cost with Benefits	
Assistant Director, Program Integrity	5%	195	\$11,623	Implements Auditing Processes
Assistant Director, Program Integrity	5%	195	\$7,752	Implements Auditing Processes
Branch Manager, Program Integrity	5%	195	\$7,838	Provider Enrollment and Eligibility Reviews
Medicaid Services Specialist III	5%	195	\$7,243	Provider Enrollment and Eligibility Reviews
Administrative Section Supervisor	5%	195	\$10,587	Provider Enrollment and Eligibility Reviews
Auditor	75%	2,925	\$153,587	Auditing
Medicaid Specialist II	20%	780	\$33,118	Auditing
Internal Policy Analyst I	30%	1,170	\$30,327	Incentive Payment Administration
Internal Policy Analyst III	20%	780	\$35,170	Reviews EH Attestations
Assistant Director of Medicaid Administration & Financial Management Division	5%	195	\$9,283	Oversight of Payment Administration
<b>Grand Total</b>		<b>6,825</b>	<b>\$306,528</b>	

The Commonwealth procures planning resources to plan and administer the Kentucky Medicaid EHR Incentive Program through temporary staff augmentation contracts previously established for the Commonwealth. The tables below reflect a cost breakdown of contractor personnel resources allocated to the administration of the EHR Incentive Program.

**Table 6: Contractor Resource Statement**

Contractor Staff Title	Hourly Rate	% of Time	Project Hours	Cost with Benefits	Description of Responsibilities
<b>Keane/NTT Data (Contract from 3/1/2010 to 2/28/2016)</b>					
Lead System Architect	\$72.00	20%	778	\$ 56,018	SLR Design/Modifications
Business Analyst	\$59.00	100%	3,888	\$ 229,392	SLR Design/Modifications
Business Analyst	\$59.00	100%	3,888	\$ 229,392	Outreach Coordinator
Business Analyst	\$59.00	100%	3,888	\$ 229,392	Outreach Coordinator
Business Analyst	\$59.00	100%	3,888	\$ 229,392	Outreach Coordinator
Business Analyst	\$59.00	100%	3,888	\$ 229,392	Outreach Coordinator
Business Analyst	\$59.00	100%	3,888	\$ 229,392	Outreach Coordinator
<b>Subtotal Keane/NTT Data Contract</b>			<b>24,106</b>	<b>\$ 1,432,370</b>	<b>\$1,289,133.00</b>
<b>Pomeroy (Contract from 3/1/2010 to 2/28/2016)</b>					
System Architect	\$69.00	10%	389	\$ 26,841	SLR Design/Modifications
Lead Developer	\$65.00	100%	3,888	\$ 252,720	SLR Design/Modifications
Developer	\$65.00	100%	3,888	\$ 252,720	SLR Design/Modifications
Developer	\$65.00	100%	3,888	\$ 252,720	SLR Design/Modifications
Project Manager	\$65.00	100%	3,888	\$ 252,720	SLR Design/Modifications
Business Analyst	\$59.00	100%	3,888	\$ 229,392	SLR Design/Modifications
Sr. Developer	\$56.75	100%	3,888	\$ 220,644	SLR Design/Modifications
OATS Senior Security Officer/Microsoft Sharepoint Services	\$90.00	10%	389	\$ 34,992	Security Consulting
<b>Subtotal Pomeroy Contract</b>			<b>24,106</b>	<b>\$ 1,522,749</b>	
<b>TEK Systems (Contract from 3/1/2010 to 2/28/2016)</b>					
Business Analyst	\$49.00	100%	3,888	\$ 190,512	Outreach Coordinator / Promotes EHR adoption and facilitates provider connection to HIE for MU
<b>Subtotal TEK System Contract</b>			<b>3,888</b>	<b>\$ 190,512</b>	
<b>Adecco Staffing (Contract from 2/1/2012 to 1/31/2016)</b>					
Executive Assistant II	\$25.00	20%	778	\$ 19,450	Provider Enrollment and Eligibility Reviews
Executive Assistant II	\$25.00	20%	778	\$ 19,450	Provider Enrollment and Eligibility Reviews
Executive Assistant II	\$25.00	20%	778	\$ 19,450	Provider Enrollment and Eligibility Reviews
<b>Subtotal Adecco Staffing Contract</b>			<b>2,334</b>	<b>\$ 58,350</b>	
<b>TBD</b>					
Business Analyst	\$59.00	100%	3,888	\$ 229,392	Expand NEDSS reports
System Architect	\$69.00	100%	3,888	\$ 268,272	SLR Design/Modifications
Technical Architect	\$75.00	100%	48	\$ 3,600	Medicaid Pharmacy Data Project/Project Coordination and Testing
<b>Subtotal TBD</b>			<b>7,824</b>	<b>\$ 501,264</b>	
<b>Grand Total Contractor Resources</b>			<b>62,258</b>	<b>\$ 3,705,245</b>	

CHFS utilizes Commonwealth of Kentucky Master Agreements with Keane, Inc.; TEK Systems; Pomeroy IT Solutions; and Adecco to accomplish the activities in this IAPDU. Included with this IAPDU is renewal agreement extending the terms of the Master Agreement with Adecco

through February 1, 2016. All contractors employed by CHFS agree to comply with federal regulations outlined in 42 CFR 495.

Since Master Agreements do not specifically outline maximum amounts or the terms of contract the Cabinet for Health and Family Services will be implementing, CHFS submitted a request to CMS and received approval of the contractual positions in Table 6. CHFS understands and agrees that the amounts listed for each Vendor are not to exceed the amount and length of contractual obligation for the approval period of this project.

Master Agreements can contain commodity lines for specialized services in which an amount is assigned for a specific Cabinet's use. Two of the Master Agreements, TEK Systems and Pomeroy, submitted for approval contain such lines. These commodity lines are inaccessible to the Cabinet for Health and Family Services and will not be used by the funding provided under this IAPDU.

Once these Master Agreements are renewed, CHFS will submit copies to CMS for review and approval.

## 6 Proposed Activity Schedule

Kentucky Medicaid HIT activity integrates naturally into statewide efforts at healthcare improvement through its organizational positioning in CHFS. OATS serves, basically, as the information technology service provider within the Cabinet, working closely with project managers and identifying opportunities for interoperability and connectivity. This function covers modifications to existing health systems as well as new systems. This structure ensures the Kentucky Medicaid EHR Incentive Program operates in concert with the larger health system and statewide efforts being developed under Public Health Services Act (PHSA) 3013 initiatives to minimize duplication of effort and maximize a unified approach to HIE.

Table 7: Proposed Activity Schedule

Activity	Estimated Start Date	Estimated Finish Date
1. Submit SMHP IAPDU-#4	2/2015	6/2015
2. CMS Approval KY SMHP IAPD	7/2015	9/2015
3. Business Operations – EHR Incentive Program	10/2015	9/2017
4. NLR/State Level Repository (SLR) Implementation and Enhancements	10/2015	9/2017
5. Outreach to EPs and EHs (Program Marketing)	10/2015	9/2017
6. SMHP Support Services –KY REC	10/2015	9/2017
7. Statewide Provider Outreach Conference	10/2015	9/2017
8. HIT Conferences	10/2015	9/2017
9. Reportable Diseases/Labs Data Monitoring	12/2014	6/2015

Activity	Estimated Start Date	Estimated Finish Date
10. Medicaid Pharmacy Data Project	6/2015	2/2016
11. KHIE IT Planning	4/2015	9/2015

## 6.1 Business Operations - Kentucky Medicaid EHR Incentive Program Administration

Administration of the Kentucky Medicaid EHR Incentive Program will continue to be the responsibility of OATS under the oversight of DMS. The OATS Division of Medicaid Systems Management, Medicaid Systems Management Branch will continue to be responsible for oversight and changes to the MMIS and verification of patient thresholds. This branch of OATS also continues to be responsible for developing and updating the SLR, in addition to providing oversight and the required interface.

CHFS plans to continue integrating the Kentucky Medicaid EHR Incentive Program administration and business operations within day-to-day DMS operations. In key areas impacted by the associated EHR Incentive Program activities, it has been, and continues to be necessary, to augment staff to effectively implement and administer the program.

The Kentucky SMHP contains detailed descriptions of the business operations activities and responsible business areas and impact on those areas by implementation of the program. In the subsections below, we identify the primary activities that have impacted CHFS business operations of the Kentucky Medicaid EHR Incentive Program.

### 6.1.1 Provider Registration, Enrollment, and Attestation

Providers participating in the program are required to begin by registering at the national level with the Medicare and Medicaid registration and attestation system (also referred to as the NLR). To register, a provider must enter their name, NPI, business address, phone number and taxpayer ID number (TIN) of the entity receiving the payment. EOs and CAHs must also provide their CMS Certification Number (CCN). EOs may choose to receive the incentive payment themselves or re-assign payment to a clinic or group to which they belong.

During registration, EOs must choose to participate in either the Medicare or Medicaid's incentive program. If Medicaid is selected, the provider must choose only one state (EOs may switch states annually). Providers must revisit the NLR to make any changes to their information and/or choices, such as changing the program from which they want to apply for their incentive payment. After the initial registration, the provider does not need to return to the NLR before seeking annual payments unless information needs to be updated.

EOs seeking payment from both Medicare and Medicaid will be required to visit the NLR annually to attest to meaningful use before returning to the KY SLR system to attest for

Kentucky's Medicaid EHR Incentive Program. DMS will assume MU is met for hospitals deemed so for payment from the Medicare EHR Incentive Program.

The NLR will assign the provider a CMS Registration Number and electronically notify DMS of a provider's choice to access Kentucky's Medicaid EHR Incentive Program for payment. The CMS Registration Identifier is required to complete the attestation in the KY SLR system.

On receipt of NLR Registration transactions from CMS, two initial validations take place at the state level: 1) validation that the provider's NPI is one file in the MMIS system; and 2) validation that the provider is enrolled with the Kentucky Medicaid program. If either of these conditions is not met, a message will be automatically sent back to the CMS NLR indicating the provider is not eligible. Successful registration at the NLR, results in the provider receiving an email indicating they are eligible for the program.

The attestation is electronic and requires the provider to attest to meeting all requirements defined in the federal regulations. Some documentation will have to be provided to support specific elements of attestation. All providers will be required to submit supporting documentation for patient volume claimed in the attestation.

The following is a brief description of the information that a provider must report during the attestation process:

- The provider will log into the KY SLR using their NPI and CMS-assigned Registration Identifier.
- The provider is asked to view the information displayed with the pre-populated data received from the NLR.
- The providers also enter two categories of data to complete the Eligibility Provider Details screen, which includes: 1) patient volume characteristics; and 2) certification number for the Office of the National Coordinator (ONC) certified EHR system.

An EP must attest to the following:

- Assigning the incentive payment to a specific TIN (only asked if applicable); provider and TIN to which the payment is assigned at the NLR will be displayed;
- Not working as a hospital based professional (this will be verified by DMS through claims analysis);
- Not applying for an incentive payment from another state or Medicare;
- Not applying for an incentive payment under another DMS ID; and
- Adoption, implementation, upgrade or meaningful use of certified EHR technology.

EHRs and CAHs must enter three categories of data to complete the Eligibility Provider Details screen including: 1) patient volume characteristics, 2) completed hospital EHR Incentive Payment worksheet and 3) certification number for the ONC certified EHR system.

The EH must attest to the following:

- Adoption, implementation or upgrade of certified EHR technology;
- Not applying for a Medicaid incentive payment from another state
- The providers must electronically sign the attestation entering their initials and NPI.

### **6.1.2 Payment Processing**

DMS conducts a pre-payment audit, which includes cross-checking for potential duplicate payment requests, checking provider exclusion lists and a qualifying provider submits verifying supporting documentation after the electronic attestation. Once payment is disbursed to the provider based on the specified TIN, the NLR will be notified by DMS.

The Kentucky Medicaid EHR Incentive program does **not** include a future reimbursement rate reduction for non-participating Medicaid providers. (**Medicare** requires providers to implement and meaningfully use certified EHR technology by 2015 to avoid a Medicare reimbursement rate reduction.) For each year a provider wishes to receive a Medicaid incentive payment, determination must be made that provider was a meaningful user of EHR technology during that year. Medicaid EPs are not required to participate on a consecutive annual basis. However, the last year that an EP may begin receiving payments is 2016, and the last year the EP can receive payments is 2021.

In the event that DMS determines monies have been paid inappropriately, incentive funds will be recouped and refunded to CMS.

### **6.1.3 Provider Payment Monitoring and Appeals**

The CHFS DMS, PI ensures that Medicaid funds are used effectively and in compliance with federal and state regulations. Existing PI provider monitoring processes have been expanded to include audits of the Kentucky Medicaid EHR Incentive Program. Whereas the Enrollment Branch within PI is responsible for pre-payment monitoring of eligibility and attestation, the Office of the Inspector General (OIG) A&I, in conjunction with PI, is responsible for post-payment audits, both targeted and random. This maintains separation of duties and provides checks and balances.

An eligible Medicaid provider can appeal if it determines it has been denied an incentive payment or has received an incorrect payment amount.

An eligible Medicaid provider may appeal any of the following issues:

- Denial of incentive payment
- Incentive payment amount
- Provider eligibility determinations
- Demonstration of adopting, implementing, and upgrading
- MU eligibility

An eligible Medicaid provider must appeal within 30 days of the date of DMS's denial notice.

An eligible Medicaid provider must file a written notice of appeal with CHFS DMS that includes

a statement of each issue being disputed and the reason or basis for the dispute.

DMS conducts all contested cases in accordance with the 907 KAR 1:671, which addresses conditions of Medicaid provider participation; withholding overpayments, administrative appeal process, and sanctions. Within 30 days of requesting an appeal, the provider must submit to DMS all documents, written statements, exhibits, and other written information that support the appeal. The provider should include a copy of the denial notice.

DMS designated personnel reviews the appeal and make a determination as to whether the provider's claim has been substantiated and the incentive payment should be awarded or there should be an adjustment made to the incentive payment amount.

#### **6.1.4 Provider Audits**

As mentioned above, the DMS PI division conducts annual audits of the provider incentive payments. Audits are conducted using random sampling within a provider subset identified using targeting criteria. DMS evaluates and refines these criteria as the program proceeds. The DMS PI division is currently conducting audits on 25 EPs from program year 2014 and will continue to conduct annual audits of the provider incentive payments. An additional 25 audits will be conducted on EPs from program year 2015.

The PI division conducts audits using random sampling within a provider subset identified through targeted criteria. Criteria undergo evaluation and refinement as the program proceeds. The Office of the Inspector General (OIG) Division of Audits and Investigations (A&I) reviews EHR incentive payment audits.

Volume, scope, methods and procedures continue to be based on risk assessments and materiality consistent with current Medicaid audit processes. There are three components to the DMS audit strategy related to the Kentucky Medicaid EHR Incentive Program:

- DMS avoids making improper payments by ensuring that payments only go to eligible providers and payments meet all incentive funding requirements.
- DMS ensures appropriate disbursement of incentive payments through a combination of pre and post payment audits.
- DMS prevents/identifies suspected fraud and abuse through data analysis and selected provider audits conducted by A&I.

A separate line on the CMS-64 report for EHR incentive payments to Kentucky Medicaid providers are part of the business rules DMS is using to ensure claims for reimbursement will not be higher than 100 percent of FFP. The business rules and processes for issuing incentive payments to Kentucky Medicaid providers participating in the Kentucky Medicaid EHR Incentive Program have been established for the express purpose separating these payments from any other type of agency reimbursements to Kentucky Medicaid providers. Having a separate reimbursement process for EHR incentive payments enables the Commonwealth to ensure there are no deductible or rebate transactions blended with EHR incentive payments designated for a

provider or an employer or facility to which the provider has assigned payments. Report reviews ensure accuracy and detect deficiencies. Payments are made directly to an EP, an EH, CAH or to an employer or facility to which the provider has assigned payment.

### **6.1.5 State Level Repository (SLR) Operations**

The SLR is available to support the registration of Kentucky Medicaid providers wishing to participate in the Kentucky Medicaid EHR Provider Incentive Payment Program. DMS is within tier 1 states and performed interface testing with the NLR during implementation. This capability is still intact and testing can be performed as needed. CHFS evaluates transactions from the NLR to determine if providers eligible for both Medicaid and Medicare payments have already received Medicare payments.

Providers must first complete the NLR registration at CMS before registering for payments from the Kentucky Medicaid EHR Incentive Program. The NLR will transmit or make available transactions indicating that the provider registered and provided associated data for use by Kentucky Medicaid in administering its program. The SLR has the following capabilities:

- Interfacing with the NLR;
- Online data entry by providers;
- Attestation module;
- Workflow;
- Payment processing.

Ongoing development and implementation efforts focus on maintenance and changes required to assist providers in meeting attestation requirements as defined by CMS.

## **6.2 Provider Outreach – Program Marketing**

CHFS has continued to build on the established Provider Outreach Program developed by CHFS and KHIE during the planning phase and is implementing a robust Provider Outreach component for this program. This component of the Kentucky Medicaid EHR Incentive Program makes use of a knowledgeable array of resources familiar with the health care landscape across the Commonwealth to market the availability of the program to Medicaid providers.

## **6.3 Provider Outreach – UKRF (KY REC)**

Grounded on the success of past outreach efforts, CHFS plans to continue utilizing the KY REC for targeted Medicaid provider outreach and technical support. In this update the Commonwealth requests funding of two contract extensions when the current contract concludes on September 30, 2015. The first extension of the current approved contract is to begin October 1, 2015 and conclude on June 30, 2016 (the end of the Commonwealth's fiscal year and biennial budget period). The second contract is to commence on July 1, 2016 and conclude on September 30, 2017. The first three months of this contract—from July 1, 2016 through September 30, 2016--

will be an extension of the currently approved SOW the KY REC is performing to support Stage 2 MU and will carry the Commonwealth to the end of the federal fiscal year 2016. The Commonwealth intends to modify this contract to support Stage 3 MU as necessary. These contract extensions continue to provide assistance along with support for Transitions of Care and eCQMs for Medicaid providers. The contracts also retain provisions to continue onboarding new providers participating in the Kentucky Medicaid EHR Incentive Program and contain milestones to help achieve the outreach goals established in the contract between DMS and KY REC.

Described below are categories of expanded milestones along with specific responsibilities for the new assignment-based KY REC contract:

- Expanded Milestones for Stage 2 MU and Additional Support Services for Medicaid Participating Providers.
- Assist 500 Medicaid Participating Providers (MPP) for Stage 1 and 2 services.
- Expanded Service for Critical Access & Small Rural Hospitals.
  - Quality Improvement Initiative through MU;
  - Develop core course materials and online resources consistent with existing KHIE/KY REC material for educational purposes for ongoing Stages of MU;
  - Outreach program to identify and target providers;
  - Create robust marketing campaign explaining benefits of participating in the Kentucky Medicaid EHR Incentive Program;
  - Perform market analysis to evaluate Stage 2 MU implementation;
  - Recruit Kentucky Medicaid providers across the state through direct contact and HIT events/conferences.

Payment milestones for the deliverables of this proposed contract are centered upon performance measures for each deliverable described above. The Commonwealth has submitted a copy of the final contract to CMS for review and approval with this IAPDU.

### **6.3.1 Environmental Scan**

To further support the SMHP, the Commonwealth proposes to conduct a new Environmental Scan during 2015 to update information from the two previous assessments.

The timeline below details the Kentucky plan for conducting this scan.

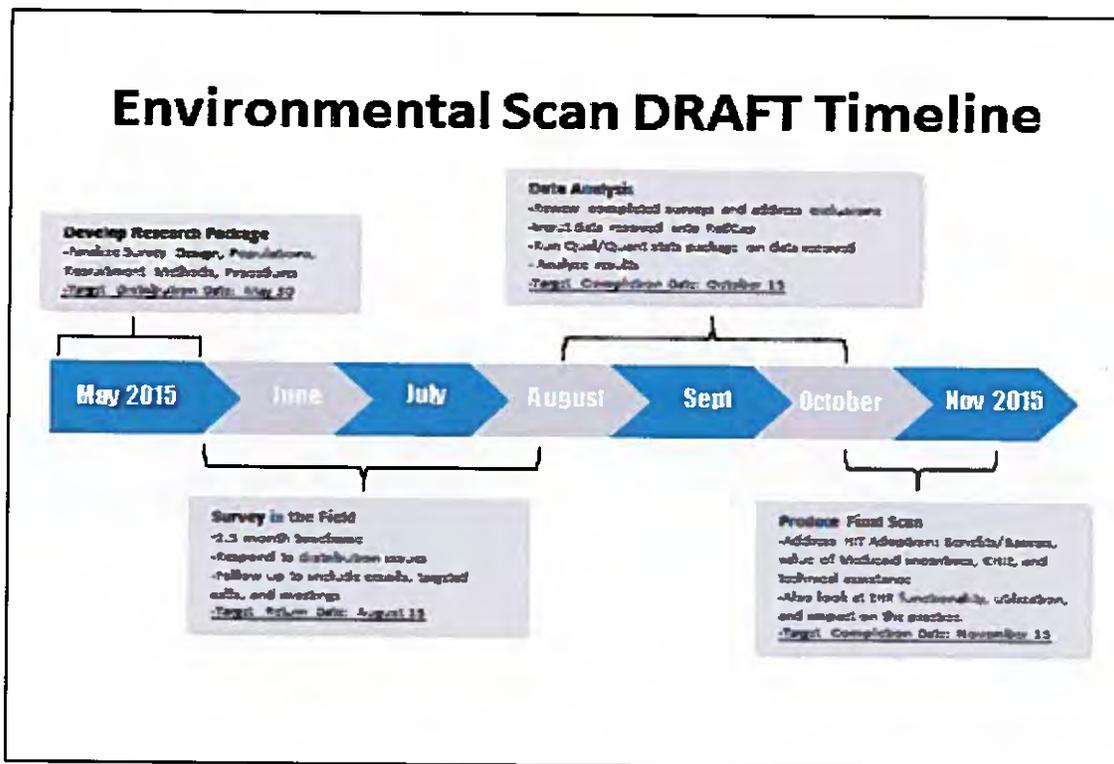


Figure 3: Environmental Scan Timeline

The KY REC will conduct the scan, analyze the data after collection and present the results to the Commonwealth. The proposed objectives for the 2015 Environmental Scan include:

- Identifying providers across Kentucky using HIT, specifically EHRs;
- Determining the ratio of Medicaid vs. non-Medicaid providers;
- Documenting what HIT and EHR technologies are being used by providers;
- Identifying the purpose for which these technologies are being used, i.e. electronic billing, electronic, medical records, communication with other providers and/or communication with patients;
- Understanding the perceived and actualized benefits of HIT and EHR technologies;
- Identifying barriers to EHR adoption;
- Understanding the importance of incentive payments to EHR adoption;
- Measuring the use and satisfaction with KHIE services;
- Measuring the changes in EHR adoption between 2008, 2012, and 2015.

Both the 2008 and 2012 environmental scans included multiple healthcare provider groups. The 2015 Environmental Scan will include the following provider groups:

- Hospitals;
- Physicians;
- Long term care facilities;
- Home health agencies;
- Optometrists;
- Community mental health centers;
- Public health departments;
- Kentucky Primary Care Association;
- Kentucky Medical Group Management Association.

Electronic surveys will be used for all healthcare providers except physicians. KY REC has strong relationships with the professional associations for these providers, and has collaborated previously with the associations in the distribution of focused surveys. For example, surveys addressing each specific type of healthcare provider allow for the inclusion of questions specific to a provider group and further support the interest of professional associations to encourage survey completion by their members. Working with the professional associations also allows for additional reminder emails to be sent to providers encouraging completion of the survey.

A sample of licensed physicians will receive a mailed survey with a postage-paid return envelope. A listing of physicians licensed and practicing in Kentucky will be obtained from the Kentucky Board of Medical Licensure. From that listing, a sample of community physicians will be obtained.

Additional information will also supplement physician survey results. For example, the KY REC has comprehensive information on more than 1,500 physicians/providers who have received REC services.

The final environmental scan will be compiled and shared with Kentucky DMS in early November 2015.

#### **6.4 Statewide Provider Outreach Conference**

Based on prior successful outcomes, the Commonwealth plans to continue holding the annual eHealth Summit. The purpose of this statewide conference is to promote the adoption and MU of EHR technologies and forward the goals set forth in the SMHP by convening experts from business, technology, healthcare and government to discuss topics directly affecting the status of eHealth in the state. Commonwealth staff at the various federal conferences related to HIT activities and Medicaid presents and disseminates information to Medicaid providers at the eHealth Conference as appropriate.

## 6.5 HIT Conferences

CHFS staff involved with implementing the HIT activities will continue to attend state and federal conferences focused on initiatives and activities that will support the implementation of the Kentucky SMHP. The Commonwealth values the opportunity to receive technical assistance from CMS and ONC through the sessions offered during these events and looks forward to receiving further additional guidance through this information sharing forum.

## 7 Proposed Budget

Table 8: Proposed State IAPDU Budget

State Cost	90% Federal	75% Federal	50% Federal	10% State	Total
State Personnel - Kentucky EHR Incentive Program Administration	\$275,875			\$30,653	\$306,528
Provider Outreach – Program Marketing	\$88,445			\$9,827	\$98,272
Conferences	\$261,360			\$29,040	\$290,400
<b>Grand Total</b>	<b>\$625,680</b>			<b>\$69,520</b>	<b>\$695,200</b>

Table 9: Proposed Contractor IAPDU Budget

Contractor Cost Category	Vendor	Total Contract Cost	90% Federal	10% State	Description of Services/CMS approval status	CMS Status	HITECH Analysis of HIT?	Term of Contract
SDS Contract Personnel	Keane / NIT Data	\$1,432,370	\$1,289,133	\$143,237	Kentucky EHR Incentive Program Administration	Approved	HITECH	3/1/2010-2/28/2016
SDS Contract Personnel	Pomroy	\$1,522,749	\$1,370,474	\$152,275	Kentucky EHR Incentive Program Administration	Approved	HITECH	3/1/2010-2/28/2016
SDS Contract Personnel	TEK Systems	\$190,512	\$171,461	\$19,051	Kentucky EHR Incentive Program Administration	Approved	HITECH	3/1/2010-2/28/2016
SDS Contract Personnel	TBD	\$220,302	\$206,453	\$22,890	Expand NEBS reports	Not Approved	HITECH	TBD
SDS Contract Personnel	TBD	\$268,272	\$241,445	\$26,827	SLR Design/Modifications	Not Approved	HITECH	TBD
SDS Contract Personnel	TBD	\$3,600	\$3,240	\$360	Medicaid Pharmacy Data Project/Project Coordination and Testing	Not Approved	HITECH	TBD
Contract Personnel	Adeco	\$58,350	\$52,515	\$5,835	Kentucky EHR Incentive Program Administration	Approved	HITECH	2/1/2012-1/31/2016
Vendor	KY REC (UNRF)	\$2,247,750	\$2,022,975	\$224,775	Provider Outreach Resource	Approved	HITECH	7/1/2014-9/30/2015
Vendor	KY REC (UNRF)	\$125,000	\$112,500	\$12,500	Environmental Scan	Not Approved	HITECH	8/1/2015-11/15/2015
Vendor	TBD	\$10,000	\$0,000	\$1,000	Pharmacy Software Maintenance & Support for Reportable Diseases & Lab Data Monitoring Project	Not Approved	HITECH	TBD
Vendor	ACS/Kerox	\$57,500	\$51,750	\$5,750	Integrate pharmacy claims data into CCD for Medicaid Pharmacy Data Project	Not Approved	HITECH	TBD
Vendor	Healthech Solutions (Carry Forward)	\$469,800	\$449,920	\$49,880	Analyze and assess the IHE systems' technical architecture and programmatic aspects.	Approved	HITECH	1/15/2015-9/30/2015
<b>Grand Total</b>		<b>\$6,845,295</b>	<b>\$6,980,788</b>	<b>\$684,530</b>				

Table 10: Estimated IAPDU FFP Broken Out by FFY Quarters

Cost Description	2016				2017				Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Proposed State IAPDU Budget	78,210	78,210	78,210	78,210	78,210	78,210	78,210	78,210	625,680
Proposed Contractor IAPDU Budget	1,183,376	733,555	677,306	677,306	677,306	677,305	677,307	677,304	5,980,765
<b>FFY Quarterly Total</b>	<b>1,261,586</b>	<b>811,765</b>	<b>755,516</b>	<b>755,516</b>	<b>755,516</b>	<b>755,515</b>	<b>755,517</b>	<b>755,514</b>	<b>6,606,445</b>
<b>Total FFY 2016</b>	<b>3,584,383</b>								
<b>Total FFY 2017</b>	<b>3,022,062</b>								
<b>Total</b>	<b>6,606,445</b>								

Table 11: Estimated IAPDU Total Costs Broken Out by FFY Quarters

Cost Description	2016				2017				Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Proposed State IAPDU Budget	78,210	78,210	78,210	78,210	78,210	78,210	78,210	78,210	625,680
Proposed Contractor IAPDU Budget	1,183,376	733,555	677,306	677,306	677,306	677,305	677,307	677,304	5,980,765
<b>FFY Quarterly Total</b>	<b>1,261,586</b>	<b>811,765</b>	<b>755,516</b>	<b>755,516</b>	<b>755,516</b>	<b>755,515</b>	<b>755,517</b>	<b>755,514</b>	<b>6,606,445</b>
<b>Total FFY 2016</b>	<b>3,584,383</b>								
<b>Total FFY 2017</b>	<b>3,022,062</b>								
<b>Total</b>	<b>6,606,445</b>								

Table 12: Total Kentucky Medicaid EHR Incentive Program Implementation & Administration Funding Request

Federal Fiscal Year Funding 2016-2017	Federal Share	State Share	Total
EHR Eligible Provider Estimated Incentive Payments (100%)	\$73,550,500		\$73,550,500
EHR Eligible Hospital Estimated Incentive Payments (100%)	\$19,241,147		\$19,241,147
<b>Total</b>	<b>\$92,791,647</b>		<b>\$92,791,647</b>

The cost of this SMHP (HIT) IAPDU is \$25,895,464 (\$23,305,916 federal share and \$2,589,548 Commonwealth share).

The total includes:

- \$7,340,495 at the 90% federal match rate (\$6,606,445 federal share and \$734,050 Commonwealth share) for administration of incentive payments to Medicaid providers.
- Request \$543,814 at the 90% federal match rate (\$489,432 federal share and \$54,382 Commonwealth share) for MMIS activities.
- Request \$18,011,155 at the 90% federal match rate (\$16,210,039 federal share, \$1,801,116 Commonwealth share) for funding of KHIE.

The Commonwealth will charge all costs, including indirect costs at 90% Federal match and 10% State match, funded through this IAPDU.

In addition to the funding request, the Commonwealth has also presented \$92,791,647 at 100% FFP for Provider Incentive Payments.

## 8 Cost Allocation Plan for Implementation Activities

This section does not apply, as CHFS operates a combined Medicaid and Kentucky Children's Health Insurance Program (KCHIP) program. The FFP requested in this IAPDU will support DMS activities directed toward the Kentucky Medicaid EHR Incentive Program, which serves Medicaid providers serving both Medicaid and KCHIP patients.

## 9 Assurances, Security Interface Requirements & Disaster Recovery Procedures

Please indicate by checking "yes" or "no" whether or not the State will comply with the Code of Federal Regulations (CFR) and the State Medicaid Manual (SMM) citations.

Please provide an explanation for any "No" responses.

### *Procurement Standards (Competition / Sole Source)*

42 CFR Part 495.348	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
SMM Section 11267	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
45 CFR Part 95.615	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
45 CFR Part 92.36	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### *Access to Records, Reporting and Agency Attestations*

42 CFR Part 495.350	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
42 CFR Part 495.352	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
42 CFR Part 495.346	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
42 CFR Part 433.112(b) (5) – (9)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
45 CFR Part 95.615	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
SMM Section 1126	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### *Software & Ownership Rights, Federal Licenses, Information Safeguarding, HIPAA Compliance, and Progress Reports*

42 CFR Part 495.360	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
45 CFR Part 95.617	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
42 CFR Part 431.300	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
42 CFR Part 433.112	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### *Security and interface requirements to be employed for all State HIT Systems*

45 CFR 164 Securities and Privacy	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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## **10 APPENDICES**

### **10.1 Appendix A – MMIS FFP**

The purpose of these activities is to implement the Commonwealth's SMHP that serves as the strategic vision to enable the Commonwealth to achieve its future vision of moving from the current "As Is" HIT Landscape to the desired "To Be" HIT Landscape. This includes a comprehensive HIT Roadmap and strategic plan for the next five years. The SMHP identifies needs and objectives considered as MMIS-related.

#### **10.1.1 Results of FFY 2015 HIT IAPDU MMIS Activities**

CHFS developed technical architecture for the Kentucky Medicaid EHR Incentive Program in-house along with on-going technical support. As a result, CHFS is continuing to implement in-house MMIS-related projects to work in conjunction with the HIT IAPDU. These are components of a comprehensive HIT strategy that facilitate the implementation of the Kentucky Medicaid EHR Incentive Program and greatly improve clinical/care management capacity of the Kentucky Medicaid program through the use of HIT

MMIS components outlined in the SMHP and the FFY 2014 HIT IAPDU already implemented includes interface development between the KY MMIS, the KY SLR, and changes to the expenditure panels in the KY MMIS. These projects facilitate issuance of EHR incentive payments through the KY MMIS financial system enhancing the expenditure panels to track and show the EHR incentive payments. This provides greater integration of financial processing and reporting, and efficient use of HIT resources. The "bridge" interface between KHIE and the KY MMIS will continue to transmit claims data from the KY MMIS to KHIE in support of the Kentucky Medicaid EHR Incentive Program. A summary status of the projects completed is below.

#### **10.1.2 EHR Incentive Payment Program Queues Automation Project Changes to the Data Warehouse to Collect and Report on MU**

Development work on KY MMIS Changes approved in the prior IAPDU on March 19, 2015, is underway. To date, \$117,500 has been expended toward automation of eCQM submissions for Stage 2 and future stages of MU. Recent changes to the KY MMIS, KY SLR and KHIE for the EHR Incentive Program have included development of queue related services, database interfaces for provider related information, and payment related information. These integration costs have involved both the KY SLR and KHIE, in addition to vendor costs associated with support and enhancements for the Kentucky Medicaid EHR Incentive Program.

#### **10.2 Planned FFY 2015 HIT IAPDU MMIS Activities**

The Commonwealth is requesting funding to continue support of the bridge interface between the KY MMIS, KY SLR and KHIE for the Kentucky Medicaid EHR Incentive Program. Funding from this budget line item reduces the administrative burden associated with managing the

Kentucky Medicaid EHR Incentive Program through automation of business processes as appropriate. The functionality of this interface is also extensible to the future MEMS.

### 10.2.1 EHR Incentive Payment Program Queues Automation Project

The KY MMIS is continuing to connect selected KHIE operations as they become available. A primary objective of this effort is develop an interface between the KY SLR and KHIE that will fully automate programmatic business rules governing provider attestation validation and deliver the capability for issuing Medicaid provider incentive payments upon completion of this automation project. Estimated costs in Tables 15 and 16 represent contractor state development costs for the EHR Incentive Payment Program Queues Automation Project at this point in the project.

Table 13: Summary of MMIS Changes and Estimated Costs

MMIS Expenditure/Project Integration	Cost
Changes to the MMIS Data Warehouse to collect and report on Meaningful Use	\$10,000
Automation of EHR Check Queue	\$79,056
Automation Make-Payment Queue	\$55,177
Automation of EHR Connectivity Verification Queue for MU	\$235,000
<b>Total</b>	<b>\$379,233</b>

### DMS MMIS Project Staff

Table 15 provides an overview of Commonwealth or state personnel in the implementation of the project.

Table 14: State MMIS Personnel Resource Statement

State Staff Title	% of Time	Project Hours	Cost with Benefits	Description of Responsibilities
Assistant Director of OATS Division of Medicaid Systems	10%	390	\$25,724	Implementation of MMIS HITECH Program interfaces
RMA III	100%	3,900	\$138,856	Support Project Resources
<b>Grand Total</b>		<b>4,290</b>	<b>\$164,580</b>	

### MMIS Total Cost Breakdown

Table 15 provides a breakdown of FFP rates requested by the Commonwealth of projected State expenses for this project.

Table 15: State MMIS Budget

State Cost	90% Federal	10% State	Total
State Personnel - Kentucky EHR Incentive Program MMIS System Integration	\$148,122	\$16,458	\$164,580
<b>Grand Total</b>	<b>\$148,122</b>	<b>\$16,458</b>	<b>\$164,580</b>

Table 16 provides a breakdown of FFP rates requested by the Commonwealth of projected Contractor expenses for this project.

Table 16: Proposed Contractor MMIS Budget

Contractor Cost	90% Federal	75% Federal	50% Federal	10% State	Total
Changes to the MMIS Data Warehouse to collect and report on Meaningful Use	\$9,000			\$1,000	\$10,000
Automation of EHR Check Queue	\$71,150			\$7,906	\$79,056
Automation Make-Payment Queue	\$49,659			\$5,518	\$55,177
Automation of EHR Connectivity Verification Queue for MU	\$211,500			\$23,500	\$235,000
<b>Grand Total</b>	<b>\$341,310</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,923</b>	<b>\$379,233</b>

### FFY Quarterly MMIS Cost Breakdown

Table 17 contains a quarterly distribution of costs for the project for FFY 2015.

Table 17: Project Cost Breakdown

Cost Description	2016				2017				Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Proposed State IAPDU MMIS Budget	\$20,573	\$20,573	\$20,573	\$20,573	\$20,573	\$20,573	\$20,573	\$20,573	\$164,580
Proposed Contractor IAPDU MMIS Budget	\$47,404	\$47,404	\$47,404	\$47,404	\$47,404	\$47,404	\$47,404	\$47,404	\$379,233
<b>FFY Quarterly Total</b>	<b>\$67,977</b>	<b>\$543,813</b>							
<b>Federal Financial Participation @ 90%</b>	<b>\$61,179</b>	<b>\$489,432</b>							
<b>State Financial Participation @ 10%</b>	<b>\$6,798</b>	<b>\$54,381</b>							

### Adherence to MITA Principles

In the development of the current SMHP, CHFS evaluated all of the business processes necessary to implement the Kentucky Medicaid EHR Incentive Program. These processes, along with MMIS modifications, enabled successful implementation as well as additional Medicaid system modifications as needed. The MITA Maturity level did not change during the initial implementation of the EHR Incentive Program, which spanned the development of the SLR and bridge between the KHIE and KY MMIS. However, Kentucky has begun to extend MITA to the EHR Incentive Program in the MITA SS-A completed by the Commonwealth in the fall of 2014. The MITA 3.0 SS-A, submitted to CMS in December 2014 for review and approval, provides the Kentucky Medicaid Enterprise a Roadmap reflecting goals and the means and measures to reach

a higher level of MITA maturity. Table 18 reflects current MITA Business Processes as they relate to the Kentucky Medicaid EHR Incentive Program and the MITA 3.0 SS-A.

Table 18: MITA Processes Related to the Kentucky Medicaid EHR Incentive Program

Kentucky Medicaid EHR Incentive Program Process	MITA Business Process
1. Verify that providers are unsanctioned, and are properly licensed/qualified providers.	Determine Provider Eligibility Inquire Provider Information
2. Verify whether EPs are hospital-based.	Determine Provider Eligibility Inquire Provider Information Manage Provider Communication
3. Verify overall content of provider attestations.	Determine Provider Eligibility Inquire Provider Information Manage Provider Communication
4. Communicate with providers regarding their eligibility, payments, etc.	Perform Provider Outreach Manage Provider Communication Manage Provider Grievance and Appeal
5. Calculate patient volume.	Determine Provider Eligibility Inquire Provider Information Perform Provider Outreach Manage Provider Communication
6. Verify patient volume data sources for EPs and acute care hospitals.	Inquire Provider Information
7. Verify the EPs at FQHCs/RHCs meet the <i>practices predominantly</i> requirement.	Determine Provider Eligibility Inquire Provider Information Perform Provider Outreach Manage Provider Communication
8. Verify <i>Adopt/Implement/Upgrade</i> of certified EHR technology by providers.	Determine Provider Eligibility Inquire Provider Information Perform Provider Outreach Manage Provider Communication
9. Verify <i>MU</i> of certified EHR technology for providers' 2 <sup>nd</sup> participation year.	Determine Provider Eligibility Inquire Provider Information Perform Provider Outreach Manage Provider Communication
10. Propose changes to the MU definition, new/changes to State law(s).	Kentucky does not intend to propose changes to MU definition
11. Verify providers' use of <i>certified EHR technology</i> .	Determine Provider Eligibility Inquire Provider Information
12. Collect providers' MU data, including reporting of clinical quality measures.	Manage Provider Information
13. Accept registration data for providers from NLR.	Manage Provider Information

Kentucky Medicaid EHR Incentive Program Process	MITA Business Process
14. Establish call centers/help desks and other means to address EP and EH questions regarding the Kentucky Medicaid EHR Incentive Program.	Develop Agency Goals and Objectives Maintain Program Policy Manage Performance Measures
15. Establish a provider appeal process (incentive payments, eligibility determination, A/I/U, MU).	Manage Provider Grievance and Appeal
16. Assure separate accounting without comingling for all federal funding for incentive payments for HITECH provisions.	Manage Budget Information Manage Incentive Payment Formulate Budget
17. Assure that Medicaid provider payments are paid directly to the provider without any deduction or rebate.	Manage Incentive Payment
18. Assure that provider payments go to an entity promoting the adoption of certified EHR technology, payment arrangement participation is voluntary, ≤5% retained for costs unrelated to EHR technology adoption.	N/A – Kentucky does not have paid entity promoting adoption.
19. Assure that there are fiscal arrangements with providers to disburse incentive payments through Medicaid managed care plans.	N/A – Kentucky will not pay to managed care plans.
20. Assure that all hospital calculations and EP payment incentives are consistent with statute and regulation (Note: EPs are based on CY, EHs are based on federal fiscal year because of reporting).	Determine Provider Eligibility Manage Incentive Payment
21. Identify suspected fraud and abuse.	Inquire Provider Information Manage Provider Information
22. Track the total dollar amount of overpayments identified by the Commonwealth as a result of FFY oversight activities.	Manage Budget Information Manage Incentive Payment
23. Take action when fraud and abuse is detected.	Manage Provider Grievance and Appeal Manage Provider Recoupment
24. Perform audits.	Maintain Program Policy

### 10.3 Appendix B – Provider Incentive Payments by FFY Quarter

Table 19 shows \$92,791,647 covered at 100% FFP for the EHR incentive payments under ARRA in Federal Fiscal Years (FFY) 2016 and 2017. The tables below also provide estimates of the EHR Incentive Payments broken out by FFY Quarter and Provider types (EPs and EHs).

Table 19: Estimated Provider (EP and EH) Incentive Payments Broken Out by FFY Quarter

Cost Description	2016				2017				Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Incentive Payments - EPs	\$15,612,800	\$11,709,600	\$7,806,400	\$9,903,200	\$13,807,400	\$10,355,550	\$6,903,700	\$3,451,850	\$73,550,500
Incentive Payments - EHs	\$6,496,459	\$4,872,344	\$3,248,229	\$1,624,115	\$1,000,000	\$1,000,000	\$500,000	\$500,000	\$19,241,147
<b>FFY Quarterly Total</b>	<b>\$22,109,259</b>	<b>\$16,581,944</b>	<b>\$11,054,629</b>	<b>\$5,527,315</b>	<b>\$14,807,400</b>	<b>\$11,355,550</b>	<b>\$7,403,700</b>	<b>\$3,951,850</b>	<b>\$92,791,647</b>
Total FFY 2016	\$55,273,147								
Total FFY 2017	\$37,518,500								
<b>Total</b>	<b>\$92,791,647</b>								

Table 20: Estimated Incentive Payments Broken Out by Provider Type (EP and EH)

Federal Fiscal Year Funding 2016-2017	Federal Share	State Share	Total
EHR Eligible Provider Estimated Incentive Payments (100%)	\$73,550,500		\$73,550,500
EHR Eligible Hospital Estimated Incentive Payments (100%)	\$19,241,147		\$19,241,147
<b>Total</b>	<b>\$92,791,647</b>		<b>\$92,791,647</b>

## **10.4 Appendix C – HITECH Matching Funds**

### **KHIE Funding**

KHIE was initially funded through a \$4.9 million Medicaid Transformation Grant. (MTG) Subsequently, KHIE received HIE Cooperative Agreement funding from the ONC in the amount of \$9.75 million. This funding expired as of February 7, 2014. The Commonwealth has not received any HITECH matching funds since this time.

## 10.5 Appendix D – Kentucky Health Information Exchange

### 1 Executive Summary

At the onset of ARRA and HITECH in 2009, the CHFS applied to be the state-designated entity for health information exchange in Kentucky, and won the award. KHIE was subsequently funded through a \$9.75M Cooperative Agreement from the Office of the National Coordinator (ONC) in the Department of Health and Human Services in 2010. This was subsequent to a \$4.9 million MTG grant. The ONC grant expired on February 7, 2014. On April 21, 2014 CMS approved the submission of IAPDU-#2 and KHIE is now funded through this APD.

By Executive Order, Governor Steve Beshear created KOHBHIE on June 30, 2014 aligning administratively the KHBE and KHIE operations. On behalf of the Commonwealth of Kentucky, CHFS is requesting continuation of enhanced FFP in this IAPDU from CMS to support KHIE development. This cost allocated request for funding is to support the MU of electronic health records by:

- Continuing to make accessible HIE and onboarding services to providers participating in the Kentucky Medicaid EHR Incentive Program;
- Conducting a HIPAA compliance review of system;
- ONC 2014 Modular Certification;
- KHIE IT Technology Planning;
- DDI of the following projects;
  - myhealthnow (mhn)
  - Immunization Registry (IR) Phase II (as a new IR becomes available);
  - Master Provider Index (MPRI) and Master Patient Index (MPAI);
  - Medicaid Pharmacy Claims Data Integration;
  - KYCHILD Data Integration
  - Electronic Lab Reporting

The Commonwealth is requesting enhanced FFP to continue funding DDI of the projects listed above and facilitate the HIE services necessary for on-going support of the Kentucky Medicaid EHR Incentive Program. A breakout of the total cost of KHIE is below:

- \$18,011,155 at the 90% federal match (\$16,210,039 Federal share and \$1,801,116 Commonwealth share)
- \$3,347,152 from Fair Share for HIE services and DDI of HIE functionality

The total cost of HIE projects and services in this IAPDU is \$21,358,307.

Table 21 provides a summary of this request, including FFP, Commonwealth share and the Kentucky Fair Share.

Table 21: Appendix D Funding Request Summary Table

Federal Fiscal Year Funding 2016-2017	90% Federal	7.5% Federal	5.0% Federal	2.5% State	10% State	Medicaid Share	Ky Fair share	Total
ARRA Federal Fund Participation (90%)	\$16,210,039				\$1,801,116	\$18,011,155	\$3,347,152	\$21,358,307

## 1.1 Purpose

For the Medicaid program, there are at least three reasons for continued development of a state level health information exchange:

1. As the Medicaid Electronic Health Record (EHR) Incentive Program administrator, DMS needs to ensure that high volume Medicaid providers are engaged in adoption of certified technology that can improve care coordination efforts.
2. DMS is committed to ensuring that any interested Medicaid provider can meet current and future health information exchange requirements for the Meaningful Use (MU) of electronic health records envisioned for the program.
3. A statewide exchange can support uniformity in the flow of information with administrative efficiencies provided through HIE operations.

CHFS is requesting continued funding to support the following HIE needs and objectives in support of MU activities related to Public Health Reporting, Transitions of Care, Patient Engagement, HIPAA compliance, and Master Patient and Provider Management. KHIE provides the following services to facilitate and support MU for providers across Kentucky:

- Public Health Reporting
  - Immunizations
  - Syndromic Surveillance
  - Reportable Diseases/Labs
  - Cancer Registry
- Transitions of Care
  - Direct Trust Accredited Health Information Service Provider (HISP)
  - Direct Secure Messaging
- Patient/Consumer Engagement
  - Patient Portal/myhealthnow (mhn)
    - View/Download/Transmit Capabilities

Funding requested herein will enable the continued development of functionality in support of eligible healthcare providers across the state in achieving MU of certified technology. Funds applied to HIE functionality and services delivered to Kentucky healthcare providers has been incrementally replaced by revenue from the Commonwealth's Sustainability Plan begun in January 2015.

## 2 Kentucky HIE Environment

KHIE, the statewide health information exchange and a division of the Kentucky Office of Health Benefit and Health Information Exchange, is within the Cabinet for Health & Family Services along with the DMS and the Kentucky Department for Public Health (DPH). This structure affords KHIE a number of policy levers under ARRA that has promoted extensive growth of health information exchange. Funding enables KHIE to continue expanding delivery of healthcare information and connectivity to all entities in Kentucky healthcare -- doctors, hospitals, labs, healthcare agencies, and most important, patients. The objective and expected outcome is advancing the ability of healthcare service providers to improve the quality and safety of Kentuckians through the use of integrated HIT systems.

The Commonwealth is utilizing the KHIE to conduct the business operations of the Kentucky Medicaid EHR Incentive Program and the Kentucky Medicaid Program. Monitoring of onboarding activity consistently demonstrates that over 94% of the providers the KHIE team works with are Medicaid providers.

DPH defers all public health reporting requirements for MU to KHIE. KHIE acts as the intermediary for reporting of immunization data to the Kentucky Immunization Registry; syndromic surveillance data to CDC/Bio-Sense; reportable labs to the National Electronic Disease Surveillance System (NEDSS); and cancer clinical information to the Kentucky Cancer Registry. An interface between KHIE and DMS/MMIS facilitates the sharing of Medicaid claims data that is orchestrated with clinical information to present a Continuity of Care Document to the KHIE provider/user to promote improved coordination of care.

KHIE is working closely with DPH and the LHDs across the state as they move forward to adopt an EHR in 2015 and become meaningful users of certified technology. These LHDs are a critical provider of indigent care at the local level. Currently 95% of the LHDs have signed Participation Agreements with KHIE and have begun onboarding for Direct Secure Messaging services and access to the KHIE Community Record. At present, over 400 live "Points of Care" (POC) are connected to KHIE via Direct. The first live connection was achieved in March of 2014. In addition, 39 LHDs are live with KHIE via Direct. The first of these connections to a LHD was made in May of 2014. Specific statistical milestones with Direct include:

- 12 LHDs on the business level that are live with Direct and 27 on the POC level;
- Approximately 20% (12 of 61) of LHDs are live on Direct;
- 370 POCs are live with Direct, both via EHR and the web-portal (CareAlign).

The local health departments are a key component to Kentucky's Emergency Room Super-Utilizer Initiative. KHIE is providing the communication network and pathway for health information exchange, even as they implement Certified Electronic Health Record Technology in their locations. As the local health departments complete their implementation they will be onboarded to KHIE for full technical connectivity and participate in MU activities such as public health reporting and patient engagement.

### ***Transitions of Care***

Meeting the Transitions of Care (ToC) MU requirement is a key goal for providers working to achieve MU. The integration of KHIE into the care delivery system is imperative for the movement of patients from one provider or clinical setting of care to another provider or setting of care. In a ToC model, providers may obtain information to reconcile medication lists from a variety of sources, such as the patient, the existing records in the providers' EHR or from KHIE. The cornerstone of Transitions of Care in the Commonwealth is exchange of data through KHIE, whether via Direct Secure Messaging (DSM) or via Summary of Care Record exchange with the HIE.

A patient's ToC presents an opportunity for providers to send and receive messages that assist them in avoiding medical errors. Medication reconciliation increases patient safety and reduces healthcare costs. Additionally, this data will provide the basis for monitoring and subsequently reducing unnecessary costs to the healthcare system such as emergency department super-utilizers and hospital readmissions. KHIE will be the resource for detecting this activity and sending alerts to emergency departments and other providers.

The design of KHIE is flexible in that, as criteria for determining MU expands beyond Stages 1 and 2, functionality will be added to support improvements in ToC.

### ***Current KHIE Achievements***

- The KHIE team works closely with the two RECs in the state and the Kentucky Medicaid EHR Incentive Program Team to assist Medicaid providers in their pursuit of MU. The result has been tremendous strides in both provider adoption of HIT and MU. For instance, 100% of Kentucky's critical access hospitals have received a portion of MU incentive payments.
- KHIE has worked closely with the Kentucky Medicaid EHR Program to assist Kentucky providers in securing more than \$171 million in Medicaid Meaningful Use incentive dollars. This includes 206 hospital payments and 3,288 other healthcare provider payments. Kentucky Medicaid incentive dollars total over \$242 million to 4,600 providers.
- KHIE has six EHR Outreach Coordinators located across the state who serve as the first point of contact for providers.
- Over 750 provider organizations have signed a Participation Agreement (PA) data sharing agreement with KHIE. This represents over 2,950 actual provider locations across the Commonwealth.
- To date, all acute care hospitals are in KHIE's on-boarding queue and 91% are live in production. Of Federally Qualified Health Centers (FQHC), 21 of the 23 have signed PAs and 50% of these are live and sharing data with KHIE.
- KHIE currently supports over 1,000 active connections. However, close to 2,000 additional provider locations have signed on and are in the onboarding queue. Over four

(4) million unduplicated patients have records in the exchange. Healthcare providers on average are querying the exchange over 200,000 times per week.

## **2.1 Results of Activities Included in HIT IAPDU HIE Appendix D**

### **2.1.1 HIPAA Compliance Review/Assessment**

KHIE completed a Phase I Policy assessment in 2011 and a Phase 2 Security assessment in 2011-12 through an external vendor. A final hands-on Phase III assessment remains in this assessment to be conducted by an external vendor. Currently, KHIE is coordinating with the primary vendor and IT architect to prepare for Phase III. Once coordination is complete, the external vendor for Phase III will be selected and a SOW submitted to CMS for review and approval prior to execution.

### **2.1.2 DDI of Master Client Indices (Master Provider Index [MPri] and Master Patient Index [MPaI])**

Implementation and configuration of the MPri began with uploading current Medicaid Providers into a central hub. This began in July 2014 and will continue through February 2015. This is Phase I of DDI of the Master Client Indices. Phase II will commence following completion of this initial phase in February and will continue through December 2015. In Phase II the algorithm will be fine-tuned and interfaces created for onboarding KHIE and MMIS applications in a phased manner.

### **2.1.3 DDI of Phase 2 HIE Immunization Registry (IR) Integration**

The Kentucky Department for Public Health (DPH) defers all Public Health MU reporting requirements to KHIE, making it the state public health authority for MU. Providers pursuing MU in Kentucky must participate in KHIE to meet their public health reporting requirements.

The Department for Public Health, through the Commonwealth's procurement process, has secured a COTS product managed by a vendor to implement a new IR registry. A fully-functioning registry will go live in a phased manner starting May 2015 with all features implemented by the end of December 2015. Due to the delay in procurement and implementation of the IR registry, integration with the KHIE will begin April 2015 and will be complete by September 30, 2015.

This impacts DDI of Phase 2 HIE Immunization Registry Integration. Timeframe changes are outlined in the Proposed Activity Schedule in Table 23.

Once operative, the new registry will support MU and accomplish an upgrade of the current integration between the KHIE and the KYIR.

These upgrades will provide:

- True bi-directional data exchange between providers and the KHIE/KYIR
- Integration of the KYIR with the Master Client Indices (MPri/MPaI) platform

#### **2.1.4 DDI of Patient Portal/Personal Health Record (PHR)**

At this point, connection of the PHR with Direct in Phase II has been completed and the HIE function in KHIE is in the initial stages of integrating PHR with the agency's technology infrastructure.

In addition, a test environment has been constructed and the Commonwealth has identified five pilot data providers. These pilot projects began in October 2014.

#### **2.1.5 DDI of ICD-10 (Testing)**

Currently, the Commonwealth is awaiting verification from CMS on changes made in testing that were implemented in User Acceptance Testing (UAT) for this phase of the project in 2014. The Commonwealth's system will be accepting ICD-10 and ICD-9 messages from the KY MMIS beginning in October of 2015.

Medicaid claims data are passed from the MMIS to the HIE. Claims data is utilized by HIE participants in the Commonwealth and are also displayed in Consolidated-Clinical Document Architecture (C-CDA) format. To achieve this functionality, the Commonwealth is testing to ensure ICD-10 claims data displays correctly in the C-CDA and other data consumed by HIE users. The MMIS is accepting claims in ICD-9 and will begin accepting ICD-10 on October 1, 2015.

#### **2.1.6 Healthway Testing**

KHIE testing is complete with Healthway to achieve the transitions of care objective for Meaningful Use Stage 2. Funding awarded under the prior SMHP HIT IAPDU covered the costs for functionality and security testing, and the exchange of continuity of care documents as specified by Healthway. The award also funded a recurring fee to become a Healthway participant for federal fiscal years 2015 and 2016.

#### **2.1.7 DDI of R3.13 Supersized Implementation Acceleration and Delivery**

KHIE completed two change requests required for MU:

- 1) Exchange of summary of care documents, which means KHIE can receive and store these documents from referring providers. In addition, the provider who a patient is transitioned to will be able to receive the summary of care document via the VHR.
- 2) Development of seven (7) MU and attestation reports—transition logs generating reports for Syndromic Surveillance, Reportable Disease, and Cancer Registry; and monthly summary data for transactions sent to the Cancer Registry, Immunization Registry, Reportable Disease (NEDSS), and BioSense Registries.

All seven reports will have been placed on the Kentucky Stakeholder Portal on a new page.

## **2.2 KHIE Components**

The Commonwealth is utilizing KHIE to conduct the business operations of the Kentucky Medicaid Program and the Kentucky Medicaid EHR Incentive Program.

Core components of the KHIE include:

- A master patient/person index;
- Record locator service; security;
- Provider/user authentication;
- Logging and audits;
- Clinical Notifications/Clinical Alerts;

The system also includes patient demographics, lab results, radiology and transcription reports, historical patient diagnoses, medications, procedures, dates of services, hospital stays, reporting to the state immunization and cancer registries, reporting of syndromic surveillance data and reportable labs/diseases. KHIE also offer a community record (virtual health record) for care coordination.

In order to provide flexibility in meeting MU exchange needs, KHIE provide these services through both a Continuity of Care Document (CCD) exchange and a Community Health/Virtual Health Record (VHR). While the KHIE is, by any standard, advanced among all states in terms of development, it is also still in its infancy in terms of meeting objectives outlined in this proposal. Nevertheless, KHIE has become the lynchpin for sharing EHRs throughout the networks of providers and payers, and the development of the KHIE is fully embraced and supported by CHFS.

### **2.3 KHIE Sustainability Plan and Kentucky Fair Share**

CHFS has developed a dual-sustainability plan which includes both the Kentucky Health Information Exchange and the Health Benefit Exchange.

HIE sustainability requires value to be delivered to the end-user that exceeds all costs of service. At its core, KHIE provides baseline services supporting evolving MU requirements and additional value-added services across the state on a universal access basis. All interface costs on the provider side are born by the exchange participant. This is particularly critical in serving Medicaid patients and those in rural and underserved communities.

### **2.4 Annual Benchmarks**

Due to the interface and alignment between KHIE and DMS/EHR Incentive Program, the teams work closely to measure and monitor activity related to Meaningful Use and health information exchange. These metrics not only help the program to gauge progress over time but assist in strategic planning moving forward.

Metrics are calculated on a monthly basis and include:

1. Medicaid incentive payments by provider type
  - a. Hospitals/Critical Access
  - b. Physicians

- c. Nurse Practitioners/Midwives
  - d. Pediatricians
  - e. Physician Assistants
  - f. Dentists
  - g. Optometrists
2. KHIE Signed Participation Agreements
    - a. % of hospital beds
    - b. % of FQHCs/RHCs/Health Departments (safety net providers)
  3. KHIE Live Connections/Active Data Exchange
    - a. % of hospital beds
    - b. % of KY population/Medicaid population
    - c. Public Health Reporting
      - i. Immunization Transactions
      - ii. Syndromic Surveillance transactions
      - iii. Reportable Labs transactions
      - iv. CCDs for Cancer Reporting
  4. Query-Based Transactions
    - a. Hospitals
    - b. FQHCs/RHCs (Safety Nets)
    - c. # of Medicaid CCDs Accessed
  5. Direct Secure Messaging
    - a. # of provider to provider transactions
  6. # of users for
    - a. Query based exchange/community health record
    - b. DSM

KHIE implemented a Direct Trust Accredited HISP and DSM in January 2014. The third party vendor provides monthly reports. It is anticipated utilization of these services will quickly grow given the number of providers already signed up for services.

### **3 Detailed Project Request**

The Commonwealth's plan to embrace the potential of HIT and HIE for all stakeholders in health care consumption and delivery is an ambitious one. The projects outlined in this proposal and submitted in the IAPDU of January 27, 2015 (approved by CMS March 19, 2015) will enable the Commonwealth to continue developing functionality in KHIE that advances MU capabilities for Medicaid providers and supports transitions of care objectives and patient engagement.

In addition, MITA 3.0 standards and objectives have been applied to projects in their conceptualization and implementation to ensure compliance to business, information and technical architecture as specified by MITA along with the Seven Conditions and Standards for enhanced Federal funding.

Approved and additional requested funding will cover the DDI of the HIE projects described in this IAPDU and enable KHIE to continue supporting the EHR Incentive Program team. The result of these activities will continue to increase the use and adoption of HIT, which will improve the health of Kentuckians.

#### **3.1 HIPAA Compliance Review/Assessment**

Included in this IAPDU is a request for funding for a HIPAA Compliance/Assessment Review to enable the Commonwealth to continue following all applicable state and federal laws, in addition to maintaining industry standards recommended for safeguarding HIEs. This Assessment, to be conducted by an external vendor, will contain two components: one, the validation of the NIST 800-533 Appendix J Privacy Controls for KHIE and two, a technical vulnerability assessment of externally facing web applications and components spanning the entire KHIE infrastructure. The vulnerability assessment will include the primary vendor as well. CHFS and COT IT security policies are based on the NIST 800-53 family of controls. CHFS DMS and the KHIE are committed to ensuring the privacy of Personal Health Information (PHI).

Currently, the SOW from the external vendor for this project is still in development as ownership and, consequently, qualifications under the Kentucky's procurement processes must be resolved.

#### **3.2 DDI of Master Provider Index (MPri) and Master Patient Index (MPaI)**

The Commonwealth has proposed to establish a Master Provider Index and Master Patient Index (MPri/MPaI) to help with care coordination, patient engagement and quality of health care in Kentucky. In addition, the development of these services will assist Kentucky Medicaid providers in meeting MU requirements through the utilization of KHIE. The Commonwealth obtained approval from CMS for this project through the HIT IAPDU approved on April 21, 2014. However, given the time frame of the project and corresponding approval date Kentucky is proposing to develop this solution in two phases. Phase One is currently underway and cost estimates for Phase Two are included on the contractor budget under the IBM line in Table 29.

In addition to supporting the MU Stage 2 requirement of ToC, KHIE will play a major role in

care coordination and patient engagement. To achieve this, the Commonwealth recognizes it should improve the KHIE, KYMMIS and KYSLR systems. The key factor is to link patients and provider data across these systems.

By creating an MPrI and integrating it with the MPaI with the IBM Initiate MDM tool, CHFS will be able to leverage these two platforms to visualize patient-provider relationships, which will ultimately provide the understanding necessary to improve care coordination and drive quality analytics and measurement initiatives. The Master Client Indices (which includes both the MPrI/MPaI) platform will also be integrated with the KYIR.

Modifications to the existing architecture are necessary to support successful implementation of the projects outlined in this IAPDU. Development services from both IBM and ACS/Xerox are necessary for the DDI phase, which include architectural modifications to support the MDM tools and the development of the MCI (MPrI/MPaI).

The MCI (MPrI/MPaI) will be the authoritative source for all CHFS healthcare systems and applications. The purpose of this index is to serve as a searchable directory and link provider-records across CHFS healthcare systems.

Kentucky's strategic vision is to use the MPrI and the MPaI, in conjunction with the Kentucky Online Gateway to identify providers and patients and grant them role based access, which will allow them to both contribute and consume data through the infrastructure. This strategy will support critical functions such as delivery of alerts to patients and providers; self-registration and account maintenance tasks for citizens, workers and providers; and delivery of system services through a single sign-on solution, and single sign-on provider/worker/citizen portal. This will enable CHFS to have an enterprise view of the data and information.

#### **Alternatives**

- CHFS presently has agency and program specific provider directories, which are difficult to update, maintain and lack complete information. CHFS could continue operating with disparate Provider Directories.
- KHIE could implement separate Provider Directories for Direct addresses and delivery of lab results to providers but it would result in multiple disparate Provider Directories.

### **3.3 DDI of Phase 2 HIE Immunization Registry Integration**

Kentucky will integrate immunization records with data in a CCD if the patient's request through KHIE for a CCD has immunization data available in the KYIR registry. KHIE will perform development enhancements to further support bi-directional exchange. The Commonwealth plans to couple the IBM Initiate software with the MPrI to support the integration of these functions. The inclusion of a comprehensive data analytics package will enhance the ability of the Commonwealth to manage the exchange of immunization data and is part of the DDI.

Integration will assist Kentucky Medicaid providers in meeting MU requirements and enable a greater degree of patient engagement.

## Alternatives

- The KYIR does not have the ability to maintain multiple interfaces. The new registry and subsequent integration between the KYIR and KHIE will enable CHFS to support multiple interfaces through KHIE for KYIR.
- The current deployment of the KYIR is not automated and requires providers to login to the portal using a separate ID. Integrating Immunization data into the CCD will allow providers to consume the data into individual EHRs at the practice level. This enables providers to better engage patients, improve the overall quality of healthcare and support MU.

### 3.4 DDI of Patient Portal/Personal Health Record

Kentucky's consumer engagement strategy will support Stage 2 MU requirements and will champion the ONC's Person @ Center Initiative – that aims to empower patients by 2020 to take a more active role in their health care through the use of health IT. Goals of the initiative include:

- Increasing self-management and prevention;
- Seamless interaction with the health care system;
- Shared management of health care.

To support our strategy Kentucky has opted to use the NoMoreClipboard solution from ACS/Xerox as a Patient Portal/PHR. The DDI of this solution will enable CHFS to assist providers in meeting Stage 2 MU requirements as it relates to View, Download and Transmit (VDT). The upgrade of the existing IT infrastructure will also prepare KHIE to provide these services for upcoming MU requirements by being able to integrate data sources into PHRs for patients via this proposed COTS solution. After the completion of the DDI phase, patients will be able to pull their personal health information into a PHR that will be in a sharable CCD format through the Patient Portal.

Kentucky will implement the project in the three phases listed below:

- Phase I: The providers will connect via Direct to the Patient Portal Health Information Service Provider solution (has been implemented with ONC funding).
- Phase II: The PHR will connect with Direct and integrate with the KHIE HISP.
- Phase III: This will implement advanced features that enable patient access to a consolidated CCD via the Patient Portal similar to how it is now available to Kentucky Medicaid providers in the VHR. The DDI of this solution will enable CHFS to assist providers in meeting Stages 1 and 2 MU requirements as it relates to View, Download and Transmit (VDT).

## Alternatives

- Based on previous experiences and the current market environment, developing an RFP for a solution closely integrated with the KHIE may be a more costly and time consuming

process that could result in the procurement of a less viable solution which is not interoperable with existing IT assets.

- Option for a Cooperative Agreement with another State or State Designated Entity (SDE).
  - The Commonwealth was unable to find a State that was able to enter into a Cooperative Agreement due to policy restraints or that had a solution that is in alignment with Kentucky's technical and business requirements.

Modifications to the existing architecture are necessary to support successful implementation of the projects outlined in Sections 3.3, 3.4 and 3.5 of Appendix D. Development services from both IBM and ACS/Xerox are necessary for the DDI phase, which include architectural modifications to support the MDM tools and the development of these solutions.

### **3.5 KYCHILD Data Integration**

Currently two sets of data are generated for newborns in the Commonwealth. Hospitals send blood samples (also known as "blood spots") immediately to the state lab. Birthing facilities enter certificates of live birth information into the KYCHILD web application. In a significant portion of instances, data sent to the state lab is for a newborn whose name has not been fully determined. Data into KYCHILD, however, is entered before hospital discharge and must carry the full, finalized name. The KYCHILD birth data is given an identifier which is sent to the state lab to match lab and birth data. In instances where the state lab receives blood samples before the baby was fully named, the identifiers have to be matched. Currently, this is done in a manual queue requiring 3-4 days with the inherent risk of human error. Meaningful Use requires hospitals to submit immunization data. Newborns receive their first hepatitis B vaccination at the birthing facility. This data is transmitted to KHIE and on-passed to the Immunization Registry. These initial immunizations are lost because the KYIR rejects messages when the newborn's name is not fully qualified for the child. This solution resolves the issues and improves the data quality by interfacing KHIE and KYCHILD. This interface, which, at this point in time, is accomplished, enables mapping of the state identifier to KYCHILD. Further work with the laboratory vendor is on-going to complete the project. Once completed, this integration project will automate mapping of disparate identifiers, improve the data quality of the KYIR and KHIE, and reduce if not eliminate errors.

The funding request below is based on a Cost Allocation Methodology of Medicaid versus non-Medicaid births in the Calendar Year, 2014—specifically, the payer for birth healthcare. (Totals for 2015 are not yet completed.) In 2014, of the 50,795 births in the state, 24,805 were paid for through Medicaid. This represents approximately 48.8% of births and is the Medicaid share for which the FFP 90/10 rate is applied. The remaining number of non-Medicaid-paid births or 51.2% would be funded through Kentucky Fair Share.

- Request \$20,450 at the 90% federal match (\$8,982 federal share, \$998 Commonwealth share, and \$10,470 Kentucky Fair Share) for the KYCHILD Data Integration project.

## Alternative

- The old data flow with lab data was from the birthing facilities in the Commonwealth to the state lab to KHIE, requiring manual records handling and matching. A new interface between the state lab and KHIE would have still required some manual records handling, leading to the potential for errors.

### 3.6 ONC 2014 Modular Certification for Public Health Interfaces

At the start of the Kentucky Medicaid EHR Incentive Program, the Commonwealth sought and received permission from CMS to modify the program rules to require all Kentucky Medicaid EHR Incentive Program participants to attest to at least one public health objective that is relevant to the care that they provide. The default public health objective that is applicable to all providers is the submission of syndromic surveillance data. Because syndromic surveillance is a menu objective for MU, many EHR vendors did not develop and/or certify the software for this objective. Consequently, Kentucky Medicaid EHR Incentive Program participants in the state of Kentucky are faced with costly, custom interface fees from their EHR vendors in order to comply with Medicaid policies.

KHIE has implemented a mechanism whereby the HIE provides syndromic surveillance monitoring on behalf of the providers who establish a patient-identified Admit-Discharge-Transfer feed with KHIE. Similarly, KHIE offers an electronic laboratory reporting service for Kentucky Medicaid EHR Incentive Program providers who establish a laboratory feed with KHIE. Seeking ONC modular certification for the HIE's syndromic surveillance and electronic laboratory reporting services will provide an additional path for Kentucky Medicaid EHR Incentive Program participants to comply with the Kentucky public health reporting requirement.

At this time, KHIE has begun the procurement process for a vendor for DDI of this interface and requests carry forward of funds approved on March 19, 2015 in the currently approved IAPDU to be carried forward in this IAPDU.

- Request \$40,000 at the 90% federal match (\$34,200 federal share, \$3,800 Commonwealth share, and \$2,000 Kentucky Fair Share).

### 3.7 Proposed Activity Schedule

Table 22 provides a timeline outlining projected start and end dates for the projects in this proposal.

Table 22: Proposed Activity Schedule

Activity	Estimated Start Date	Estimated Finish Date
<b>HIPAA Compliance Review/Assessment</b>		
1.Revised Statement of Work	08/1/2015	09/1/2015
2.Project Preparation	09/11/2014	10/31/2015
3.Review & Assessment	11/1/2015	11/30/2015
4.Project Review & Closeout	12/1/2015	12/31/2015
<b>DDI of Master Client Indices (MPri and Master Patient Index (MPal)</b>		
1. Phase I: Planning for modifying architecture for MCI DDI	07/1/2014	08/15/2014
1a. Phase 1: DDI Initial Implementation	2/1/2015	6/30/2015
2. Phase II: DDI of MCI (MPri/MPal)	7/1/2015	4/30/2016
3. Testing	3/15/2016	5/31/2016
4. Production Implementation	6/1/2016	7/31/2016
<b>DDI of Phase 2 HIE Immunization Registry Integration</b>		
1. Phase I: Integrating KYIR services with HIE to support bi-directional exchange	2/1/2015	12/31/2015
2. Phase II: DDI for HIE Integration with Immunization Registry	4/1/2015	7/31/2015
3. Testing	7/15/2015	8/31/2015
4. Production Implementation	9/1/2015	9/30/2015

Activity	Estimated Start Date	Estimated Finish Date
<b>DDI of Patient Portal/Personal Health Record (PHR)</b>		
1. Phase III: Setup KHIE Data Exchange Model	01/01/2016	07/30/2016
2. Phase IV: Setup Provider Portal Application/Structure	06/15/2014	07/30/2016
3. Testing and Refinement	08/01/2016	08/30/2016
4. Production Implementation	9/01/2016	9/30/2016
<b>DDI of ICD-10 (Testing)</b>		
1. End-to-End Testing	04/01/2015	06/30/2015
<b>DDI of ICD-10 (Production)</b>		
1. Production implementation	03/01/2015	4/01/2015
<b>KYCHILD Data Integration</b>		
1. DDI interface	12/01/2014	05/31/2015
<b>KHIE IT Planning</b>		
1. Submission of SOW	Approved	4/15/2015
2. Year 1 Project Launch and Execution	4/15/2015	9/30/2015

## 4 Personnel Resource Statement

### 4.1 KHIE Project Staff

The tables below provide contractor and state personnel responsible for carrying out the projects proposed in this IAPDU.

**Table 23: State Personnel Resource Table**

State Staff Title	% of Time	Project Hours	Cost with Benefits	Medicaid Share	Ky Fair Share	Description of Responsibilities
KHIE Deputy Executive Director	100%	3,900	\$292,770	\$240,071	\$52,699	Steering Committee, Program Oversight
KHIE Staff Assistant/Budget Officer	100%	3,900	\$196,796	\$161,373	\$35,423	Steering Committee, Budget Management
Resource Management Analyst	100%	3,900	\$169,761	\$139,204	\$30,557	HIE Connectivity Outreach/MU Policy Communications
Healthcare Data Administrator	100%	3,900	\$201,071	\$164,878	\$36,193	Healthcare Data Administrator - Medicaid Providers
Healthcare Data Administrator	100%	3,900	\$201,071	\$164,878	\$36,193	Healthcare Data Administrator - Medicaid Providers
KHIE Staff Attorney	100%	3,900	\$191,435	\$155,977	\$34,458	Legal Oversight - Provider Participation Agreements, MU Policies, HIE Policies
KHIE Executive Secretary	100%	3,900	\$136,685	\$112,082	\$24,603	HIE/EHR Incentive Payment Program staff support
Internal Policy Analyst	100%	3,900	\$136,685	\$112,082	\$24,603	KHIE/EHR Incentive Payment Program activity coordination
OATS Security Officer	10%	390	\$24,670	\$20,229	\$4,441	System security review
<b>Grand Total</b>		<b>31,590</b>	<b>\$1,550,944</b>	<b>\$1,271,774</b>	<b>\$279,170</b>	

**Table 24: Contractor Resource Table**

Contractor Staff Title	Hourly Rate	% of Time	Project Hours	Cost with Benefits	Medicaid Share	Ky Fair Share	Description of Responsibilities
<b>Keane/NTT Data (Contract from 3/1/2010 to 2/28/2016)</b>							
System Architect	\$72.00	100%	3,888	\$279,936	\$229,548	\$50,388	MPI Project Manager
Business Analyst	\$59.00	100%	3,888	\$229,392	\$188,101	\$41,291	MPI Analyst
PM (Not Certified)	\$63.00	100%	3,888	\$244,944	\$200,854	\$44,090	Project Manager
System Architect	\$72.00	100%	3,888	\$279,936	\$229,548	\$50,388	Lead Technical Analyst
System Architect	\$72.00	100%	3,888	\$279,936	\$229,548	\$50,388	Onboarding Analyst
Business Analyst	\$59.00	100%	3,888	\$229,392	\$188,101	\$41,291	Business Analyst - UAT
OATS Security Officer	\$90.00	10%	389	\$34,992	\$28,693	\$6,299	Security Consulting
Sr. Developer	\$59.00	10%	389	\$22,939	\$18,810	\$4,129	Sharepoint Development
Sr. Developer	\$59.00	15%	583	\$34,409	\$28,215	\$6,194	MU/Direct Email Catalog Development
Business Analyst	\$59.00	25%	972	\$57,348	\$47,025	\$10,323	Business Analyst - Telehealth
<b>Subtotal Keane/NTT Data Contract Pending CMS Approval</b>			<b>25,661</b>	<b>\$1,693,224</b>	<b>\$1,388,445</b>	<b>\$304,780</b>	
<b>Pomeroy (Contract from 3/1/2010 to 2/28/2016)</b>							
System Architect	\$69.00	100%	3,888	\$268,272	\$219,983	\$48,289	Onboarding Analyst
MS Consultant	\$120.00	11%	416	\$49,920	\$40,934	\$8,986	MU/Direct Technical Architect
PM (Not Certified)	\$45.25	100%	3,888	\$175,932	\$144,264	\$31,668	SMHP and HIT IAPDU Development
Business Objects	\$63.25	3%	120	\$7,590	\$3,704	\$3,886	KyChild Data Integration
Specialized Information Technology Services	\$96.00	2%	68	\$6,528	\$3,186	\$3,342	KyChild Data Integration
<b>Subtotal Pomeroy Contract Pending CMS Approval</b>			<b>8,380</b>	<b>\$508,242</b>	<b>\$412,071</b>	<b>\$96,171</b>	
<b>TEK Systems (Contract from 3/1/2010 to 2/28/2016)</b>							
PM (Certified)	\$66.50	100%	3,888	\$258,552	\$212,013	\$46,539	Project Manager
System Architect	\$59.75	100%	3,888	\$232,308	\$190,493	\$41,815	Onboarding Analyst
System Architect	\$59.75	100%	3,888	\$232,308	\$190,493	\$41,815	Onboarding Analyst
System Architect	\$59.75	100%	3,888	\$232,308	\$190,493	\$41,815	Onboarding Analyst
System Architect	\$59.75	100%	3,888	\$232,308	\$190,493	\$41,815	Onboarding Analyst
System Architect	\$59.75	100%	3,888	\$232,308	\$190,493	\$41,815	Onboarding Analyst
Business Analyst	\$49.00	100%	3,888	\$190,512	\$156,220	\$34,292	MU Advisor/Direct Coordinator
Business Analyst	\$49.00	100%	3,888	\$190,512	\$156,220	\$34,292	Information Analyst
<b>Subtotal TEK System Contract Pending CMS Approval</b>			<b>31,104</b>	<b>\$1,801,116</b>	<b>\$1,476,913</b>	<b>\$324,201</b>	
<b>Grand Total Contracts Pending CMS Approval</b>			<b>65,145</b>	<b>\$4,002,582</b>	<b>\$3,277,429</b>	<b>\$725,152</b>	

Table 25: TBD Contractor (Staff) Resource Statement

Contractor Staff Title	Hourly Rate	% of Time	Project Hours	Cost with Benefits	Medicaid Share	Ky Fair Share	Description of Responsibilities
TBD							
Project Manager	\$130.00	50%	1,944	\$252,720	\$207,230	\$45,489.60	HIPAA Security Assessment Oversight
Grand Total Proposed Contracts			1,944	\$252,720	\$207,230	\$45,490	

Table 26: TBD Vendor Resource Statement

Contractor	Hourly Rate	% of Time	Project Hours	Cost with Benefits	Medicaid Share	Ky Fair Share	Description of Responsibilities
TBD							
HIPAA Compliance Review	N/A	N/A	N/A	\$300,000	\$285,000	\$15,000	To Maintain Industry Standards for Safeguarding HIEs
HIPAA Compliance Review	N/A	N/A	N/A	\$500,000	\$475,000	\$25,000	To Maintain Industry Standards for Safeguarding HIEs
Grand Total Proposed Contracts				\$800,000	\$760,000	\$40,000	

As noted in Section 5 of this IAPDU, CHFS utilizes Commonwealth of Kentucky Master Agreements with Keane, Inc.; TEK Systems; and Pomeroy IT Solutions to accomplish the activities in this IAPDU. All contractors employed by CHFS agree to comply with federal regulations outlined in 42 CFR 495.

Since Master Agreements do not specifically outline maximum amounts or the terms of contract CHFS has approved the contractual positions in Tables 26 and 27 through the prior IAPDU approved March 19, 2015. CHFS understands and agrees that the amounts listed for each Vendor are not to exceed the amount and length of contractual obligation for the approval period of this project.

Master Agreements can contain commodity lines for specialized services in which an amount is assigned for a specific Cabinet's use. Two of the Master Agreements, TEK Systems and Pomeroy, submitted for approval contain such lines. These commodity lines are inaccessible to the Cabinet for Health and Family Services and will not be used by the funding provided under this IAPDU.

Once these Master Agreements are renewed, CHFS will submit copies to CMS for review and approval.

#### 4.2 Medicaid Connectivity for EHR Incentive Program to Support MU

The purpose of these monthly HIE services, paid to KHIE by DMS, is to support the development of KHIE services necessary for DMS to facilitate the Kentucky Medicaid EHR Incentive Program. Although the majority of providers participating in KHIE today serve the Kentucky Medicaid program, the Commonwealth is working to implement a sustainability policy that includes revenue to support both KHIE and the KHBE.

This IAPDU (and the prior IAPDU) contain two updated CAMs for projects outlined in this IAPDU to replace the previously approved subscription fee based CAM. These CAMs also reflect the Kentucky Fair Share of financial contributions the Commonwealth intends to make toward HIE infrastructure and operations during FFY 2015 and FFY 2016. These three CAMs are established on the following metrics:

1. Provider Volume
2. Transaction Volume
3. Medicaid-Paid Volume/Newborns

The CAMs will continue to be adjusted in future IAPDUs to accommodate Provider Volume, Transaction Volume and changes in Medicaid-paid births in the Commonwealth. The adjustments will also take into account the decision Kentucky made to expand the Medicaid program under the Affordable Care Act in June of 2013 as the state works to expand provider capacity to meet the healthcare needs of the projected 308,000 new Kentucky Medicaid members. Of the projected 308,000 new Kentucky Medicaid members, 338,000 have enrolled as of October 2014.

#### ***Provider Volume CAM***

The Provider Volume CAM is based on the number of Medicaid and non-Medicaid providers currently utilizing KHIE and actively exchanging clinical data. KHIE determines the percentage of Medicaid providers and non-Medicaid providers utilizing HIE services by matching the National Provider Identifier (NPI) number registered with KHIE. The NPI is what determines whether a Kentucky Medicaid provider is considered an EHR Incentive Program participant. If the participant's NPI registered with KHIE matches an NPI stored in the SLR, then the provider is deemed a participant in the Kentucky Medicaid EHR Incentive Program.

This CAM provides the Commonwealth with a method for determining, measuring and updating the annual cost allocation and amount of funding DMS pays KHIE for the use of HIE services on behalf of Medicaid providers participating in the Kentucky Medicaid EHR Incentive Program.

KHIE is working with 2,249 provider locations to connect to the HIE, representing 3,850 individual providers. When comparing the list of NPIs received from these providers during the intake process with a database of all Kentucky Medicaid providers, 3,155 match as being Kentucky Medicaid providers for a percentage of 82%. The remaining 18% do not validate with the Kentucky Medicaid database as being Medicaid providers. As a Medicaid expansion state, KHIE is actively assisting Medicaid providers in order to better serve the needs of the state's population.

This CAM has been applied to costs for the following HIE activities and projects:

- HIPAA Compliance Review;
- KHIE system operations;
- KHIE staffing.

### ***Transaction Volume CAM***

The Transaction Volume CAM is the second cost allocation methodology which determines the division between Medicaid and the Commonwealth for HIE activities. Medicaid Providers in KHIE base the CAM on the volume of transactions. CHFS has determined the current volume of transactions by Medicaid providers in KHIE is 95% and 5% non-Medicaid providers.

Medicaid's proportion is based on: 1) whether a provider participating in KHIE is deemed a Kentucky Medicaid EHR Incentive Program participant; 2) the proportion of a Kentucky Medicaid EHR Incentive Program participant's monthly traffic volume that pertains to Medicaid patients; and 3) the number of Medicaid medical and pharmacy claims received nightly from a Kentucky Medicaid feed.

Monthly traffic volumes are determined by calculating the total number of transactions per Incentive Participant. Below are the types of transactions that are counted towards a Participant's monthly volume:

- Queries (Virtual Health Record [VHR] queries and queries sent from within an EHR);
- Admission Discharge and Transfer (ADT) messages;
- Lab messages;
- CCDs.

The patient ID contained in each transaction is matched against a list of Medicaid IDs contained in the KHIE Master Patient Index. If the identifier in the message matches a Medicaid ID stored in the MCI, the transaction is counted towards Medicaid volume.

This CAM has been applied to costs for the following HIE activities and projects:

- DDI of Patient Portal and PHR;
- DDI of MPrI and MPaI;
- DDI of Phase 2 KYIR;
- ONC 2014 Certification;
- KHIE IT Planning.

### ***Medicaid-Paid Volume/Newborns CAM***

The denominator for determining shares in total cost and CAM calculation is births in the Commonwealth in the most recent calendar year, 2014. The specific statistic most pertinent to the CAM within that total is payer for birth healthcare. In 2014, of the 50,795 births in the state, 24,805 were paid for through Medicaid. This represents approximately 48.8% of births and is the Medicaid share for which the FFP 90/10 rate is applied. The remaining number of non-Medicaid-paid births or 51.2% would be funded through Kentucky Fair Share.

## 5 Proposed Budget

The budget tables contained in Appendix D of this IAPDU reflect federal share (including FFP match rate), State share, and the Kentucky Fair Share contribution. As described above, two CAMs have been applied to the line items in this budget. Asterisks in the budget tables using the following cost allocation ratios denote the application of these CAMs:

1. 82% Medicaid/18% Kentucky Fair Share cost allocation ratio\*
2. 95% Medicaid/5% Kentucky Fair Share cost allocation ratio\*\*
3. 47% Medicaid/53% Kentucky Fair Share cost allocation ratio\*\*\*

Table 27 reflects the State budget for Appendix D.

Table 27: State Budget

State Cost	90% Federal	75% Federal	50% Federal	10% State	Medicaid Share	Ky Fair Share	Total
State Personnel*	\$1,144,597			\$127,177	\$1,271,774	\$279,170	\$1,550,944
Conferences *	\$110,700			\$12,300	\$123,000	\$27,000	\$150,000
<b>Total</b>	<b>\$1,255,297</b>			<b>\$139,477</b>	<b>\$1,394,774</b>	<b>\$306,170</b>	<b>\$1,700,944</b>

Table 28 reflects the contractor personnel and vendor services for projects listed in the Contractor budget in Appendix D.

- PHR-NoMoreClipboard [\$1,224,000 (\$1,046,520 at 90% federal share, \$116,280 at 10% Commonwealth share and \$61,200 Kentucky Fair Share)].
- Immunization Registry [\$900,000 (\$769,500 at 90% federal share, \$85,500 at 10% Commonwealth share and \$45,000 Kentucky Fair Share)].

The Xerox Master Agreement, under which the SOWs for KHIE development are included and which was approved by CMS, terminates September 15, 2015. Approval of the one-year contract extension through September 15, 2016 will also extend the Master Agreement as well as SOWs submitted under this Master Agreement.

CHFS requested and received approval in the prior IAPDU for funding to complete the IBM projects listed below:

- Development services for MPRI and MPaI DDI \$800,000 (\$684,000 at 90% federal share, \$76,000 at 10% Commonwealth share and \$40,000 Kentucky Fair Share). These are estimated costs as the SOW for this project has not yet been developed by CHFS.

CHFS requested and received approval in the prior IAPDU for funding to complete the COT projects listed below:

- Hardware for MPRI and MPaI DDI \$150,000 (\$128,250 at 90% federal share, \$14,250 at 10% Commonwealth share and \$7,500 Kentucky Fair Share).
- Licenses for MPRI and MPaI DDI \$800,000 (\$684,000 at 90% federal share, \$76,000 at 10% Commonwealth share and \$40,000 Kentucky Fair Share).

The Service Level Agreement with COT will be forwarded to CMS for review and approval once it is developed. Accompanying this IAPDU is Executive Order 2012-880. COT costs are

detailed in Table 29.

The contract for PerkinElmer, renewed recently, has been forwarded to CMS for review and approval.

Table 28 also reflects a breakdown of HIE connectivity costs the Commonwealth requested and approved by CMS in the prior IAPDU. This breakdown includes FFP, state match and the Kentucky Fair Share. The FFP reflected in this table supports the DDI costs of new HIE projects Kentucky is planning to develop to support Medicaid providers participating in the Kentucky Medicaid EHR Incentive Program, while operational costs have been cost allocated between Kentucky Medicaid providers and non-Medicaid providers utilizing the Provider Volume CAM described above.

Table 28: Contractor Budget

Contractor Cost Category	Vendor	Total Contract Cost	Medicaid Share	Ky Fair Share	90% Federal	10% State	Description of Services/CMS approval status	Term of Contract
Contract Personnel	Keane/NIT Data*	\$1,693,224	\$1,388,444	\$304,780	\$1,249,599	\$138,844	KHIE Administration/Approved	3/1/2010-2/28/2016
Contract Personnel	Pomeroy*	\$494,124	\$405,182	\$88,942	\$364,664	\$40,518	KHIE Administration/Approved	3/1/2010-2/28/2016
Contract Personnel	Pomeroy***	\$14,118	\$6,890	\$7,228	\$6,201	\$689	KHIE Administration/Approved	3/1/2010-2/28/2016
Contract Personnel	TEK Systems*	\$1,801,116	\$1,476,915	\$324,201	\$1,329,224	\$147,692	KHIE Administration/Approved	3/1/2010-2/28/2016
Contract Personnel	TBD*	\$252,720	\$207,230	\$45,490	\$186,507	\$20,723	KHIE Administration/Not Currently Approved	TBD
Contractor - Hardware	COT**	\$150,000	\$142,500	\$7,500	\$128,250	\$14,250	Hardware (Enterprise MPI)/Approved	TBD
Contractor - Licenses	COT**	\$800,000	\$760,000	\$40,000	\$684,000	\$76,000	Licenses (Enterprise MPI)/Approved	TBD
Contractor - Services	IBM**	\$800,000	\$760,000	\$40,000	\$684,000	\$76,000	Services (Enterprise MPI)/Approved	TBD
Contractor - Services	ACS/Xerox**	\$900,000	\$855,000	\$45,000	\$769,500	\$85,500	Immunization Registry/Approved	TBD
Contractor - Services	ACS/Xerox**	\$1,224,000	\$1,162,800	\$61,200	\$1,046,520	\$116,280	PHR/Approved	1/29/2014-9/30/2016
Contractor - Services	TBD*	\$300,000	\$246,000	\$54,000	\$221,400	\$24,600	HIPAA Compliance Review/Not Currently Approved	TBD
Contractor - Services	PerkinElmer***	\$7,000	\$3,416	\$3,584	\$3,074	\$342	KYCHILD Data Integration/Not Currently Approved	TBD
Contractor - Services	COT***	\$13,450	\$6,564	\$6,886	\$5,907	\$656	Infrastructure and database support for KYCHILD Data Integration/Not Currently Approved	TBD
Contractor - Services	ACS/Xerox*	\$5,583,805	\$4,578,720	\$1,005,085	\$4,120,848	\$457,872	HIE Connectivity Costs/Approved	9/16/2009-9/15/2016
Contractor - Services	TBD*	\$5,583,805	\$4,578,720	\$1,005,085	\$4,120,848	\$457,872	HIE Connectivity Costs/Not Currently Approved	9/15/2016-9/30/2017
Contractor - Certification	ONC**	\$40,000	\$38,000	\$2,000	\$34,200	\$3,800	ONC 2014 Modular Certification/Not Currently Approved	N/A
<b>Grand Total</b>		<b>\$19,657,363</b>	<b>\$16,616,381</b>	<b>\$3,040,982</b>	<b>\$14,954,743</b>	<b>\$1,661,638</b>		

- \* 82% Medicaid/18% Kentucky Fair Share cost allocation ratio
- \*\* 95% Medicaid/5% Kentucky Fair Share cost allocation ratio
- \*\*\* 48.8% Medicaid/51.2% Kentucky Fair Share cost allocation ratio

The tables below provide a Federal Fiscal Quarter breakdown of the Total Estimated Budget and Total FFP requested by the Commonwealth.

Table 29: Total Estimated Budget by FFQ

Cost Description	2016				2017				Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Proposed State IAPD Budget	212,618	212,618	212,618	212,618	212,618	212,618	212,618	212,618	1,700,944
Proposed Contractor IAPD Budget	2,678,589	2,718,589	2,518,364	2,518,364	2,305,864	2,305,864	2,305,864	2,305,864	19,657,362
<b>FFY Quarterly Totals</b>	<b>2,891,207</b>	<b>2,931,207</b>	<b>2,730,982</b>	<b>2,730,982</b>	<b>2,518,482</b>	<b>2,518,482</b>	<b>2,518,482</b>	<b>2,518,482</b>	<b>21,358,306</b>
Total FFY 2016	11,284,378								
Total FFY 2017	10,073,928								
<b>Total</b>	<b>21,358,306</b>								

**Table 30: Estimated FFP by FFQ**

Cost Description	2016				2017				Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Proposed State IAPD Budget	156,912	156,912	156,912	156,912	156,912	156,912	156,912	156,912	1,255,296
Proposed Contractor IAPD Budget	2,042,305	2,076,505	1,927,114	1,927,114	1,745,426	1,745,426	1,745,426	1,745,426	14,954,743
<b>FFY Quarterly Totals</b>	<b>2,199,217</b>	<b>2,233,417</b>	<b>2,084,026</b>	<b>2,084,026</b>	<b>1,902,338</b>	<b>1,902,338</b>	<b>1,902,338</b>	<b>1,902,338</b>	<b>16,210,039</b>
Total FFY 2016	8,600,686								
Total FFY 2017	7,609,353								
<b>Total</b>	<b>16,210,039</b>								

The Period of Use for this Appendix will coincide with the Period of Use Statement for the overall SMHP-HIT IAPDU, which runs from October 1, 2015 through September 30, 2017. The Commonwealth will update this Appendix and IAPDU annually and will submit an updated budget for this Appendix with the annual IAPDU.

## 10.6 Appendix E – HIT Alignment with Seven Standards and Conditions

The Commonwealth is working to procure a new MMIS that will fully comply with the Seven Conditions and Standards. These efforts will occur outside of the scope of this IAPD, and DMS anticipates the future system to demonstrate full compliance against all seven of the CMS standards and conditions through adherence to the directives and underlying industry standards associated with the seven conditions.

DMS will apply the System Development Life Cycle process in future planning, designing, developing, and implementing the Kentucky Medicaid EHR Incentive Program to the fullest extent possible. As an example of strongly supporting the Leverage condition, the Commonwealth has shared code with other states. Kentucky is also planning to leverage the work of the ONC by offering Direct exchange HIE Services in the future.

In 2012 Commonwealth staff from CHFS/OATS shared code for EHR with Guam, American Samoa and the Commonwealth of the Northern Mariana Islands. Since the program's inception Kentucky has led the nation in sharing code, assisting eight other states in launching their own EHR system.

The table below illustrates the commitment to the Seven Standards and Conditions by CHFS.

Table 31: CHFS Commitment Seven Standards and Conditions

Seven Standards and Conditions			Yes	No
1	<b>Modularity Condition</b>	<p>DMS commits to the use of open interfaces and exposed application programming interfaces; separate business rules from core programming; and to make business rules available in both human and machine readable formats.</p> <p>The system demonstrates that it meets all directives supplied by CMS within the Modularity condition. The proposed system design adopts application architecture standards prescribed by MITA and promotes modular design through the development of open application programming interfaces (APIs), service oriented design, use of a layered architecture, and requires a solution design that employs an isolated rules engine. The Commonwealth addresses CMS requirements for systems design using a mature System Development Lifecycle that conforms to the Commonwealth's Microsoft Solution Framework methodology standard.</p>	YES	

Seven Standards and Conditions			Yes	No
2	<b>MITA Condition</b>	<p>DMS commits to undergoing a MITA self-assessment within 12 months from the date that the MITA version 3.0 is published. At that time DMS will provide CMS with a MITA Maturity Model Roadmap that addresses goals and objectives, as well as key activities and milestones, covering a five year outlook for the proposed IT solution. This document will be updated on an annual basis. Additionally, DMS will develop a concept of operations and business process model for the different business functions to advance alignment of the State's capability maturity with the MITA Maturity Model (MMM). DMS will work to streamline and standardize operational approaches and business workflows to minimize customization demands on technology solutions and optimize business outcomes.</p> <p>The proposed system design adopts and requires a MITA - based layered application architecture, and promotes alignment with MITA maturity models for business, technical, and information architectures. In addition to MITA maturity alignment, the Commonwealth's system requirements promote and require adherence to relevant MITA standards derived from the MITA standards reference model.</p>	YES	
3	<b>Industry Standards Condition</b>	<p>DMS will align and incorporate industry standards to promote reuse, data exchange, and the reduction of administrative burden on patients, providers, and applicants. Industry standards have been identified and incorporated in both the requirements gathering and implementation phases of the activities outlined in the HIT IAPD and will continue during the ongoing operation, development and maintenance of the EHR Incentive Payment Program.</p> <p>DMS will also have risk and mitigation strategies in place to address potential failures to comply.</p>	YES	
4	<b>Leverage Conditions</b>	<p>DMS will support multi-state efforts and regional or multi-state solutions when cost effective, and will seek to support and facilitate such solutions.</p> <p>DMS will identify and consider the use of commercially or publically available off-the-shelf or open source solutions and pursue a service-based and cloud-first strategy for system development to the extent that it is feasible.</p>	YES	

Seven Standards and Conditions			Yes	No
5	<b>Business Results Condition</b>	<p>DMS will focus on results and strive for IT systems that support and enable effective and efficient business processes, producing and communicating the intended operational results with a high degree of reliability and accuracy. Along with this focus on performance, DMS will provide a 21<sup>st</sup> century customer experience that includes the ability for customers to submit and manage interactions with DMS through the web and to self-manage and monitor their accounts and histories electronically.</p> <p>DMS will ensure their customers and others interacting with and using the system have the opportunity to provide feedback pertaining to accessibility and ease of use. Additionally, DMS will development of specific measures to complement federal indicators and measures when they become available with regard to MU.</p>	YES	
6	<b>Reporting Condition</b>	DMS promotes program evaluation through transaction data reports and performance information that contributes to program evaluation and continuous improvement in business operations, transparency, and, accountability; DMS supports the use of reports that are automatically generated through open interfaces to designated federal repositories, with appropriate audit trails.	YES	
7	<b>Interoperability Condition</b>	DMS is committed to a high degree of interaction and interoperability in order to maximize value and minimize burden and costs on providers and the Commonwealth.	YES	

## 10.7 Appendix F – List of Acronyms

### List of Acronyms

Acronym	Definition
A&I	Division of Audits and Investigations
ACA	Affordable Care Act
ADT	Admission Discharge and Transfer
API	Application Programming Interfaces
ARRA	American Recovery and Reinvestment Act of 2009
CAH	Critical Access Hospital
CCD	Continuity of Care Document
CEHRT	Certified Electronic Health Record Technology
CFR	Code of Federal Regulations
CHFS	Cabinet for Health and Family Services
CIO	Chief Information Officer
CCN	CMS Certification Number
CMS	Centers for Medicare & Medicaid Services
COT	Commonwealth Office of Technology
DMS	Department for Medicaid Services
EH	Eligible Hospital
EHR	Electronic Health Record
ELR	Electronic Lab Reporting
EP	Eligible Provider
ETL	Extract, Transform, and Load
FFP	Federal Financial Participation
FFS	Fee-for-Service
FQHC	Federally Qualified Health Center
HIE	Health Information Exchange
HIPAA	Health Insurance Portability and Accountability Act
HISP	Health Information Service Provider
HIT	Health Information Technology
HITECH	Health Information Technology for Economic and Clinical Health Act
IAPD	Implementation Advance Planning Document
IR	Immunization Registry
IT	Information Technology
KCHIP	Kentucky Children's Health Insurance Program
KHIE	Kentucky Health Information Exchange
KOHBHIE	Kentucky Office of Health Benefit and Health Information Exchange

Acronym	Definition
KMA	Kentucky Medical Association
KY REC	Kentucky Regional Extension Center
LHD	Local Health Department
MITA	Medicaid Information Technology Architecture
MMIS	Medicaid Management Information System
MMM	MITA Maturity Model
MPP	Medicaid Participating Providers
MCI	Master Client Index
MPal	Master Patient Index
MPri	Master Provider Index
MTG	Medicaid Transformation Grant
MU	Meaningful Use
NEDSS	National Electronic Disease Surveillance System
NPI	National Provider Index
NLR	National Level Repository
OATS	CHFS Office of Administrative and Technology Services
OIG	Office of the Inspector General
ONC	Office of the National Coordinator for Health Information Technology
POC	Points of Care
PHI	Protected Health Information
PHR	Personal Health Record
PHSA	Public Health Services Act
PI	Division of Program Integrity
REC	Regional Extension Centers
RFP	Request for Proposal
RHC	Rural Health Center
RHIO	Regional Health Information Organization
SDE	State Designated Entity
SLR	State Level Repository
SMHP	State Medicaid Health Information Technology Plan
SME	Subject Matter Expert
SMM	State Medicaid Manual
SS-A	State Self-Assessment
TIN	Taxpayer Identification Number
ToC	Transitions of Care
UKRF	UK Research Foundation

Acronym	Definition
VDT	View, Download and Transmit
VHR	Virtual Health Record

**Lee, Kristen (CHFS DMS)**

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**From:** McKinley, Samantha (CHFS DMS Franklin)  
**Sent:** Monday, June 29, 2015 12:38 PM  
**To:** Lee, Kristen (CHFS DMS)  
**Cc:** McKinley, Samantha (CHFS DMS Franklin)  
**Subject:** FW: Phone Activation

Hey Kristen

My new phone has been activated. I would like to order a protective case and a Bluetooth headset. According to the instructions this can be done via the procard through the WSCA account available at <http://www.discountcell.com/wsc>

I have looked at the site and would like to order case item no. 77-50334 and headset no. N450-10316. Can you please order these for me or tell me how to go about obtaining these.

kindest Regards,

*Samantha McKinley, B.S., J.D., D.C., Pharm.D.*  
*Pharmacy Director*  
*Department for Medicaid Services*  
O: 502.564.6890 X 2194 / C: 502.330.5236  
[samantha.mckinley@ky.gov](mailto:samantha.mckinley@ky.gov)

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**From:** Durbin, Lana C (CHFS OATS)  
**Sent:** Monday, June 29, 2015 11:02 AM  
**To:** McKinley, Samantha (CHFS DMS Franklin)  
**Subject:** Phone Activation

Samantha,

Your phone has now been activated. Let me know if you need anything further.

Thanks,

*Lana Durbin*  
*Cabinet for Health and Family Services(CHFS)*  
*Office of Administration & Technology (OATS)*  
*Division of Accounting & Procurement Services (DAPS)*  
*Services Acquisition Branch (SAB)*  
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