

## FAQs

### 90% Matching Funds for State Expenditures Promoting Health Information Exchange

#### *What is the program?*

The Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as part of the American Recovery and Reinvestment Act of 2009, makes available to States 100 percent federal matching funding for incentive payments to eligible Medicaid providers to encourage the adoption and use of certified EHR technology.

A related provision allots 90 percent federal matching funding for State administrative expenses related to the program. This encompasses State administrative expenses related to pursuing initiatives to encourage the adoption of certified EHR technology to promote health care quality and the exchange of health care information, subject to approval of the Centers for Medicare & Medicaid Services (CMS).

#### *What is the news?*

When attesting to Meaningful Use modified Stage 2 or Stage 3, professionals and hospitals that are eligible for Medicaid EHR Incentive Payments (collectively referred to as Eligible Providers) must demonstrate the ability to electronically coordinate with other providers across care settings under the CMS regulations at 42 CFR Part 495. In order to meet these Meaningful Use objectives, Eligible Providers will often need to electronically coordinate care with other Medicaid providers that are not eligible for Medicaid EHR incentive payments.

On February 29, 2016, CMS issued an updated guidance [letter](#) to State Medicaid Directors announcing an expanded interpretation of the scope of State expenditures eligible for the 90 percent HITECH match. The letter states that the expansion is related to the importance of coordination of care across providers and transitions of care in Meaningful Use modified Stage 2 and Stage 3.

Under the updated guidance, States may be able to claim 90 percent HITECH match for expenditures related to connecting Eligible Providers to other Medicaid providers, **including behavioral health providers, substance abuse treatment providers**, long-term care providers (including nursing facilities), home health providers, pharmacies, laboratories, correctional health providers, emergency medical service providers, **public health providers, and other Medicaid providers, including community-based Medicaid providers.**

#### *Why is this important for Netsmart clients?*

The updated guidance provides a financial incentive to States to include behavioral health, substance abuse treatment providers, public health and other types of providers in state-funded Health Information Exchanges (HIEs), health homes and other coordinated care initiatives.

***How will this benefit persons served by Netsmart clients?***

Nearly 70% of the 10 million Americans with serious mental illnesses have comorbid medical/surgical chronic diseases, including heart disease, diabetes, emphysema, hepatitis C, HIV/AIDS and more. A critical shortcoming of the HITECH Act is that it failed to provide full eligibility for the Meaningful Use incentive funds to psychiatric hospitals, community mental health centers, social workers, psychologists and addiction providers...those providers serving the most at-risk members of society. The availability of 90 percent matching funds provides an incentive for States to include these key providers in coordinated care initiatives designed to improve health outcomes and decrease costs.

***Are the matching funds applicable to collaborative partnerships for interoperability and health information exchange?***

Yes. The CMS guidance letter states that CMS explicitly encourages and welcomes multistate collaborative partnering on shared solutions for HIE and interoperability, including for the activities discussed in this letter (facilitation of EHR Meaningful Use and related communications through the HIE system). CMS states it will aggressively support such collaboratives as potentially cost-saving opportunities to increase adoption of interoperability standards and help Eligible Providers demonstrate Meaningful Use.

***Are there any major limitations or restrictions?***

There are several important restrictions...two major ones include:

- States can claim 90 percent HITECH match in the costs of developing connectivity between Eligible Providers (whether eligible professionals or eligible hospitals) and other Medicaid providers **if this will help the Eligible Providers demonstrate Meaningful Use.**
- Under no circumstances may States claim 90 percent HITECH match in the costs of actually providing EHR technology to providers or supplementing the functionality of provider EHR systems.

***Where can I get more information?***

CMS states that the updated guidance issued Feb. 29, 2016 supports the goals of "[Connecting Health and Care for the Nation: A Shared Nationwide Interoperability Roadmap Version 1.0.](#)" published by the Department of Health and Human Services, Office of the National Coordinator (ONC) for Health Information Technology, on October 6, 2015.

The information above is a short overview of the latest guidance. Please refer to the full CMS letter for complete information.

[SDM Letter #16-003 \(Feb. 29, 2016\)](#)

Previous CMS guidance on this topic

[SMD Letter #10-016](#) (Aug. 17, 2010)

[SMD Letter #11-004](#) (May 18, 2011)