



**National Medicaid
EDI Healthcare
Workgroup**

National Committee on Vital and Health Statistics – Subcommittee on Standards

Results from Survey of Medicaid Programs on Status of HIPAA 5010 and ICD-10 Projects

Presented on behalf of NMEH

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December 10, 2009



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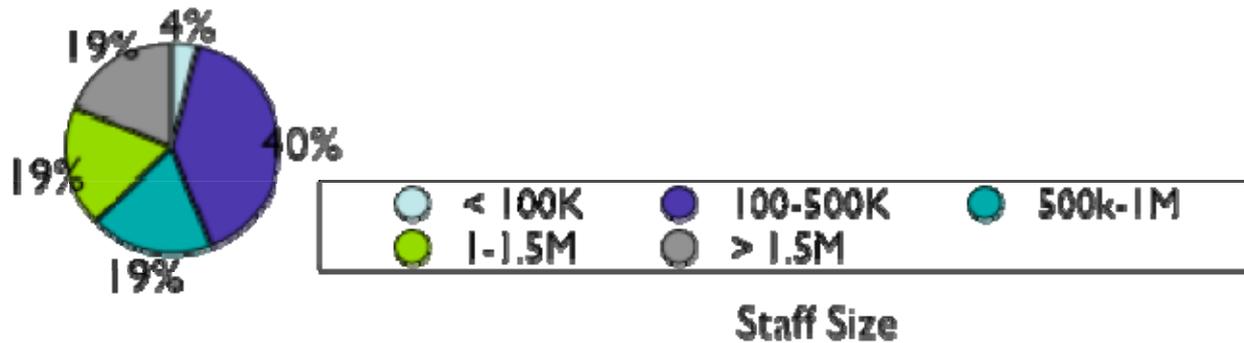
November 2009 Survey

- 27 States Responded
- Representative of all Regions
- Large and Small Medicaid Agencies
 - Total agency employees
 - Total IT staff size
 - Total Medicaid beneficiaries

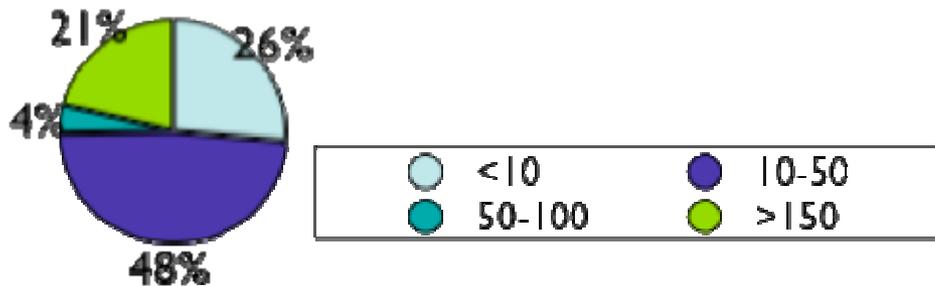
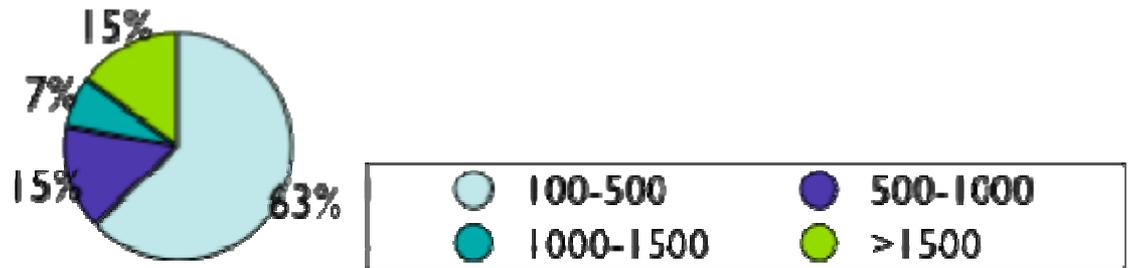


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Covered Lives

Medicaid Survey Demographics



IT Staff





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Review of Medicaid Project Funding Process

- Funding governed by:
 - 45 CFR Part 95 Subpart F – Automatic Data Processing Equipment and Services: Conditions for Federal Financial Participation (FFP)
- Planning FFP Funds require CMS approval of Medicaid-submitted “P-APD”
- Implementation FFP Funds require CMS approval of Medicaid-submitted “I-APD”



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FFP for CMS- Approved APDs

- Development Activities - 90%
- Operations and Hardware – 75%
- Training, Testing, Documentation – 50%



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Status of State Projects

- New HIPAA Transactions: 5010, NCPDP
 - 44% of States **have not submitted P-APD**
 - 33% of States have approved P-APD
 - 11% of States have approved I-APD
- New ICD-10 Code Set
 - 70% of States **have not submitted P-APD**
 - 17% of States have approved P-APD
 - 8% of States have approved I-APD
- Why???



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Overall Concerns

HIPAA Transactions

1. Conflicting projects/priorities
2. Funding
3. Staffing
4. Timeline
5. Extent/scope

ICD-10 Code Set

1. Resources – staff/funds
2. Scope
3. Conflicting projects/priorities
4. Education/training required
5. State matching funds

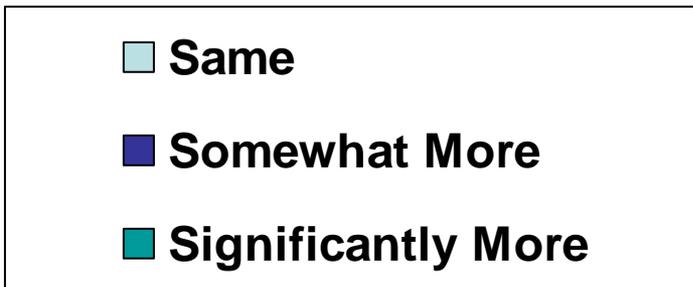
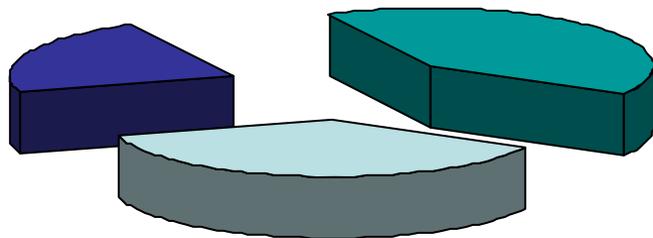


NMEH

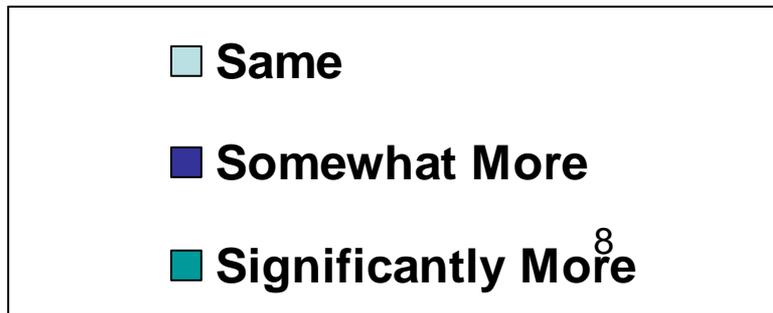
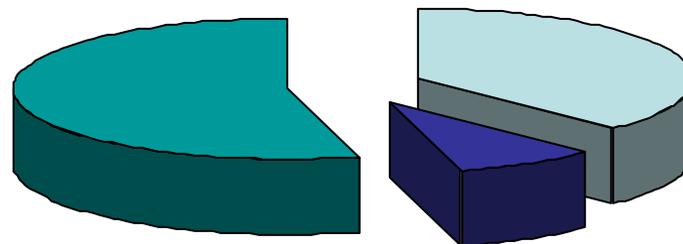
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Impact of Other Priorities, Initiatives, Funds

HIPAA Transactions



ICD-10 Code Set





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Internal Testing - Transactions

- 89% of respondents **do NOT** expect to complete transactions internal testing by Timeline target date of 12/31/2010
- Highest percentage (44%) expect to complete internal testing in the first 2 quarters of 2011



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Internal Testing – ICD-10

- No respondents expect to complete internal testing prior to July 2012.
- 12% of respondents expect to complete ICD-10 internal testing by **12/31/2012**
- 88% of respondents will test internally in 2013, or do not yet know when they will conduct internal testing.

Barriers to Testing

- Limited test environments
 - Additional regions for testing are not widely available to states
- Reasons for lack of testing regions
 - Cost of development and maintenance
 - Funding limitations



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Collaboration

- 48% of agencies have active or planned collaboration with an additional 37% indicating it is too early to address collaboration on **transactions**
- 29% of agencies have active or planned collaboration with an additional 54% indicating it is too early to address collaboration on **ICD-10**
- **Seems collaboration is likely to be undertaken by large majority**



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Collaboration Challenges

- Similar with both transactions and ICD-10
- Most frequently mentioned:
 - Resource limitations
 - Difficulty in timing coordination of activities
 - Conflicting priorities between entities
 - Absence of collaboration structure
 - Training
 - Management support absent

Consistent Themes

- States feel overwhelmed
 - Hiring freezes, staff layoffs and furloughs impact work being done
- Management lacks understanding of scope
 - Believes dates will be pushed back
- Belief no consequences of failure to comply
 - Previous lack of compliance by some Medicaid agencies did not result in negative consequences
- Funding methodology does not adequately support fiscally challenged states
 - Testing, documentation and training receives only 50% FFP

Survey Conclusion

- Medicaid as a group have not begun significant work toward new standards
- Fiscal status of States impacting Medicaid ability to comply
 - Some possibilities of EHR Provider Incentive Program FFP funding to support MMIS changes for that Program's administration as well as HIPAA changes, but timing is an issue.
- FFP funds and State budgets also negatively impact adequate testing



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NMEH Activities to Assist

- Obtained discounted membership in WEDI for Medicaid agencies
- Encourage NMEH members to participate in WEDI workgroups and share WEDI information with agency staff
 - Travel to educational conferences, audio casts continue to be a budget issue for states
- Develop educational materials and share expertise amongst NMEH participants



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HHS/CMS Considerations

- Explore availability of enhanced funding for all activities required for newly mandated standards
- Offer increased FFP funding for states which demonstrate need
- Clearly communicate priority to Medicaid management
- Consider ways to hold states accountable for compliance