

IT Project Proposal Report - Detail
Agency: 025 - DEPT OF HEALTH & HUMAN SERVICES
Budget Cycle: 2013-2015 Biennium **Version: AF - AGENCY FINAL REQUEST**

IT Project : SMHP (State Medicaid Hit Plan)

General Section

Contact Name : Eric Henrichsen	E-mail : eric.henrichsen@nebraska.gov	Agency Priority :
Address : 1050 N Street, Mezzanine	Telephone : 402-471-8554	NITC Priority :
City : Lincoln		NITC Score :
State : Nebraska	Zip : 68508	

Expenditures

IT Project Costs	Total	Prior Exp	FY12 Appr/Reappr	FY14 Request	FY15 Request	Future Add
Contractual Services						
Design	0	0	0	0	0	0
Programming	0	0	0	0	0	0
Project Management	0	0	0	0	0	0
Data Conversion	0	0	0	0	0	0
Other	190,000	0	0	95,000	95,000	0
Subtotal Contractual Services	190,000	0	0	95,000	95,000	0
Telecommunications						
Data	0	0	0	0	0	0
Video	0	0	0	0	0	0
Voice	0	0	0	0	0	0
Wireless	0	0	0	0	0	0
Subtotal Telecommunications	0	0	0	0	0	0
Training						
Technical Staff	31,000	0	0	25,000	6,000	0
End-user Staff	0	0	0	0	0	0
Subtotal Training	31,000	0	0	25,000	6,000	0

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Expenditures

IT Project Costs	Total	Prior Exp	FY12 Appr/Reappr	FY14 Request	FY15 Request	Future Add
Other Operating Costs						
Personnel Cost	3,177,598	1,627,598	850,000	500,000	200,000	0
Supplies & Materials	67,200	0	0	33,600	33,600	0
Travel	14,800	0	0	7,500	7,300	0
Other	24,000	0	0	12,000	12,000	0
Subtotal Other Operating Costs	3,283,598	1,627,598	850,000	553,100	252,900	0
Capital Expenditures						
Hardware	0	0	0	0	0	0
Software	0	0	0	0	0	0
Network	0	0	0	0	0	0
Other	1,405,000	0	0	1,105,000	300,000	0
Subtotal Capital Expenditures	1,405,000	0	0	1,105,000	300,000	0
TOTAL PROJECT COST	4,909,598	1,627,598	850,000	1,778,100	653,900	0

Funding

Fund Type	Total	Prior Exp	FY12 Appr/Reappr	FY14 Request	FY15 Request	Future Add
General Fund	490,960	162,760	85,000	177,810	65,390	0
Cash Fund	0	0	0	0	0	0
Federal Fund	4,418,638	1,464,838	765,000	1,600,290	588,510	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
TOTAL FUNDING	4,909,598	1,627,598	850,000	1,778,100	653,900	0
VARIANCE	0	0	0	0	0	0

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IT Project: SMHP (State Medicaid Hit Plan)

EXECUTIVE SUMMARY:

Provide a one or two paragraph summary of the proposed project. This summary will be used in other externally distributed documents and should therefore clearly and succinctly describe the project and the information technology required.

The Nebraska Medicaid EHR Incentive Payment, program funded under the HITECH provisions of the American Recovery and Reinvestment Act (ARRA), provides incentive payments (100% federal funds) for providers and hospitals who acquire and become Meaningful Users of certified EHR technology. Eligibility depends upon a number of factors, including percentage of Medicaid recipients treated. Nebraska's program implemented May, 2012, with federal authority to operate through 2021. Program administration requires compliance with evolving federal rules around eligibility and Meaningful Use.

Administration of the EHR Incentive Payment program is funded with a 90/10 federal/state match. Program activities, carried out within the Division of Medicaid & Long-Term Care, DHHS, include: receiving provider and hospital enrollment documents; establishing eligibility; determining payment amount; making payments; issuing denials where appropriate; participating in a an appeal process when needed; planning for and conducting audits of participants; electronically exchanging registration, eligibility, payment and reporting information with the Centers for Medicaid and Medicare Services (CMS); updating program materials, funding requests, and guidance as directed.

Attachments:

SMHP-MainTemplate.doc

GOALS, OBJECTIVES, AND OUTCOMES (15 PTS):

1. Describe the project, including:

- **Specific goals and objectives;**
- **Expected beneficiaries of the project; and**
- **Expected outcomes.**

This program is intended to provide funding which assists eligible health care providers and hospitals in acquiring and upgrading electronic health record technology. The providers and hospitals receiving incentive payments are the immediate beneficiaries of the project. The longer term goals include improved access to and sharing of patient health care information; improved care coordination due to better health care information sharing; reduced health care costs, including Medicaid costs; improved patient care.

2. Describe the measurement and assessment methods that will verify that the project outcomes have been achieved.

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The primary measure for project outcome is how many providers enroll, are determined eligible, and receive payments over the life of the program. One part of program administration involves outreach to provider organizations in order to educate providers about program requirements and payments and to encourage their participation. Throughout the life of the program, Nebraska Medicaid will report to CMS on number of providers and hospitals being paid, payment amounts, and progress of each through multiple years of the program (payments to providers are made over 6 years, to hospitals over 3, and for every payment year the payee must demonstrate continued eligibility and increasingly sophisticated use of the EHR technology they have acquired).

3. Describe the project's relationship to your agency comprehensive information technology plan.

CMS required each state to develop a State Medicaid Health Information Technology Plan (SMHP) as part of the planning process for the EHR Incentive Payment program. The SMHP details implementation of the EHR Incentive Payment program as well as outlining steps towards Medicaid's participation with Health Information Exchange (HIE) activities in the state and with the Nationwide Health Information Network (NwHIN). Future iterations of the SMHP will require more detail about how Medicaid will interact with HIE activities in the state and with the NwHIN. As DHHS makes agency-wide decisions about Health Information Exchange, these will in turn inform Medicaid's SMHPs and development of the EHR Incentive Payment program.

PROJECT JUSTIFICATION / BUSINESS CASE (25 PTS):

4. Provide the project justification in terms of tangible benefits (i.e. economic return on investment) and/or intangible benefits (e.g. additional services for customers).

The immediate tangible benefit resulting from this program is incentive payments of 100% federal dollars to eligible Nebraska providers and hospitals, assisting them in acquisition of certified Electronic Health Record technology.

Intangible benefits from increased use of Electronic Health Record technology are projected to include more efficient sharing of patient health information among providers resulting in better coordination of care, reduced duplication of treatments and assessments, more efficient and responsive health care, and improved health outcomes for recipients of care.

5. Describe other solutions that were evaluated, including their strengths and weaknesses, and why they were rejected. Explain the implications of doing nothing and why this option is not acceptable.

When the decision to implement a Nebraska Medicaid EHR Incentive Program was made, there was an examination of the alternatives of buying or building an IT system to support program implementation. At the time, with some uncertainty about the number of Nebraska providers who would apply and/or qualify for incentive payments, the decision was made to utilize in-house IT expertise to build tools to support a largely manual enrollment and eligibility determination process. Budget request includes possible need for outsourcing a system solution which can manage the increasing complexity of the latter years of the program in a risk-reducing and CMS-compliant fashion.

6. If the project is the result of a state or federal mandate, please specify the mandate being addressed.

State Medicaid Agencies were not mandated to participate in the EHR Incentive Payment program (but all states have elected to do so). The program authorization is via the HITECH legislation, part of the American Reinvestment and Recovery Act (ARRA), and governance is through 42 CFR Parts 412, 413 and 495

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TECHNICAL IMPACT (20 PTS):

7. Describe how the project enhances, changes or replaces present technology systems, or implements a new technology system. Describe the technical elements of the project, including hardware, software, and communications requirements. Describe the strengths and weaknesses of the proposed solution.

The current phase of the project includes two primary activities which involve IT resources. The first is the enhancement of the tools that were developed to support the manual processes delivered in Phase 1 of the project. This will entail expanding the tool functionality to support Stage 1 Meaningful Use (MU). There will be no impact to existing technology and no new technology introduced.

The second activity involves a cost/benefit analysis and possible implementation of a third-party systems solution for the program. At this time, we cannot specify the impact to technology since the system will be identified after the cost/benefit analysis is complete.

8. Address the following issues with respect to the proposed technology:

- **Describe the reliability, security and scalability (future needs for growth or adaptation) of the technology.**
- **Address conformity with applicable NITC technical standards and guidelines (available at <http://nitc.ne.gov/standards/>) and generally accepted industry standards.**
- **Address the compatibility with existing institutional and/or statewide infrastructure.**

As mentioned above, we are unable to comment on the items until we have completed the cost/benefit analysis and selected a specific systems solution (if justified).

PRELIMINARY PLAN FOR IMPLEMENTATION (10 PTS):

9. Describe the preliminary plans for implementing the project. Identify project sponsor(s) and examine stakeholder acceptance. Describe the project team, including their roles, responsibilities, and experience.

SMHP will be sponsored by Vivianne Chaumont, the State Medicaid Director and Eric Henrichsen, the DHHS CIO. The project team will include members from the Medicaid IT Initiatives team who will provide subject matter expertise, and DHHS IS&T who will bring project management and systems expertise..

10. List the major milestones and/or deliverables and provide a timeline for completing each.

These will be developed as part of the project.

11. Describe the training and staff development requirements.

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These will be developed as part of the project.

12. Describe the ongoing support requirements.

These will be developed as part of the project.

RISK ASSESSMENT (10 PTS):

13. Describe possible barriers and risks related to the project and the relative importance of each.

SMHP will need to be completed during a time when many other major initiatives are in progress within the state Medicaid division. Resource contention will be high, and also the ability of DHHS and Medicaid to have the bandwidth to manage a significant amount of activity will be tested.

14. Identify strategies which have been developed to minimize risks.

DHHS has developed a Governance structure for the numerous Medicaid projects that will be underway simultaneously. This should lessen the risk of projects not receiving appropriate attention.

DHHS has, and continues, to acquire outside resources to supplement Medicaid staff for their requirements related to the projects.

FINANCIAL ANALYSIS AND BUDGET (20 PTS):

The "Financial" information tab in the Nebraska Budget Request and Reporting System (NBRRS) is used to enter the financial information for this project.

Attachments:

SMHP-Financial.xlsx

Nebraska Information Technology Commission

Project Proposal Form

Funding Requests for Information Technology Projects

FY2013-2015 Biennial Budget

IMPORTANT NOTE: Project proposals should only be submitted by entering the information into the Nebraska Budget Request and Reporting System (NBRRS). The information requested in this Microsoft Word version of the form should be entered in the NBRRS in the "IT Project Proposal" section. The tabs in the "IT Project Proposal" section coincide with sections contained in this Microsoft Word version of the form. Information may be cut-and-pasted from this form or directly entered into the NBRRS. **ALSO NOTE** that for each IT Project Proposal created in the NBRRS, the submitting agency must prepare an "IT Issue" in the NBRRS to request funding for the project.

Project Title	SMHP
Agency/Entity	Department of Health and Human Services

Project Proposal Form
FY2013-2015 Biennial Budget Requests

Notes about this form:

1. **USE.** The Nebraska Information Technology Commission (“NITC”) is required by statute to “make recommendations on technology investments to the Governor and the Legislature, including a prioritized list of projects, reviewed by the technical panel...” Neb. Rev. Stat. §86-516(8). “Governmental entities, state agencies, and noneducation political subdivisions shall submit all projects which use any combination of general funds, federal funds, or cash funds for information technology purposes to the process established by sections 86-512 to 86-524. The commission may adopt policies that establish the format and minimum requirements for project submissions.” Neb. Rev. Stat. §86-516(5). In order to perform this review, the NITC and DAS Budget Division require agencies/entities to complete this form when requesting funding for technology projects.
2. **WHICH TECHNOLOGY BUDGET REQUESTS REQUIRE A PROJECT PROPOSAL FORM?** See the document entitled [NITC 1-202](#) “Project Review Process” available at <http://nitc.ne.gov/standards/>. Attachment A to that document establishes the minimum requirements for project submission.
3. **COMPLETING THE FORM IN THE NEBRASKA BUDGET REQUEST AND REPORTING SYSTEM (NBRRS).** Project proposals should only be submitted by entering the information into the NBRRS. The information requested in this Microsoft Word version of the form should be entered in the NBRRS in the “IT Project Proposal” section. The tabs in the “IT Project Proposal” section coincide with sections contained in this Microsoft Word version of the form. Information may be cut-and-pasted from this form or directly entered into the NBRRS. **ALSO NOTE** that for each “IT Project Proposal” created in the NBRRS, the submitting agency must prepare an “IT Issue” in the NBRRS to request funding for the project.
4. **QUESTIONS.** Contact the Office of the CIO/NITC at (402) 471-7984 or ocio.nitc@nebraska.gov

**Project Proposal Form
FY2013-2015 Biennial Budget Requests**

Section 1: General Information

Project Title	SMHP
Agency (or entity)	Department of Health and Human Services

Contact Information for this Project:

Name	Eric Henrichsen
Address	
City, State, Zip	Lincoln, NE, 68509
Telephone	402-471-8554
E-mail Address	Eric.Henrichsen@nebraska.gov

Section 2: Executive Summary

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Section 3: Goals, Objectives, and Projected Outcomes (15 Points)

1. Describe the project, including:
 - Specific goals and objectives;
 - Expected beneficiaries of the project; and
 - Expected outcomes.

This program is intended to provide funding which assists eligible health care providers and hospitals in acquiring and upgrading electronic health record technology. The providers and hospitals receiving incentive payments are the immediate beneficiaries of the project. The longer term goals include improved access to and sharing of patient health care information; improved care coordination due to better health care information sharing; reduced health care costs, including Medicaid costs; improved patient care.

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2. Describe the measurement and assessment methods that will verify that the project outcomes have been achieved.

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Section 4: Project Justification / Business Case (25 Points)

4. Provide the project justification in terms of tangible benefits (i.e. economic return on investment) and/or intangible benefits (e.g. additional services for customers).

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Section 5: Technical Impact (20 Points)

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Section 6: Preliminary Plan for Implementation (10 Points)

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10. List the major milestones and/or deliverables and provide a timeline for completing each.

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11. Describe the training and staff development requirements.

These will be developed as part of the project.

12. Describe the ongoing support requirements.

These will be developed as part of the project.

Section 7: Risk Assessment (10 Points)

13. Describe possible barriers and risks related to the project and the relative importance of each.

SMHP will need to be completed during a time when many other major initiatives are in progress within the state Medicaid division. Resource contention will be high, and also the ability of DHHS and Medicaid to have the bandwidth to manage a significant amount of activity will be tested.

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Section 8: Financial Analysis and Budget (20 Points)

15. Financial Information

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Worksheet in Project
Proposal Form.xls