CMS Medicaid Transformation Grants: Health Information Technology

Background
The Deficit Reduction Act (DRA) of 2005 establishes a new grant program, called the Medicaid Transformation Grants (MTG) for the adoption of innovative methods to improve the effectiveness and efficiency in providing medical assistance under Medicaid. Funding was appropriated for Federal fiscal years 2007 and 2008, with authorization for additional funds extending through 2010.

The DRA encourages states to "adopt innovative methods to improve the effectiveness and efficiency in providing Medicaid." The implementation of the DRA provided new opportunities for States to work with the Federal Government to build on effective reforms to slow spending growth while providing needed and quality healthcare coverage.

Which States Received a Medicaid Transformation Grant Award?
CMS issued two solicitations during Federal fiscal year 2007. Thirty-five States plus the District of Columbia and Puerto Rico were awarded a total of $150 million in Medicaid Transformation Grants[1]. Overall 22 States' grants (63%) are focused on Health Information Technology (HIT), including electronic health records, e-prescribing, clinical decision support and health information exchange.

Progress
As of January 2009, the Medicaid Transformation Grantees have made major strides towards transforming their delivery systems through health information technology. In many cases, it is the State Medicaid Program that is driving HIT provider adoption statewide. Below is a snapshot of grantees' significant progress:
  - Alabama, Arizona, and New Mexico have begun implementation of their statewide electronic health records for Medicaid beneficiaries; Hawaii will go live by fall 2009 and Mississippi and West Virginia will do so by the end of 2009.
  - Delaware, New Mexico, Florida and Tennessee have successfully gone live with their e-prescribing projects; Alabama and Connecticut will also have e-prescribing up and running by summer 2009; and West Virginia by fall 2009.
  - Texas has successfully implemented its pediatric electronic health record specifically for foster children in Medicaid.
  - West Virginia has established a Health Improvement Institute of private and public payers committed to implementing health information technology, pay for performance and medical home models.
  - Montana has successfully enhanced its electronic health record to include clinical decision support tools for Medicaid providers.
  - Georgia's health information transparency website is up and provides cost and quality data on Georgia Medicaid providers.[2]
  - Indiana and Wisconsin have gone live with their health information exchange projects, inclusive of local hospital emergency departments and Medicaid primary care providers; Kentucky, Rhode Island, Washington D.C. and Minnesota will have live health information exchanges by fall 2009.

One of the fundamental elements to the success of the MTG, is their partnerships and stakeholder involvement efforts, including private insurance, the Veterans Administration, the Health Services Resources Administration (HRSA) grantees, the Agency for Healthcare Research and Quality (AHRQ) HIT grantees and with their States' existing regional health information organizations. Collaboration with these groups has resulted in the identification and/or development of HIT tools specifically tailored to the Medicaid population, but with broader, service-oriented design that is applicable to multiple payers in multiple health care settings. The States have proven to be fertile laboratories for testing and evaluating strategies for HIT adoption, provider incentives, privacy and security and beneficiary/stakeholder involvement.

---

[1] For detailed information on the Medicaid Transformation Grants, visit: www.cms.hhs.gov/MedicaidTransGrants
[2] www.georgiahealthinfo.gov