Next Generation
State Health and Human Services

A multi-state, multi-program strategy for cutting costs and improving services

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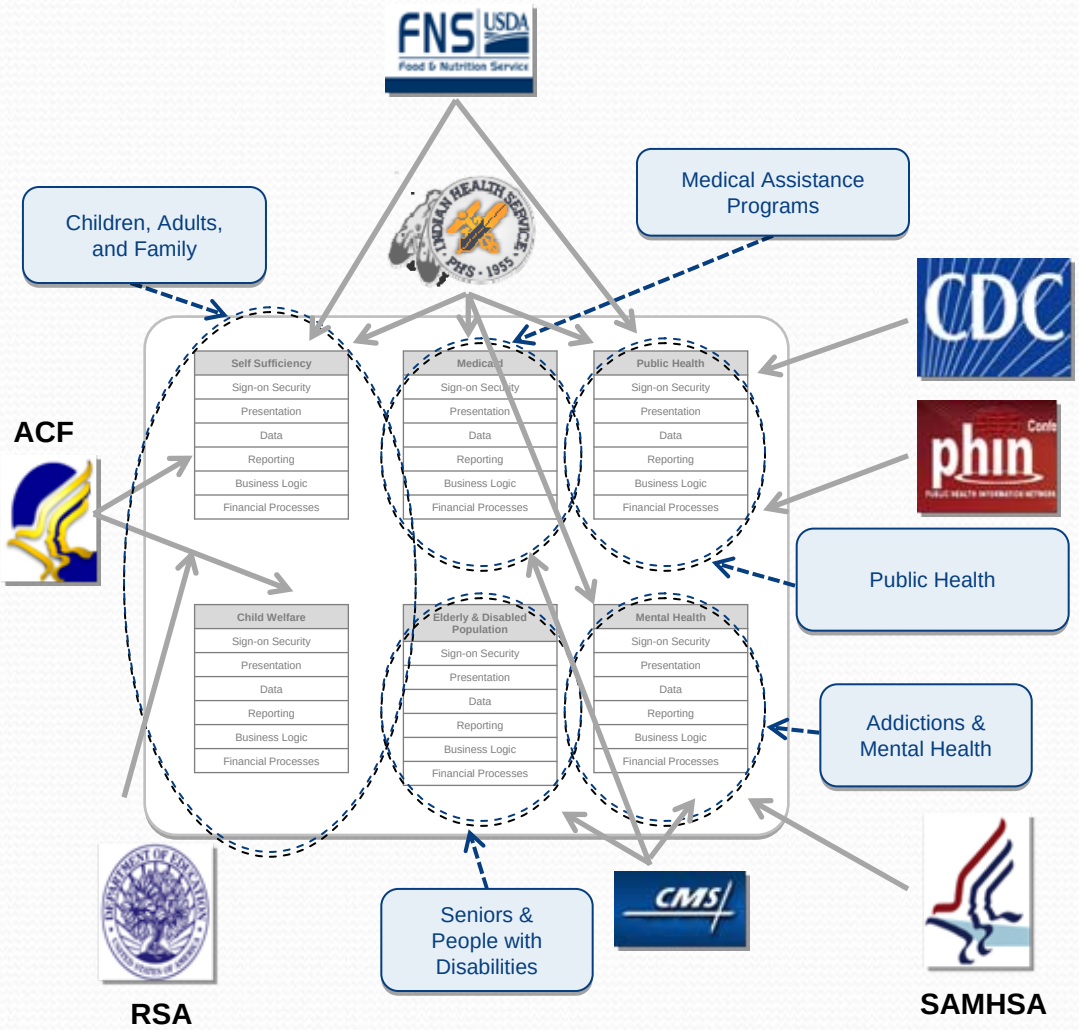
NASCIO
Representing Chief Information Officers of the States

Federally-Funded, State-Delivered Programs are Wasteful & Duplicative



System costs Per State (based on MN collected data)	Modernization	Steady State IT costs (per year)
Medicaid	$120M	$44M
Eligibility	$20-60M	$5-20M
Child support enforcement	$120M	$28M
Social Services Information System	$80-100M	$25M
Adult Protective Services	$20M	$2.5M
Chemical/Mental Health	$5M	$1M
Self Sufficiency	$120M	$42M
TANF	$30-50M	$11M
Public Health		$20M
Total per State (est.)	**$515M**	**$178M**

MODERNIZING state HHS systems:
$20B - $25B national IT spending (est.)

MAINTAINING state HHS systems:
$5B - $8B national spending per year (est.)

Vision, Goal & Business Case

Vision

Shared and effective business capabilities across federally funded programs within and across states starting with health information exchanges, health information technology / meaningful use tracking and payment, streamlining administrative processes, and reducing fraud and abuse through reuse, workflow efficiencies, and information sharing

Goal

Recognize savings starting with FY 2014 federal and state budgets

Business Case

The current infrastructure of state-administered programs and related systems creates inefficient and ineffective solutions that lead to sub-optimal outcomes and increased costs through:

1. **Fraud and abuse**
2. **Administrative inefficiencies**

An Opportunity NOT to Repeat History

National Goals

Improve Quality

Decrease Cost

Increase Access

Patient Protection and Affordable Care Act

Health Care & Education Reconciliation Act of 2010

- Improve Quality
- Increase Efficiency
- Increase Access to Care
- Elimination of Fraud, Waste, and Abuse

HITECH Act

- Meaningful Use Incentives
  - Medicare
  - Medicaid
- Health Information Exchange
- Regional Extension Centers
- Workforce Enhancement
- Beacon Communities

Healthcare legislation expands States' & Federal commitments

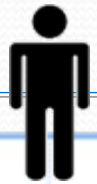
- **Health Insurance Exchanges:**
  - $358B new spending by States
  - 24 M new persons by 2019
- **Medicaid and CHIP:**
  - $434B new spending by States
  - 16 M new persons by 2019
  - Meaningful use incentive implementation
- **Meaningful Use incentive implementation**
  - Percentage of $20-$30B (est.) for Medicaid providers
- **Health Information Exchange**
  - Over $600M to states for implementation

The *only viable path forward* is to build the next generation health & human services that cuts cost and improve service delivery

Why Only Viable Path Forward? Perspective from the States

- MMIS infrastructure is foundational to Health Information Exchanges
  - CMS State Medicaid Director letter SMD #09-006, ARRA HIT #1: States are expected to "(describe) the State's Medicaid incentive program and how it will integrate current and planned Medicaid HIT assets and fit within the larger State HIT/HIE roadmap."
  - State Medicaid Health IT Plans (SMHP) feature foundational use of MMIS assets
- Current infrastructure cannot meet requirements (NASCIO, Baltimore, 4/28)
  - Business processes and data must inter-operate across old and new
  - Provider management foundational to access roles, data access, MU payment
  - Provider management cross cuts existing and new programs
  - Provider screening across programs key to improper payments strategy
- Goal is to lower costs and risk, and improve quality and outcomes
  - Business component reuse starting with provider enrollment and management
  - Technical component reuse with shared, multi-tenancy implementations
  - Inter-operable data across States, domains, and programs

New State Model – Program Centric to Citizen Centric



Program Integrity Management | Business Relationship Management | Operations Management | Contractor Management | Care Management | Program Management | Member Management | Provider Management

NEW PROGRAM
Health Insurance Exchanges
$358B from PPAC

NEW MONEY
Medical Assistance Programs
Medicaid
CHIP
$434B from PPAC

Eligibility

NEW PROGRAM
Medicaid Meaningful Use Incentives
% of $20B from HITECH

Self Sufficiency Programs

Adult Supportive Services

Public Health Programs

Child Support Enforcement

Social Services Information System

Addiction & Mental Health Programs

- Provider Data
- Recipient/Member
- Program
- Care
- Contractor
- Operations
- Business Relationship
- Program Integrity

Joint Funding Model

CDC | CMS | RSA | ACF | SAMHSA | FNS USDA Food & Nutrition Service

Policy Changes Required by Federal Government

1. Federal funding reform of cost allocation methodologies to permit braided funding streams across HHS programs (Circular A-87)

2. Financial incentives (like MITA, Meaningful Use) for the states to collaborate in the development of shared and/or reusable health and human business services within and across states

3. Facilitate the development and adoption of information and data standards in association with states and industry partners to promote technology reuse across multiple jurisdiction

Policy Changes Required by State Governments

1. Establish a multi-state governance structure to develop, deploy and maintain a shared business and service delivery model for programs within and across states

2. Commit to reengineer and standardize business processes across programs

Next Steps

START project : A five state consortium (MN, UT, OR, IL, WV) coordinated by NASCIO has proposed a game changing approach to deploying shared business services across programs and multiple states

1. OMB to meet with federal agencies (HHS OS, CMS, ACF, CDC, SAMSHA, USDA, others) to align priorities, refine strategy
2. Set-up “next gen” health and human services taskforce (feds, states and industry) to draft the “way forward” plan in 60 days using open Government approach
3. State and federal partners define project scope, draft a governance and communications plan and identify resources to execute the plan

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