MEMORANDUM

TO: Health Care Reform Advisory Committee  FROM: Ann Torregrossa, Director
RE: Summary: State-related Federal Funding  DATE: September 8, 2010

The following information is provided in response to the Committee’s request at the last meeting, for a summary of the state-related federal funding associated with federal health care reform.

High Risk Pool - PA Fair Care

Pennsylvania was allocated $160 million by HHS to provide a high risk pool for individuals without health insurance for at least six months and who have a pre-existing condition. **PA Fair Care** will provide transitional insurance coverage beginning in October 2010 until the broader coverage provisions of federal health insurance reform become effective in January 2014. Highmark was chosen to administer the program and all claims costs will be funded by the HHS allocation. **PA Fair Care** will provide health insurance coverage to approximately 3500 in the first year, with plans to enroll up to 6000 people by 2013, depending on the level of claims paid by the program.

Pennsylvania Health Information Exchange (PHIX)

The Governor’s Office of Health Care Reform has been awarded $17.1 million by the Office of the National Coordinator for the planning and implementation of a statewide health information exchange. The goal of the Pennsylvania Health Information Exchange - or PHIX - is to create a secure statewide network for sharing electronic health information for Pennsylvania’s health care providers and patients.

The use of a secure statewide health information exchange will:
- give authorized health care professionals the information they need to provide services no matter when or where a patient needs care;
- improve patient safety;
- reduce redundant tests and procedures;
- lead to reduced health care costs while improving public health monitoring and tracking; and
- enable Pennsylvania to connect to the national health information network.

Broadband

PA is one of only a handful of states without a high speed optical network serving health care providers, which delayed the universal availability of telemedicine and
other sharing of critical health care information. In February 2010 three NTIA grants were awarded that will provide a strong basis for connectivity across Pennsylvania.

The first is $99.6 million awarded to the Pennsylvania Research and Education Network (PennREN) to build a 1,700-mile fiber network to bring broadband access to 60 community anchor institutions (private universities, K-12 schools, libraries, and hospitals) in 39 counties across south and central Pennsylvania.

The second grant is $28 million and was awarded to the Commonwealth to fund a “middle mile” project to expand broadband capabilities in northern Pennsylvania.

The third is $2,245,673 in funding under the State Broadband Data and Development (SBDD) Program administered by the U.S. Department of Commerce, National Telecommunications and Information Association (NTIA) - $1,745,673 for broadband mapping over a two-year period and $500,000 for broadband planning and collaboration activities over a five-year period. This will include the collection of comprehensive data on the availability, type, and speed of broadband service by provider and the creation of a statewide broadband coverage mapping tool with GIS and user interface to be hosted and managed by the vendor.

**Medicaid Incentive Payments to Health Care Providers**

In 2009, the American Recovery and Reinvestment Act (ARRA) authorized substantial funds to assist states with development and implementation of initiatives that give medical providers real-time access to electronic health information via electronic health records (EHRs) transmitted through a health information exchange (HIE). Using the grant funds made available through the ARRA, DPW hopes to be able to give an estimated $600 million dollars in incentive payments to 4500 eligible Medicaid providers with a high volume of Medicaid patients, who meet the “adopt, implement or use (AIU)” or “meaningful use” criteria for their electronic health records.

**Regional Extension Center Grants (RECs)**

The RECs will support and serve primary care providers and critical access hospitals to help them adopt and become meaningful users of electronic health records (EHRs). Grants were awarded to Quality Insights of Pennsylvania as a prime contractor for the east $28,810,271 and for the west $15,625,910. RECs will offer education, technical assistance, guidance, and information on best practices to support and accelerate health care centers’ and providers’ efforts to become meaningful users of certified electronic health record (EHR) systems. These services will be provided on a subsidized basis to eligible entities, with priority to be given to primary care providers and certain critical access hospitals.

The goal of the program in the next two years is to provide outreach and support services to 5700 Pennsylvania primary care practitioners to help them choose and meaningfully use electronic health records.
CHIPRA Grant

DPW will partner with several medical centers and hospitals in the state to execute this demonstration. DPW will receive $1,934,754 for the first year of the five-year grant that will total $9,777,361. Pennsylvania will test and report on recommended pediatric quality measures and promote the use of health information technology in health care delivery to maximize the early identification of children with developmental delay, behavioral health issues, and those with complex medical conditions. This will facilitate coordination of care with the primary care practitioner medical home, medical specialists, and child-serving social service agencies. A pre-clinic visit assessment is expected to enhance communication between providers and patients, and an electronic tracking system will link children with special needs to appropriate services. Pennsylvania has also agreed to be one of two states implementing a model electronic health record format for children.

Multi-payer Advanced Primary Care Practice Demonstration (MPAPCP)

The Governor’s Office of Health Care Reform (GOHCR) has applied to CMS for a MPAPCP demonstration to have CMS participate in the PA Chronic Care/Patient-Centered Medical Home initiative in the Southeast #1, South Central and Northeast Learning Collaboratives. If approved, CMS would make additional supplemental payments of $12.9 million for 71,846 Medicare beneficiaries to primary care practices in those learning collaboratives. The budget neutrality requirements would mean practices would have to reduce emergency room usage, hospital admissions, etc., by a like amount over the three-year demonstration through better care coordination and eliminating avoidable hospitalizations.

State Health Workforce Development Planning Grant

In an effort to prepare Pennsylvania to meet this increase in demand, Pennsylvania has applied for a 12-month planning grant in the amount of $150,000 to clearly identify, analyze, and document real-time supply and demand issues occurring in the health care workforce and the potential impact these issues have on serving the needs of Pennsylvanians statewide. Through this planning grant, the Commonwealth will produce key, quantitative and qualitative deliverables including:
- conducting an employer survey that will identify jobs, employer expectations of skill needs, and identify potential economic opportunities anticipated as a result of the passage of the Act;
- utilizing focus groups to capture the knowledge of subject matter experts to document skill gaps of new and incumbent (existing) workers;
- developing an inventory of curricula that will allow stakeholders to identify and/or develop new, or modify existing, curricula that aligns with the career ladders surrounding key health care occupations; and
• releasing a state of the industry sector report that provides a complete, comprehensive analysis of the health care workforce as impacted by the passage of the Act.

Various institutions of higher learning across Pennsylvania received $6 million for Geriatric Workforce Development and to retain Nurses.

**Consumer Assistance Grant**

In September Pennsylvania will apply for $1.2 million Consumer Assistance grant. The Affordable Care Act provides consumers with significant new protections including the ability to choose a health plan that best suits their needs, to appeal decisions by plans to deny coverage of needed services, and to select an available primary care provider of their choosing. This one-year grant will strengthen consumer assistance programs that provide direct services to consumers with questions or concerns regarding their health insurance, provide consumer education on insurance options, rights and coverage, and improve the Insurance Department’s consumer complaint database, making the information more transparent and easily accessible to consumers.

**Health Insurance Exchange Planning Grants**

On September 1st Pennsylvania applied for $1 million implementation planning grant to establish a state-wide exchange to provide health insurance coverage. The grant will be used to study how to best integrate the Commonwealth’s Medical Assistance Program (MA), Children’s Health Insurance Program (CHIP), and other public benefit programs into a comprehensive, unified exchange and the cost associated with that integration. The grant will allow the Commonwealth to commission studies to determine the resources and capabilities necessary for a successful exchange, to examine the different governance models, to assess the requisite finance, technical infrastructure, business operations, and to determine any required regulatory and policy actions that the Commonwealth will need to take.

**Health Insurance Premium Review Grant**

The Pennsylvania Insurance Department (PID) was awarded a $1 million grant to assist in the development of a more robust rate review mechanism for reviewing health insurance premium rate increases. PID will use the grant to develop a health insurance premium comparison chart and a rate level index that are transparent and available to consumers so they may use it to compare product prices and options. The rate index will be updated with each insurer’s rate changes and will show the average change among insurers. It will be utilized by the department as a tool to improve the identification of rate changes that are unfair, excessive and unreasonable.
Beacon Grant

Geisinger Health System will receive $16 million to create the Keystone Beacon Community as part of HHS's Beacon Community cooperative program. The funding will allow Geisinger to extend the benefits of its patient-focused health information technology (IT) initiatives to five rural central Pennsylvania counties and deliver improvements in patient outcomes within a three-year period. The goal of this program is to illustrate that improved patient outcomes as the result of health IT can be achieved beyond the walls of institutions such as Geisinger.

Supports for Pregnant and Parenting Teens and Women

PA Department of Education has applied for up to $2 million for supports to pregnant and parenting teens who are at risk of dropping out of high school to keep them in school.

Maternal, Infant, and Early Childhood Home Visitation Grant Program

DPW (OCDEL) received over $2 million to strengthen and improve the programs and activities carried out under Title V, to improve coordination of services for at risk communities, and to identify and provide comprehensive services to improve outcomes for families who reside in at-risk communities. The home visiting program will result in a coordinated system of early childhood home visiting with the capacity and commitment to provide infrastructure and supports to assure high-quality, evidence-based practice.

Medicare Rural Hospital Flexibility (FLEX)

The PA Department of Health received almost $400,000 to spur quality and performance improvement activities, stabilize rural hospital finance, and integrate emergency medical services (EMS) into their health care systems. Flex funding encourages the development of cooperative systems of care in rural areas -- joining together CAHs, EMS providers, clinics, and health practitioners to increase efficiencies and quality of care.

Aging and Disability Resource Centers

The PA Department of Aging and the Office of Long-Term Living applied for four grants totaling $2.7 million to make it easier for individuals to navigate their health and long-term care via person-centered systems of Information, counseling and access, nursing home transition and diversion, counseling and assistance programs and evidence-based care transition programs.