

## Important Information State Medicaid Agencies (SMAs) and Health Information Organizations (HIOs) need to know about technology reuse expectations from The Centers for Medicare and Medicaid Services (CMS)

Since 2010, The Centers for Medicare and Medicaid Services (CMS) have expanded state access to federal funding in support of a wide array of Medicaid operational needs. With the passing of the Health Information Technology for Economic and Clinical Health (HITECH) Act and expanding Medicaid Management Information System (MMIS) funding, SMAs have been able to fund new projects related to the deployment and utilization of health information technology (HIT) (for information about this funding click here: [Medicaid Funding](#)). These funding mechanisms have positioned State Medicaid business operations to improve data capture and attribution methods, care coordination approaches, and performance and quality management oversight.

SMAs have chosen a variety of pathways to support these projects ranging from direct contracts with HIOs to internal contracts with HIT companies to designating HIOs as a subsystem of the Medicaid Enterprise Systems (MES). With the HITECH Act and associated funding to states sunsetting in 2021, CMS has recognized the investment made - both at the federal level and state level - in these HIT projects.

This nexus of business and financial needs, and ahead of the sunset of HITECH, has prompted CMS to issue guidance to SMAs on technology reuse and adoption of technology.

### ENHANCED FUNDING REQUIREMENTS & REUSE REQUIREMENTS

As conditions to receive enhanced federal funding (often referred to as 90/10 funding), Medicaid technology investments must promote sharing, leverage and reuse of Medicaid technologies within and among states. Below are examples of the promotion of sharing, leveraging and technology reuse:

- Under 45 CFR 95.617, states are required to add a clause to all procurement instruments that provides states or local governments with ownership rights in software or modifications associated with projects that leveraged federal funding;
- Reuse is defined as to share a business service or system or shared acquisition or management of a service (shared services model);
- Reuse is defined for subcomponents such as rules engines, configurations or code segments;
- CMS is developing a national reuse repository for SMAs to store artifacts, code, etc. for sharing.

States can facilitate reuse on new procurement vehicles by:

- Hosting software in the cloud and make it available to other States or agencies;
- Developing open source code for certain technology modules;
- Sharing configurations to a commercial off the shelf (COTS) product; and
- Developing or enhancing systems created to support HIT projects to further support Medicaid business processes.

It is anticipated CMS will focus on working with States on the process to better coordinate and educate the utilization of the reuse repository and workgroups.

CMS is also encouraging SMAs to leverage several other design approaches in addition to reuse under guidance. Other approaches include:

- **Software as a Service (SaaS)** as SaaS has shown a high degree of reuse, such that the state retains full data rights and can support other approaches to interoperability (e.g., the use of application program interfaces);
- **Open source** approaches to technology procurements regardless of domain;
- **Limitations and requirements on proprietary software** if a SMA must procure proprietary software. CMS is clear that no federal funding is available to proprietary software that are protected by copyright or patent.

## KEY TOPICS AND OPPORTUNITIES FOR STAKEHOLDERS

The above CMS guidance offers opportunity for states and other stakeholders to explore enhanced funding. Specifically;

- How does the 90/10 opportunity help with strategic objectives?
- How does the reusable infrastructure benefit the broader ecosystem?
- How can the stakeholders contribute and participate in the HIT ecosystem strategy and capabilities?
- How can states finance the state share component?
- How can data from multiple sources be brought together to provide better patient care?

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