



**Maryland's Statewide Health
Information Exchange,
the Chesapeake Regional Information
System for our Patients: FY 2023
Funding to Support HIE Operations and
CRISP Reporting Services**

Final Recommendation

June 8, 2022

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List of Abbreviations

| | |
|--------|--------------------------------------------------------------------|
| CMS | Centers for Medicare & Medicaid Services |
| CRISP | Chesapeake Regional Information System for Our Patients |
| CRS | CRISP Reporting Services |
| FY | Fiscal year |
| HIE | Health information exchange |
| HITECH | Health Information Technology for Economic and Clinical Health Act |
| HSCRC | Health Services Cost Review Commission |
| IAPD | Implementation Advanced Planning Document |
| MDH | Maryland Department of Health |
| MHCC | Maryland Health Care Commission |
| MHIP | Maryland Health Insurance Plan |
| MES | Medicaid Enterprise System |
| TCOC | Total Cost of Care |

Policy Overview

| Policy Objective | Policy Solution | Effect on Hospitals | Effect on Payers/Consumers | Effect on Health Equity |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| To fund and sustain a robust Health Information Exchange, CRISP, for activities related to the HSCRC and the Maryland Model. | Include an assessment in hospital rates to generate funding to support CRISP projects and operations to further the goals of the Maryland Model | Hospitals benefit from CRISP programs and pay a separate user fee. This assessment is a pass through and has no impact on hospitals. | CRISP provides vital coordination and reporting that allow hospitals and other Maryland providers to enhance the quality and cost effectiveness of the care provided. | Provider reporting supported by CRISP will collect data on social determinants of health and disparities in health outcomes. |

Summary of the Recommendation

No comments were received on the draft recommendation and this final recommendation is unchanged from the draft.

In accordance with its statutory authority to approve alternative methods of rate determination consistent with the Total Cost of Care Model and the public interest,¹ this recommendation identifies the following amounts of State-supported funding for fiscal year (FY) 2023 to the Chesapeake Regional Information System for our Patients (CRISP):

- Direct funding and matching funds under Medicaid Enterprise System (MES) Federal Programs for Health Information Exchange (HIE) operations and infrastructure (\$2.5 million)
- Direct funding and Medicaid Enterprise System (MES) matching funds for reporting and program administration related to population health, the Total Cost of Care Model, and hospital regulatory initiatives (\$3.8 million). Staff propose using \$1.5 million of accumulated reserves to reduce the revenue generated through rates for FY2023 to \$2.3 million for this component.

Therefore, Staff recommends that the HSCRC provide funding to CRISP totaling \$4.8 million for FY 2023, a decrease of \$4.4 million (48 percent) from FY 2022. As a result, the HSCRC will be funding approximately 19 percent of CRISP's Maryland funding, compared to budgeted 31 percent in FY 2022 (as federal funding was never lowered, actual FY22 share is closer to the FY23 budgeted of 19 percent). The remainder of

¹ MD. CODE ANN., Health-Gen §19-219(c).

CRISP’s Maryland funding is derived from user fees, federal matching funds and the Maryland Department of Health (MDH).

The significant decrease in the funding level is driven by 2 factors: (1) the change in federal matching rules anticipated in the prior year’s recommendation (that required more State funding) did not occur, resulting in a significant reduction in the required funding for FY 2023, and (2) the use of \$1.5 million in reserves related to accumulated CRISP funding from prior years (due to better than expected federal match) to offset the current request. Without the use of these reserves, this year’s request would have been \$6.3 million, reflecting a moderate increase over the approximately \$6 million anticipated in FY 2022 spending.

Staff note the net request of \$4.8 million is the lowest amount in CRISP funding since the Maryland Health Insurance Plan (MHIP) funding was terminated in FY 2020.

Background – Past Funding

Over the past ten years, the Commission has approved funding to support the general operations of the CRISP HIE and reporting services through hospital rates as shown in Table 1.

Table 1. HSCRC Funding for CRISP HIE and Reporting Services, Last 10 Years

| CRISP Budget: HSCRC Funds Received | |
|------------------------------------|-------------|
| FY 2013 | \$1,313,755 |
| FY 2014 | \$1,166,278 |
| FY 2015 | \$1,650,000 |
| FY 2016 | \$3,250,000 |
| FY 2017 | \$2,360,000 |
| FY 2018 | \$2,360,000 |
| FY 2019 | \$2,500,000 |
| FY 2020 | \$5,390,000 |
| FY 2021 | \$5,170,000 |
| FY 2022 | \$9,240,000 |

User fees generated by payers have historically been a small share of total CRISP revenue and remained unchanged since inception. In FY2022, the CRISP Finance Committee approved an increase of \$300,000 in payer fees, which now represents 10% of user fee revenue.

Funding Through Hospital Rates

Beginning in FY 2020, HSCRC assumed full responsibility for managing the CRISP assessment, previously shared with MHCC. CRISP-related hospital rate assessments are paid into an HSCRC fund, and the

HSCRC reviews the invoices for approval of appropriate payments to CRISP. This process – which includes bi-weekly update meetings, monthly written reports, and auditing of the expenditures – has created transparency and accountability. Starting in FY 2023, CRISP’s reimbursement from the HSCRC will be provided in two tranches: one relating to state match funding of core HIE operational costs and the other related to Reporting and Program Administration. This change is made to allow CRISP to recover operational reimbursement from the HSCRC in a timelier fashion.

Funding Through Federal Matching

HSCRC funding has been used to obtain federal matching funds throughout the history of the program. The federal match is obtained through the program outlined below. The HITECH IAPD program was previously the source of most federal funding, and it was terminated September 30, 2021. Funding has now moved to the MES program described below. The MES program requires 25 percent match for ongoing programs versus the 10 percent in place under IAPD

Medicaid Enterprise System (MES) Matching Funds

MES is a federal program designed to promote effective care for Medicaid beneficiaries through investments in information technology infrastructure. Medicaid benefits from CRISP’s data sharing and reporting initiatives through the care management and cost control initiatives facilitated for all Medicaid patients under CRISP all-payer activities and for dual-eligible patients under CRISP’s Medicare activities.

Activities funded under this element of the assessment include point-of-care and other provider data sharing initiatives, and CRISP reporting tools utilizing the Medicare claims and the HSCRC’s hospital case mix data. Hospitals, the HSCRC, and other stakeholders use CRISP reporting from these datasets to manage and track progress under several HSCRC programs and enable hospitals to identify and pursue care efficiency initiatives.

Under MES, state funds are eligible for either a 90 percent match for new reporting initiatives or a 75 percent match for ongoing reporting. The assessment funding will provide the State’s portion of this match.

Other Funding

CRISP’s Maryland activities are also financed through user fees paid by hospitals and payers as well as funding received from MDH (See Table 2). Payer user fees have historically been a small share of total CRISP revenue and remained unchanged since inception. In FY2022, the CRISP Finance Committee approved an increase of \$300,000 in payer fees, which now represents 10% of user fee revenue.

Description of Activities Funded

Activities funded directly by this assessment and from earned federal matching fall into the two categories described below. The descriptions below outline, in general terms, the programs for which funds will be used. Staff will direct funding to specific programs within the general parameters described.

Category 1: HIE Operations Funding and Infrastructure

The value of an HIE rests in the premise that more efficient and effective access to health information will improve care delivery while reducing administrative health care costs. The General Assembly charged the MHCC and HSCRC with the designation of a statewide HIE.² In the summer of 2009, MHCC conducted a competitive selection process which resulted in awarding state designation to CRISP, and HSCRC approved up to \$10 million in startup funding over a four-year period through Maryland's unique all-payer hospital rate setting system. CRISP maintained designation through multiple renewal processes, with the most recent occurring in 2019. HSCRC's annual funding for CRISP is illustrated in Table 1 above.

The use of HIEs is a key component of health care transformation, enabling clinical data sharing among appropriately authorized and authenticated users. The ability to exchange health information electronically in a standardized format is critical to improving health care quality and safety.

Many states, along with federal policy makers, look to Maryland as a leader in HIE implementation. CRISP continues to build the infrastructure necessary to support existing and future use cases and to assist HSCRC in administering per-capita and population-based payment structures under the Total Cost of Care Model. A return on the State's investment is demonstrated through implementation of a robust technical platform that supports innovative use cases to improve care delivery, increase efficiencies in health care, and reduce health care costs. MDH made extensive use of CRISP's capabilities during the COVID crisis.

The total amount of funding recommended by staff for FY 2022 for the HIE function is \$2.5 million.

Category 2: Reporting and Program Administration Related to Population Health, the Total Cost of Care Model, and Hospital Regulatory Initiatives

These initiatives were designed to reduce health care expenditures and improve outcomes for all Marylanders. Many of these programs focus on unmanaged high-needs Medicare patients and patients dually eligible for Medicaid and Medicare, consistent with the goals of Maryland's All-Payer Model. These initiatives encourage collaboration between and among providers, provide a platform for provider and patient engagement, and allows for confidential sharing of information among providers. To succeed under

² MD. CODE ANN., Health-Gen §19-143(a).

the Total Cost of Care (TCOC) Model, providers will need a variety of tools to manage high-needs and complex patients that CRISP is currently working to develop and deploy.

Based on broad program participation, including non-hospital providers, and the ability to secure federal match funds, these programs will be funded through a combination of assessments and federal matching funds. This recommendation covers three components:

- (1) Funding for population health and cost and quality management reporting in support of HSCRC regulations and the TCOC Model
- (2) Funding for program administration related to programs under the TCOC Model
- (3) Funding for innovative reporting initiatives such as enhanced data on social determinants of health and the integration of electronic health record data into statewide hospital quality measurement

The total amount of funding recommended by staff for FY 2021 for the activities described above is \$3.8 million.

Staff Recommendation

Staff is recommending the Commission approve a total of \$4.8 million in funding through hospital rates in FY 2023 to support the HIE and continue the investments made in the TCOC Model initiatives through both direct funding and obtaining federal MES matching funds. Staff anticipates actual CRISP spending of \$6.3 million but proposes to use \$1.5 million of prior reserves, limiting the actual assessment to \$4.8 million.

Table 2 shows the funding through hospital rates and the federal match that will be generated from the MES funding as well as the user fee and MDH funding.

Table 2. FY 2023 Recommended Rate Support for CRISP as a share of estimated total Maryland Funding

| FY 2023 Project Name | Hospital Rates | Federal Budgeted Funding | User Fees | Maryland Department of Health | Maryland Total |
|--------------------------------------|---------------------|--------------------------|--------------------|-------------------------------|---------------------|
| HIE Operations | \$2,500,000 | \$9,016,000 | \$5,005,000 | \$297,000 | \$16,818,000 |
| Reporting and Program Administration | \$3,800,000 | \$8,010,000 | \$0 | \$2,264,000 | \$14,074,000 |
| Other non-HSCRC programs | \$0 | \$1,578,000 | \$275,000 | \$857,000 | \$2,710,000 |
| Total Funding | \$6,300,000* | \$18,604,000 | \$5,280,000 | \$3,418,000 | \$33,602,000 |

| | | | | | |
|-------------------|------------|------------|------------|------------|-------------|
| % Of Total | 19% | 55% | 16% | 10% | 100% |
|-------------------|------------|------------|------------|------------|-------------|

*Note: Prior to reduction for use of accumulated reserves to reduce FY2023 assessment.