

DSS ID # _____

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATIONS

AGENCY SUBMITTING REGULATION Department of Social Services DATE 09/01/11

SUBJECT MATTER OF REGULATION Electronic Health Records Incentive

REGULATION SECTION NUMBER Section 4-168 New sections 17b-34-1 to 17b-34-11

OTHER AGENCIES AFFECTED None

EFFECTIVE DATE USED IN COST ESTIMATE 9/1/2011

ESTIMATE PREPARED BY Justine Quinn

QUESTIONS SHOULD BE ADDRESSED TO Lee Voghel TELEPHONE 424-5842

SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency Department of Social Services Fund Affected General

	SFY 2012	SFY 2013	TOTAL
Total State Cost/(Savings)	\$ 2,636,760	\$ 1,426,900	\$ 4,063,660
Estimated Revenue Gain/(Loss)	\$ 2,373,084	\$ 1,284,210	\$ 3,657,294
Total Net State Cost/(Savings)	\$ 263,676	\$ 142,690	\$ 406,366

EXPLANATION OF STATE IMPACT OF REGULATION:

EHR Incentive Program payments are available to Medical providers who meet certain criteria. Eligible providers may include physicians, nurse practitioners, certified mid-wives, dentists, physician's assistants, acute care and critical access hospitals, and children's hospitals. This proposed regulation change is requested to amend the Connecticut General Statutes section 4-168 to set guidelines for the Electronic Health Records (EHR) Incentive Program established under section 4201 of the American Recovery and Reinvestment Act ("ARRA") as provided under USC §1396(a)(3)(F) and 1396b(t)

The regulations seek to set the requirements that shall be satisfied for providers to qualify as a participant in the EHR Incentive Program and the criteria that shall be met for qualifying providers to receive incentive payments for adopting, implementing and/or upgrading electronic health records technology.

The regulation change sets forth:

1. The purpose and scope of the EHR incentive program
2. Definitions
3. General provider participation requirements
4. Meaningful use objectives and measures
5. Requirements for demonstrating meaningful use
6. The Methodology for calculating patient volume
7. Payment provisions
8. Verification and audit requirements
9. Provider appeal rights

FINANCIAL IMPACT:

This Federal program currently runs through 2021. The costs approved in the IAPD covered staffing, contractual, and incentive payments for the first five years of this program. The total amounts as approved in the IAPD are \$100,017,905 in incentive payments and \$12,087,227 in staffing and contractual expenses. Since the approval of the IAPD, new estimates for the incentive payments have been lowered to \$89,103,389 for this same 5 year period. Staffing and contractual costs estimates remain unchanged.

Incentive payments are 100% Federally funded. They are estimated at \$29,883,240 in SFY 2012 and \$24,749,943 in SFY 2013. Staffing and contractual expenditures receive 90% FMAP, shown below.

	SFY 12	SFY 13	TOTAL
Staffing	\$ 424,159	\$ 712,876	\$ 1,137,035
Contracts	\$ 2,212,601	\$ 714,024	\$ 2,926,625
Total	\$ 2,636,760	\$ 1,426,900	\$ 4,063,660
Less 90% FMAP	\$ 2,373,084	\$ 1,284,210	\$ 3,657,294
Total Cost to State	\$ 263,676	\$ 142,690	\$ 406,366
Incentive Payments	\$ 29,883,240	\$ 24,749,943	\$ 54,633,183

The net cost to the state is \$263,676 in SFY 2012 and \$142,690 in SFY 2013.

MUNICIPAL IMPACT: None.