Program Information Notice

DATE: October 7, 2010 DOCUMENT NUMBER: ONC-REC-PIN-005

SUBJECT: Policy for Accessing Direct and Core Assistance Funds as Part of the Regional Extension Center (REC) Cooperative Agreement Program

TO: Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program Grantees

As stated in the Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program Funding Opportunity Announcement and Grant Application Instructions (FOA), the Office of the National Coordinator for Health Information Technology (ONC) may provide ongoing program guidance to successful award recipients. The purpose of this Program Information Notice (PIN) is to clarify the process by which regional extension centers (RECs) can access the core and direct assistance funds that are part of their cooperative agreement.

If you have any questions or require further guidance, please contact the Regional Extension Center Division of the Office of Provider Adoption Support at regional-center-applications@hhs.gov.

Sincerely,

/ David Blumenthal /

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National Coordinator for Health Information Technology
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PURPOSE

The purpose of this Program Information Notice (PIN) is to clarify the Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program Funding Opportunity Announcement, and more specifically, clarify the process by which regional extension centers (RECs) can access core and direct assistance funds in a way that supports their cash flow needs and protects the ONC's programmatic goals of ensuring that 100,000 providers achieve meaningful use.

APPLICABILITY

This policy is applicable to all RECs which enter into cooperative agreements with ONC under the Health Information Technology Extension Program to support priority primary-care providers which seek to implement certified electronic health record (EHR) technology and achieve meaningful use.

BACKGROUND

The current "Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program" Funding Opportunity Announcement and Grant Application Instruction under Section II. Award Information, Item 2 Years One-Two Funding (FY 2010-2011) Core Support and Direct Assistance Support sections provide as follows:

"Core Support – This funding will be used for outreach and educational activities, grants and program management, local workforce support, and participation peer-learning and knowledge transfer activities facilitated by the HITRC. We anticipate an award value expected to average between approximately $500,000 and $750,000 per Center per year for these core activities for each of the two years of the initial budget period. This funding is released upon the submission and approval of the recipient organization's Operational Plan and budget.

Direct Assistance Support – This funding will be used for providing direct onsite technical assistance to providers. In addition to the Core Support Funding, approximately $500 million will be allocated among the successful applicants in proportion to the number of priority primary-care providers to receive direct technical assistance during the initial budget period, as established in each Regional Center's award. This funding will be released quarterly based on the number of identified providers that have achieved specific milestones within the preceding quarter."

The key provider-specific milestones include:

- Signed technical assistance contracts between the Regional Center and provider (with receipt of any participation fees required);

- Documentation of Go-Live status on a certified EHR, with active quality reporting and electronic prescribing;

- Meeting the meaningful use criteria established by the Secretary."

PROCESS

1. All RECs are required to submit an Operations Plan that describes the award recipient's plans to achieve the key milestones.

2. Once the Operations Plan is approved by the REC project officer, RECs will be able to access "core funding" for the first year, which should be between $500,000 and $750,000. Access to

these funds is contingent upon formally submitted quarterly updates to the Operations Plan that are approved and signed by the REC project officer. The submitted, signed Operations Plan is the first milestone for Core Support purposes. These funds are intended to help the REC with start up costs associated with the program.

3. RECs will also be given access to the Direct Assistance funds that are necessary for the first two quarters (six months) of the program. The dollar amount released will be based on the identified milestones for the first two quarters (six months) of the program's operations.

4. On a monthly basis, staff from the Office of Grants Management (ONC grants staff) will provide Payment Management System (PMS) reports to the REC project officer to review. The REC project officer will evaluate the progress made against the milestones agreed upon in the Operations Plan, specifically monitoring the rate at which the REC is drawing down the direct funds when compared to the achievement of milestones as recorded in the Customer Relationship Management (CRM) tool.

    a. Initially, ONC program staff (i.e., the REC project officer and the ONC grants staff) will work together to determine if the draw down rate is appropriate, and they will work to establish a customized variance threshold for each REC.

    b. The ONC program staff will alert the ONC grants staff if the REC's draw down rate exceeds the variance threshold based on the PMS reports and information reported in the CRM. The ONC grants and program staff will then discuss the REC to better understand why the withdrawal rate exceeded the variance threshold.

5. On a quarterly basis after the release of the initial funding amount, the ONC grants staff and program office will analyze the outcomes from the monthly evaluations and the achievement of specific milestones within the preceding quarter, and determine the status of the grantee. There are three possible status options: "on-target," "marginal," or "restricted."

    a. "On-target" means all milestones are met within the acceptable variance.

    b. "Marginal" means that grantee exceeded the variance threshold for two of the three (3) months in the first quarter. This will result in the REC being put on the REC watch list for the next three months. Furthermore, the grantee will be notified that they are in jeopardy of funding being restricted should they remain outside the variance threshold during the designated period. Marginal grantees will be asked to complete a "Mitigation Plan."

    c. "Restricted" means that a grantee is persisting outside the variance threshold. An REC becomes restricted if withdrawals are outside the variance threshold for three consecutive months, or the REC has an exceptional variance[1] for any one month in a quarter. Funding for a restricted REC will be restricted in the PMS system. Restricted grantees will be asked for a corrective action plan (CAP). The CAP will include a description of the milestones missed, why they were missed, why funds were drawn-down toward the milestones that were not met, and the plan/timeframe to get back on target with the originally submitted Operations plan.

6. After each quarter of reviews, we will release the next three (3) months of funding for on-target grantees (for a total of six months of available funding). For "marginal" grantees, no new funding will be released (leaving three months of available funding). "Restricted" grantees will be

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[1] An exceptional variance is one that is equal to or greater than the total number of milestones in a month according to the operations plan.

immediately placed on restriction in the PMS system. ONC program staff will continue reviews as noted above for the remaining quarters of the cooperative agreement project period for RECs at each status level.