

HEALTH INITIATIVE
Not Alone, Better Health

The American Recovery and Reinvestment Act and Health Information Technology

eHealth Initiative Presentation at the Minnesota Healthcare BizTech Forum

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eHealth Initiative and Foundation (eHI) Who We Are

- **Independent, non-profit affiliated organization based in Washington, D.C. 501 (c)3 and 501 (c)6**
- **Our mission is to improve the quality, safety, and efficiency of healthcare through information and information technology**
- **Multi-stakeholder collaborative, engaging leaders across every sector of healthcare**
- **eHI's diverse membership includes more than 165 organizations from every sector of healthcare.**

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What Does eHI Do?

- **Public Policy Organization**
 - Monitor, Assess and Influence Public Policy
- **Convener and Consensus-BUILDER**
 - Build and Widely Disseminate Multi-Stakeholder Consensus on Common Principles, Policies, and Strategies
- **Learning Labs**
 - Medical Product Safety
 - Comparative Effectiveness
 - Chronic Care Management
- **Implementation Assistance Provider**

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Multi-Stakeholder Membership

- **Consumer and Patient Groups**
- **Clinicians, Hospitals and other providers**
- **Employers and health care purchasers**
- **Health Plans**
- **Health Information Technology Suppliers**
- **Pharmacy Organizations**
- **Pharmaceutical and medical device manufacturers**
- **Public Health agencies**
- **Laboratories and other ancillary providers**
- **Quality organizations**
- **Academic Institutions**
- **State, regional and community based organizations**

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eHI Members Include Minnesota-Based Organizations

- **3M**
- **Mayo Clinic**
- **Minnesota Department of Health**
- **SureScripts**

And Many More ...

- **AARP**
- **American Cancer Society**
- **American Hospital Association**
- **AT&T**
- **Blue Cross/Blue Shield**
- **Booz Allen Hamilton**
- **CVS Caremark**
- **Eli Lilly & Co.**
- **Ford Motor Company**
- **GlaxoSmithKline**
- **HLTH Corporation/WebMD**
- **IBM Corporation**
- **Johnson & Johnson**
- **Microsoft**
- **New York eHealth Collaborative**
- **PriceWaterhouseCoopers**
- **Siemens Corporation**
- **Vanderbilt University Medical Center & Vanderbilt Center for Better Health**
- **Walgreens**

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Key Resource for Groups Seeking to Understand Economic Stimulus

- **eHI is helping stakeholders (from every sector of healthcare) understand, respond to, and inform rapidly emerging policy related to the American Recovery and Reinvestment Act (ARRA)**
- **eHI is providing implementation assistance to support adoption**
- **eHI is supporting effective use of the electronic data and health IT to improve quality, safety, and efficiency**

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Fast Adoption, Better Health

Why is eHealth Important?

- **Health information technology (Health IT) allows comprehensive management of medical information and its secure exchange between health care consumers and providers.**
- **Broad use of health IT will:**
 - Improve health care quality
 - Prevent medical errors
 - Reduce health care costs
 - Increase administrative efficiencies
 - Decrease paperwork
 - Expand access to affordable care

Source: US Department of Health and Human Services, <http://healthit.hhs.gov>

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The American Recovery and Reinvestment Act

- **\$2 billion in direct funding for health IT efforts, channeled through the Office of the National Coordinator**
 - \$300 million reserved for supporting regional health information exchange efforts
- **Incentives through Medicare and Medicaid to providers and hospitals that adopt and use health IT systems**
 - The Medicare and Medicaid incentive program, starting in 2011, will provide up to \$36 billion through 2019.
 - Medicare penalties will cost non-adopters \$4 billion through 2019
 - The program is expected to reduce federal spending by approximately \$13 billion through 2019

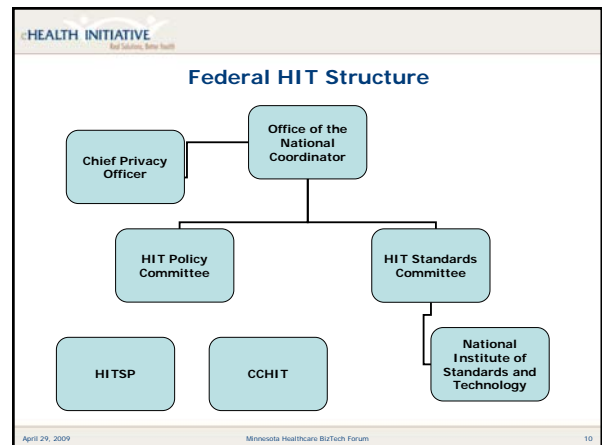
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More Money for Health IT

- **Other HIT and Related Funding**
 - \$85 million for the Indian Health Service to use on health IT
 - \$1.5 billion for community health centers, a sum that can be used toward health IT acquisition
 - \$500 million for the Social Security Administration for processing disability and retirement workloads, of which up to \$40 million may be used for health IT research and adoption
 - \$1.1 billion to AHRQ, HHS, and the NIH for comparative effectiveness research

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HIT Policy and Standards Committee

- **HIT Policy Committee**
 - Recommend a policy framework for development and adoption of a nationwide health information technology infrastructure
 - Recommend and prioritize areas in which standards, implementation specifications, and certification criteria are needed
- **HIT Standards Committee**
 - Recommend to National Coordinator standards, implementation specifications, and certification criteria
 - React to Policy Committee recommendations of areas where standards are needed
 - Will, as appropriate, provide for testing by NIST

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Federal Health Information Technology

- **National Coordinator shall support the development and updating of quality EHR technology unless Secretary determines through an assessment that the needs and demands of providers are being substantially and adequately met through marketplace**
- **May impose a nominal fee**

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Grants and Loans

- Secretary shall invest through different agencies with expertise (ONC, HRSA, AHRQ, CMS, CDC, IHS)
- Covers health IT architecture, EHR adoption, training and dissemination of best practices, etc.

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State Grants (required)

- Established through the National Coordinator
- Planning and implementation grants
- Targeted to states or qualified state-designated entities (not for profit)
- Principal goal is to improve health care through exchange and use of health information)
- Required matches beginning in 2011

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Grants to States and Indian Tribes for Loan Programs (optional)

- Provides competitive grants to states and Indian Tribes
- Entities receiving grants use the money to create loan programs to support provider adoption of EHRs
- Enables use of private sector contributions

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Education Assistance

- Establish or expand medical informatics education programs
- Award grants to support the creation of demonstration projects to integrate electronic health records into the clinical education of health professionals

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Implementation Assistance

- Health IT Extension Program**
 - Created to provide assistance to providers in adopting, implementing and using EHRs
- Health IT Research Center**
 - Created to provide technical assistance and develop or recognize best practices to support and accelerate efforts to adopt, implement, and use EHRs
- Health IT Regional Extension Centers**
 - Will provide technical assistance and disseminate best practices (affiliated with non-profit organizations) to support public/not-for-profit hospitals, federally qualified health centers, rural/underserved, individual or small group practices

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Key Elements Medicare Incentives for Professionals

Year	Maximum Benefit per Provider using EHR	Total Payment Reduction for Not Using EHR
First Year	\$15,000 (If 2011 or 2012, \$18,000)	0%
Second Year	\$12,000	0%
Third Year	\$8,000	0%
Fourth Year	\$4,000	0%
Fifth Year	\$2,000	2015: 1% (In some cases, 2%)
Sixth Year	0	2016: 2%
2017	0	2017: 3%
Beyond	0	Beyond: 3% (or more)

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Key Elements Medicare Incentives for Professionals

- If physicians are using a qualified EHR in 2011 or 2012, they can receive up to \$44,000 through Medicare
- Physicians practicing in "health professional shortage areas" can receive a 10% additional payment, for a total of \$48,400
- Full payment applies only if physician is seeing enough Medicare patients to meet threshold
- Applies to all physicians who can prove use of a qualified EHR, regardless of purchase date
- Meaningful EHR User
 - Using certified EHR technology to the Secretary's satisfaction
 - Demonstrates information exchange
 - Reports clinical quality measures

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Key Elements Medicare Incentives for Hospitals

- Hospitals can receive payments over four years if they are using health IT starting in 2011-2013
- Hospitals can annually receive payments based on:
 - Initial amount of \$2 million, plus
 - a \$200 per-discharge payment for a hospital's 1,149th through 23,000th discharges (all discharges?)
- Paid only a pro-rated amount of the total based on Medicare share and transition factor
- Phased out over four years
- Medicare Payments reduced for non-users beginning in 2015

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Key Elements Medicaid Program

- Pays states to provide health IT Medicaid incentive payments to supports costs incurred (net allowable cost of up to \$65,000 over five years) by Medicaid providers when acquiring, implementing and maintaining EHRs.
- Hospitals eligible for payments as well, using similar formula to Medicare incentives for hospitals
- Potential recipients include:
 - Eligible professionals
 - Federally qualified health centers
 - Rural health clinics
 - Children's hospitals
 - Non-hospital-based pediatricians
 - Certain acute care hospitals

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Incentive Numbers

- Congressional Budget Office Estimates (2011-2019)
 - Medicare physician bonuses = \$15.2 billion
 - Medicare hospital payments = \$8.7 billion
 - Medicare physician penalties = -\$1.3 billion
 - Medicare hospital penalties = -\$2.6 billion
 - Medicaid physician bonuses = \$10.3 billion
 - Medicaid hospital bonuses = \$2.3 billion
 - Change in federal spending on benefits = -\$13.2 billion

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Adoption Rates

- Congressional Budget Office Estimates

Adoption Rate under Prior Law	2009	2014	2019
- Physician	20%	40%	65%
- Hospital	10%	25%	45%
- Critical Access Hospitals	5%	15%	20%

Adoption Rate under ARRA	2009	2014	2019
- Physician		85%	90%
- Hospital		55%	70%
- Critical Access Hospitals		45%	50%

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Key Elements Privacy Provisions

- Privacy and security provisions extended to business associates both directly and through contracts
- Notification of breach
- Enables patients to request an audit trail
- Places prohibitions on sale of protected health information
- Patient authorization required for marketing and fundraising activities
- Business associate contracts required for new groups, including health information exchanges
- Civil penalties increased through four tiers, according to severity of violation
- Enforcement through state attorneys general

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What's Already Happened

- **Appointment of new National Coordinator, David Blumenthal, MD**
- **Appointment of HIT Policy Committee (17 of 20 members to date)**
- **Release of Guidance on Protecting Personal Health Information**
- **Release of Proposed Interim Breach Notification Rules for Personal Health Records**

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Key Dates In the Future for ARRA

- **Soon**
 - Completion of HIT Policy Committee membership
 - Appointment of HIT Standards Committee
- **90 Days After Passage (Approx. May 15/18)**
 - 2009 Operating Plan for the National Coordinator must be released by approximately May 17
 - HIT Standards Committee must develop a schedule for evaluating recommendations from the HIT Policy Committee
 - HHS must publish a draft description of the new HIT Regional Extension Centers, including program goals, application procedures, eligibility criteria, and maximum support levels

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Key Dates In the Future for ARRA

- **Dec 31, 2009**
 - HHS adopts an initial set of standards, implementation and certification criteria to guide adoption for the Medicare and Medicaid incentives
- **Jan 1, 2010**
 - HHS may begin funding state loan programs that support HIT adoption
- **Unknown**
 - Release of information on state grants
 - Details of expending \$300 million to support health information exchange
 - Much more

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Key Challenges in the Future

- **Financial incentives are necessary but not sufficient to bring about the adoption and use of HIT**
- **Being a Meaningful User**
- **More than putting a computer in a doctor's office; avoid automating flawed or inefficient processes**
- **"Boots on the ground"**
 - Regional extension centers
 - DOQ-IT Lessons
- **Functions v. outcomes**

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Health IT At Bat ... Casey or the Babe?



No Joy in Mudville



The Called Shot

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eHI Contact Information

- **For more information on the eHealth Initiative**
 - Membership, contact Claudia Ellison, claudia.ellison@ehealthinitiative.org
 - Public Policy, contact Brian Wagner, brian.wagner@ehealthinitiative.org

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