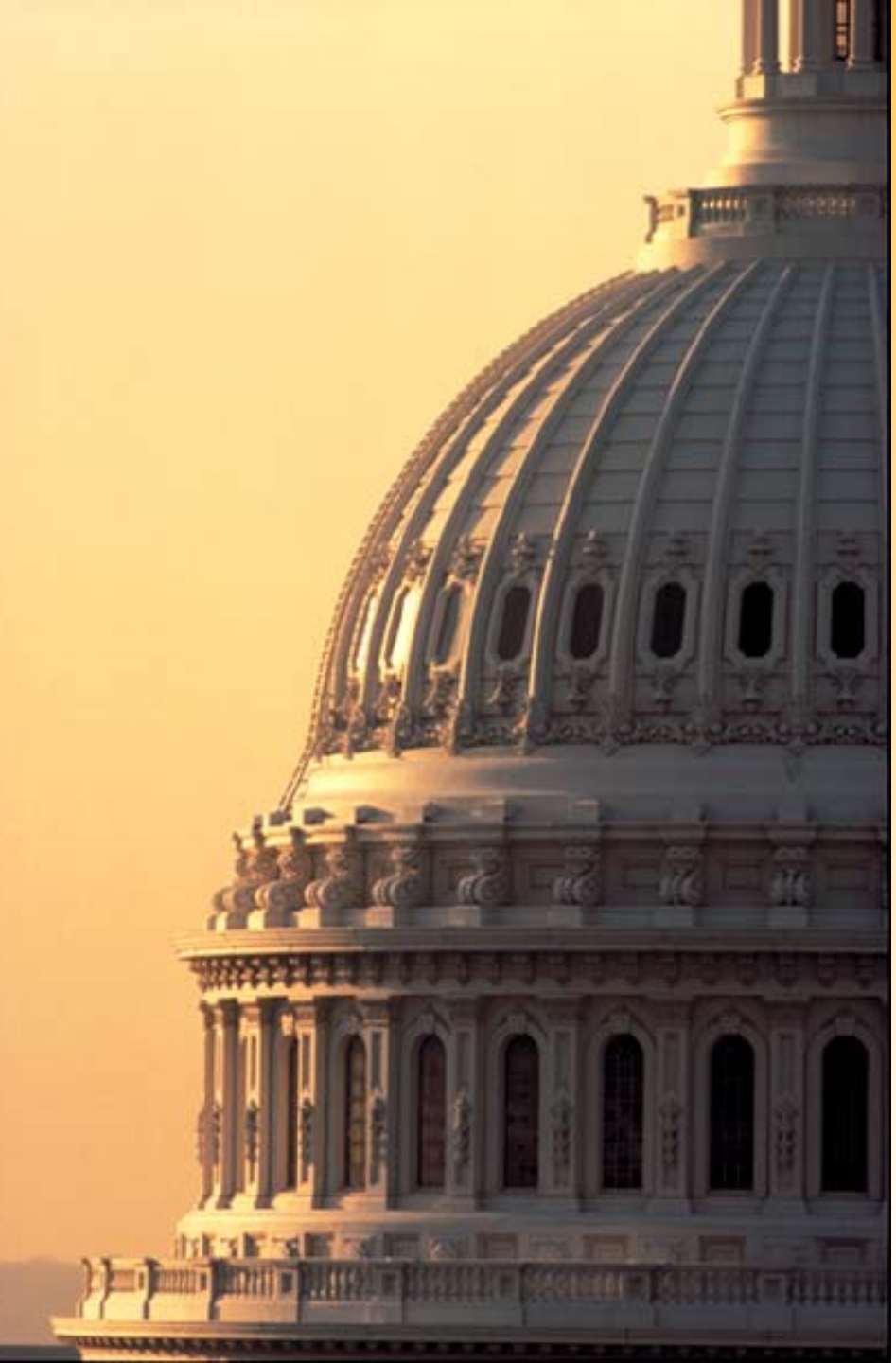


Increasing Momentum Around Health Information Technology at the National and Local Levels: What it Means for Disease Management

Disease Management Colloquium
Philadelphia, PA

Janet M. Marchibroda
Chief Executive Officer
eHealth Initiative and Foundation
June 2005

eHEALTH INITIATIVE
Real Solutions, Better Health

Overview of Discussion

- Understanding the National HIT Agenda: What's Happening?
  - Administration
  - Congress
  - Private Sector
- Overview of State, Regional and Community-based HIT and Health Information Exchange Initiatives or "RHIOs"
- What Does This Mean for Disease Management?

Understanding the National Agenda

- Enormous momentum around HIT and health information exchange both within Administration *and* Congress
- Key themes
  - Need for standards and interoperability – clear roadmap
  - Need for incentives – roadmap not yet clear
  - National standards – implemented locally within regions
  - Public-private sector collaboration

Two Key Drivers for HIT

- Movement on quality, safety and efficiency
- Movement on HIT in general – particular focus on interoperability

Increasing Interest in Pay for Performance and Quality

- Large private sector purchasers and CMS increasing interest in quality within ambulatory care… *Bridges to Excellence* a key player
- National Quality Forum getting consensus on ambulatory care measures
- House and Senate considering pay for performance or incentives legislation
- MedPAC recommends pay for performance
- Budget Reserve Fund offers opportunity for testing financing options

Increasing Interest in HIT

- Members of Senate and House have also introduced legislation related to HIT….more to come
- President created sub-cabinet level position – National Coordinator for Health Information Technology and David J. Brailer, MD, PhD appointed in July 2004
- Secretary Leavitt has made interoperability and HIT a *key part of his agenda over the coming year*

Increased Momentum within Congress

- Significant increase in level of activity both within House and Senate
- Will see some action this year
  - HIT legislation – role of government, language related to standards
  - Pay for performance and incentives for both quality and HIT

Legislation Already Introduced

- Budget Reserve Fund included in Conference Report
- S. 16 - Affordable Health Care Act (Kennedy, D- MA)
- S. 544 - Public Health Service Act (Jeffords, Gregg, Enzi, Bingaman, Frist and Murray)
- HR 747 - National Health Information Incentive Act (McHugh, R-NY and Gonzalez, D-TX)
- 21st Century Health Information Act (Kennedy D-RI, Murphy R-PA)
- Health Information Technology Act of 2005 (Stabenow D-MI and Snowe)
- Health Technology to Enhance Quality Act of 2005 (Frist R-TN, Clinton D-NY)

Budget Reserve Fund

- The Budget Resolution permits the Committee on Finance or the Committee on Health, Education, Labor, and Pensions to report legislation that —
  - Provides incentives or other support for adoption of modern information technology to improve quality in health care; and
  - Provides for performance-based payments that are based on accepted clinical performance measures that improve the quality in healthcare
  - If such legislation is deficit neutral for the period of fiscal years 2006 through 2010.

21st Century Health Information Act

- H.R. (Murphy, R-PA and Kennedy, D-RI)
  - Grants for regional health information exchange networks
  - Medicare/Medicaid participating physicians using IT
  - Authorizes certification program for software applications
  - Federal funds restricted to certified IT products
  - New exception for Stark and anti-kickback within context of community plan

Health Information Technology Act of 2005 (Stabenow, Snowe)

- Grants to hospitals ($250m), SNFs ($100m), federally qualified health centers ($40m), physicians, and physician group practices ($400m)
- Development and adoption of standards within two years

Health Technology to Enhance Quality Act of 2005 (Frist, Clinton)

- Authorizes Office of National Coordinator
- Sets up collaborative process for identifying and adopting standards
- Implements standards (mandatory in federal government, voluntary in private sector)
- Designates that private entities will certify
- Identifies laws that may be barriers to electronic exchange and provides funding to states to begin harmonizing laws
- Authorizes $125 million in grants to local or regional collaborations for HIT infrastructure

Health Technology to Enhance Quality Act of 2005 (Frist, Clinton)

- Exemptions from Stark & Anti-Kickback laws
- Directs HHS, DoD, VA and others to adopt uniform healthcare quality measures – mandatory for government, voluntary for private sector
- Establishes collaborative efforts with private sector to encourage use of healthcare quality measures adopted by Secretary
- Requires comparative quality reports on federal healthcare programs
- Establishes 3 budget neutral value-based purchasing programs for Medicare, Medicaid and Community Health Centers, includes HIT provisions and reporting of quality information

Legislation Being Drafted

- Healthcare Information Technology Improvement Act of 2005 (Enzi – R-WY)
  - Authorizes entity to support the development and adoption of standards
  - Authorizes demonstration programs to support health information networks
- Movement in House Ways and Means and Senate Finance on pay for performance

Leadership from Administration

- President George W. Bush creates new sub-cabinet level position
- Secretary Tommy Thompson appoints David J. Brailer, MD, PhD National Coordinator for HIT
- Strategic Framework released in July 2004
- RFP for National Health Information Network released with January 2005 due date…results just released
- Secretary Michael Leavitt personally playing a significant role
- Four RFP's released this month

DHHS Secretary Leavitt's 500-Day Plan

- Care for the truly needy, foster self-reliance
- National standards, neighborhood solutions
- Collaboration, not polarization
- Solutions transcend political boundaries
- Markets before mandates
- Protect privacy
- Science for facts, process for priorities
- Reward results, not programs
- Change a heart, change a nation
- Value life

Secretary Leavitt's June Announcement

- Creation of American Health Information Community (AHIC)
  - Formed under auspices of FACA, it will provide input and recommendations to HHS on how to make health records digital and interoperable and assure that privacy and security are protected
  - 17 Commissioners – soliciting nominations from consumer groups, providers, payers, hospitals, vendors, privacy interests, and any other member of public
  - Dissolution within two to five years with goal of creating self-sustaining, private sector replacement

American Health Information Community Deliverables

- Adoption of non-governmental standard-setting and certification processes
- Groundwork for a national architecture that allows data to be shared securely using the Internet
- Applications that provide immediate benefits (drug safety, lab results, bioterrorism surveillance, etc.)
- Transition to a private-sector health information community initiative that will provide long-term governance

Four RFP's on Interoperability and Health Information Sharing Policies

1. Contract to develop, prototype, and evaluate feasibility and effectiveness of a process to unify and harmonize industry-wide health IT standards development, maintenance and refinements over time – awarded by September 2005
2. Contract to develop, prototype, and evaluate compliance certification process for EHRs, including infrastructure or network components through which they interoperate – awarded by September 2005

Four RFP's on Interoperability and Health Information Sharing Policies

3. Contract to assess and develop plans to address variations in organization-level business policies and state laws that affect privacy and security practices, including those related to HIPAA – awarded by September 2005
4. Six contracts for the development of designs and architectures that specify the construction, models of operation, enhancement and maintenance, and live demonstrations of the Internet-based NHIN prototype – awarded in FY 2006

U.S. Office of National HIT Coordinator July 2004 Framework for Strategic Action

1. Inform Clinical Practice
   - Incentivize EHR Adoption
   - Reduce risk of EHR investment
   - Promote EHR diffusion in rural and underserved areas
2. Interconnect Clinicians
   - Foster regional collaborations
   - Develop a national health information network
   - Coordinate federal health information systems

U.S. Office of National HIT Coordinator July 2004 Framework for Strategic Action

3. Personalize Care
   - Encourage use of PHRs
   - Enhance informed consumer choice
   - Promote use of telehealth systems
4. Improve Population Health
   - Unify public health surveillance architectures
   - Streamline quality and health status monitoring
   - Accelerate research and dissemination of evidence

U.S. Agency for Healthcare Research and Quality

$139 million in grants and contracts for HIT

- Over 100 grants to support HIT – 38 states with special focus on small and rural hospitals and communities - $96 million over three years
- Five-year contracts to five states to help develop statewide networks – CO, IN, RI, TN, UT - $25 million over five years
- National HIT Resource Center: collaboration led by NORC and including eHealth Initiative, CITL, Regenstrief Institute/Indiana University, Vanderbilt and CSC - $18.5 million over five years

Centers for Medicare & Medicaid Services Initiatives Linking Quality and HIT

- Section 649 – Pay for Performance Demonstration Programs – link payment to better outcomes and use of HIT – launched last month
- Quality Improvement Organizations playing a critical role…. Doctors Office Quality – Information Technology Program (DOQ-IT) – technical assistance for HIT in small physician practices included in eighth scope of work
- Chronic Care Demonstration Program – linking payment to better outcomes – IT a critical component
- Section 646 “area-wide” demonstration expected this summer

Centers for Disease Control and Prevention HIT Initiatives Supporting Public Health

CDC launches Biosense Program

- National initiative to enhance nation's capability to rapidly detect, quantify, and localize public health emergencies by accessing and analyzing health data
- This program will establish near real-time electronic transmission of data to local, state and federal public health agencies from national, regional and local health data

Increased Momentum in Private Sector

- Several large employers and health plans now providing incentives to practicing clinicians, hospitals and other providers for improving quality using HIT (e.g. Bridges to Excellence)

- Connecting for Health, a public-private collaborative
  - *Roadmap for Electronic Connectivity*
  - 13 organizations collaboratively respond to RFI for National Health Information Network
  - Prototypes for record locator service

- eHealth Initiative's Connecting Communities for Better Health Program providing seed funding and technical support to states, regions and communities involved in health information exchange

- Launch of the Commission Certification for HIT

Overview of HIT and Health Information Exchange Activities at the State, Regional and Local Levels

Why Health Information Exchange?

- U.S. healthcare system highly fragmented….data is stored--often in paper forms—in silos, across hospitals, labs, physician offices, pharmacies, and insurers
- Public health agencies forced to utilize phone, fax and mail to conduct public health surveillance, detection, management and response
- Physicians spend 20 - 30% of their time searching for information…10 - 81% of the time, physicians don't find information they need in patient record
- Clinical research hindered by paper-based, fragmented systems – costly and slow processes

Health Information Exchange Value

- Standardized, encoded, electronic HIE would:
  - Net Benefits to Stakeholders
    - Providers - $34B
    - Payers - $22B
    - Labs - $13B
    - Radiology Centers - $8B
    - Pharmacies = $1B
  - Reduces administrative burden of manual exchange
  - Decreases unnecessary duplicative tests

Center for Information Technology Leadership 2004

Why State and Regional Activities?

- Wide-spread recognition of the need for health information technology and exchange/ interoperability at the national level
- While federal leadership and national standards are needed, *healthcare indeed is local* and leadership is needed at the state, regional and community levels across the country
- Collaboration and development of consensus on a shared vision, goals and plan is needed among multiple, diverse stakeholders at the *state and regional level* in order to effectively address healthcare challenges through HIT and health information exchange

Source of Data for Following Overview

- Qualitative and quantitative data from the following three programs:
  - eHealth Initiative Foundation's Connecting Communities for Better Health Program, conducted in cooperation with DHHS (HRSA in years one and two, ONCHIT in year three)
  - eHealth Initiative's State and Regional HIT Policy Summit Initiatives
  - AHRQ National Resource Center for Health Information Technology, of which eHI Foundation is a key partner

eHealth Initiative's Connecting Communities for Better Health Program

- $11 million program in cooperation with U.S. Health Resources and Services Administration/DHHS
- Provides seed funding to regional and community-based multi-stakeholder collaboratives that are mobilizing information across organizations
- Mobilizes pioneers and experts to develop resources and tools to support health information exchange: technical, financial, clinical, organizational, legal
- Disseminates resources and tools and creates a place for learning and dialogue across communities

eHI State and Regional HIT Policy Summit Initiative

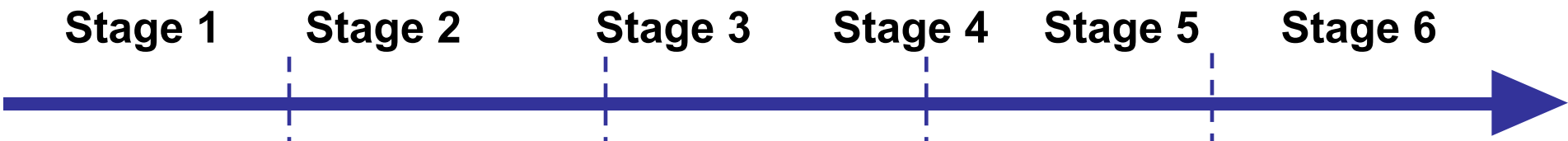
- Extension of eHI's Connecting Communities for Better Health Program and in collaboration with the Agency for Healthcare Quality Research and Quality National Resource Center.
- Catalyzing efforts by supporting dialogue amongst state and regional policy-makers, healthcare leaders and business community on HIT and health information exchange
- Raising awareness of legislative or regulatory barriers to the use of HIT and health information exchange at the state level
- Bringing the experiences of state and regional experiences to the national policy dialogue on HIT

AHRQ National Resource Center for HIT

Goal: Increase the adoption of health information systems to improve patient safety and quality of care and conduct research on take-up and impacts

- eHealth Initiative Foundation proud partner of AHRQ National Resource Center for HIT which is led by National Opinion Research Center (NORC). Other partners include:
- Three academic thought leaders:
  - Indiana University/Regenstrief
  - Vanderbilt University
  - Center for Information Technology Leadership / Partners
- Burness Communications: Policy-focused Public Relations
- BL Seamon Corporation: Logistical and coordination support
- Computer Sciences Corporation: Technology design and support services

Stage of Health Information Exchange Programs



Stage 1

- **12% (vs. 23%)**
- Recognition of the need for HIE among multiple stakeholders in your state, region, or community

Stage 2

- **15.5% (vs. 27%)**
- Getting organized
- Defining shared vision, goals, & objectives
- Identifying funding sources
- Setting up legal & governance structures

Stage 3

- **11% (vs. 25%)**
- Transferring vision, goals, & objectives to tactics and business plan
- Defining needs and requirements
- Securing funding

Stage 4

- **34% (vs. 16%)**
- Well under-way with implementation – technical, financial, and legal

Stage 5

- **14% (vs. 9%)**
- Fully operational health information organization
- Transmitting data that is being used by healthcare stakeholders
- Sustainable business model

Stage 6

- **12% (new category)**
- Demonstration of expansion of organization to encompass a broader coalition of stakeholders than present in the initial operational model

eHEALTH INITIATIVE
Real Solutions, Better Health

Significant Drivers: Rank Order

- Inefficiencies experienced by providers
- Rising healthcare costs
- Increased attention on HIT at national level
- Availability of grant funding for HIE
- Demand for performance information from purchasers or payers
- Public health surveillance

Most Difficult Challenges for Health Information Exchange

- Securing upfront funding
- Achieving sustainability
- Understanding the standards
- Engaging health plans and purchasers in coverage area
- Accurately linking patient data
- Addressing technical aspects
- Engaging labs in your coverage area

Other Key Barriers

- Lack of standards
- Lack of trust
- Issues around data ownership
- Lack of awareness about importance
- High vendor implementation cost
- Product maturity
- Concerns about migration for small physician practices

Functionalities of Health Information Exchange Initiatives

- Repository
- Clinical documentation
- Consultations or referral
- Results delivery
- Enrollment checking & eligibility
- Quality performance reporting
- Alerts to providers
- Disease or chronic care management
- Public health surveillance

Data Currently Provided or Expected to Provide Within Six Months

- Laboratory
- Enrollment/eligibility
- Outpatient episodes
- Inpatient episodes
- Radiology
- Pathology
- Claims
- ED episodes
- Dictation/transcription
- Prescription information

Technical Model and Architecture: Fairly Evenly Distributed Across All

- Fully integrated repository or database
- Federated database with differing data models and standardized middleware
- Federated with heterogeneous software using a standardized data model
- Federated with homogenous data repositories

Emerging Guiding Principles

- **Approach for Organizing Work**
  - HIT adoption and health information exchange will require local / regional collaboration; a “state-wide, one-size-fits-all” approach will not work
  - Incremental; no “big bang” approach
  - Minimally invasive with limited disruptions
  - Recognized need for state-wide dialogue, collaboration and coordination
  - Also great interest in sharing of resources, insights and tools to support implementation by stakeholders in different parts of the region

Emerging Guiding Principles (cont)

- **Organization and Governance Attributes**
  - Convening by trusted, neutral party
  - Representation of all of the diverse stakeholders; “fair” governance
  - Members in it for the “long haul”
  - Strive for consensus
  - Open disclosure of biases and interests
  - Shared vision and goals
  - Engagement of consumers and patients critical

Emerging Guiding Principles (cont)

- **Sharing Burden and Benefits**
  - Must create value for all participants
  - Critical to demonstrate value both globally and for each stakeholder interest
  - Must address the highly competitive environment
  - Look for incremental value gains – projects that will immediately return value – as you move towards your longer-term goal

Emerging Guiding Principles (cont)

- **Financing and Sustainability**
  - Focusing on what is possible
  - Phasing out rewards for acquisition and use, phasing in rewards for performance
  - Small grants for large purchases may not work
  - Giveaway programs have had little impact
  - Coordination and collaboration within the region or community is critical
  - Incentive amounts offered should be meaningful

Emerging Guiding Principles (cont)

- **Financing and Sustainability**
  - Purchaser or payer sponsors of the incentive program should represent a meaningful proportion of the clinician's patient panel
  - Any applications covered by the program should be "interoperable" and standards-based
  - Certification and accreditation can offer purchasers and payers confidence
  - Emerging health information exchange initiatives, networks and organizations should be leveraged to facilitate effective and efficient information sharing

Benefits of Coordination and Collaboration Within Markets

- Widespread of adoption of HIT across physician practices may not be possible without broad-based community collaboration and coordination
- Physician practices ordinarily contract with a large number of purchasers and payers
- As a result, incentives offered by a small number of purchasers or payers generally are not effective
- In addition, most of the data required to deliver care within physician practices resides somewhere else

Benefits of Coordination and Collaboration Within Markets

- Providing leverage to achieve widespread participation
- Reducing the potential for the “free rider” effect
- Reducing burden created by physician practices participating in multiple reporting initiatives
- Significantly reducing per participant cost of both transmitting and receiving common data elements for various healthcare needs

What Does This Mean for Disease Management?

- Lots of change and movement in this area over the next 12 months
  - Nationally – at the federal level
  - Many, many states and regions kicking off projects

What Does This Mean for Disease Management

- Enormous opportunity to improve efforts around chronic care and disease management
- More timely and accurate information about the patient….and about clinical knowledge where it is needed most….at the point of care
- Will help us to close the gap between clinical knowledge and actions taken at the point of care
- Increased transparency and accountability around quality and efficiency
- Better access to information to support the physician patient relationship
- Will ultimately enable patients to better navigate the healthcare system with more information
- Will support alignment of incentives with quality and efficiency goals

In Closing…

- We are *finally* building momentum
- The focus has shifted from “whether we should” to “how will we do this?”
- This work will create lasting and significant changes in the U.S. healthcare system…how clinicians practice…how hospitals operate….how healthcare gets paid for*…how patients manage their health and navigate our healthcare system*

Janet M. Marchibroda
Chief Executive Officer
eHealth Initiative and Foundation

www.ehealthinitiative.org
1500 K Street, N.W., Suite 900
Washington, D.C. 20005
202.624.3270

Janet.marchibroda@ehealthinitiative.org