Medicare's Next Voyage: Encouraging Physicians to Adopt Health Information Technology

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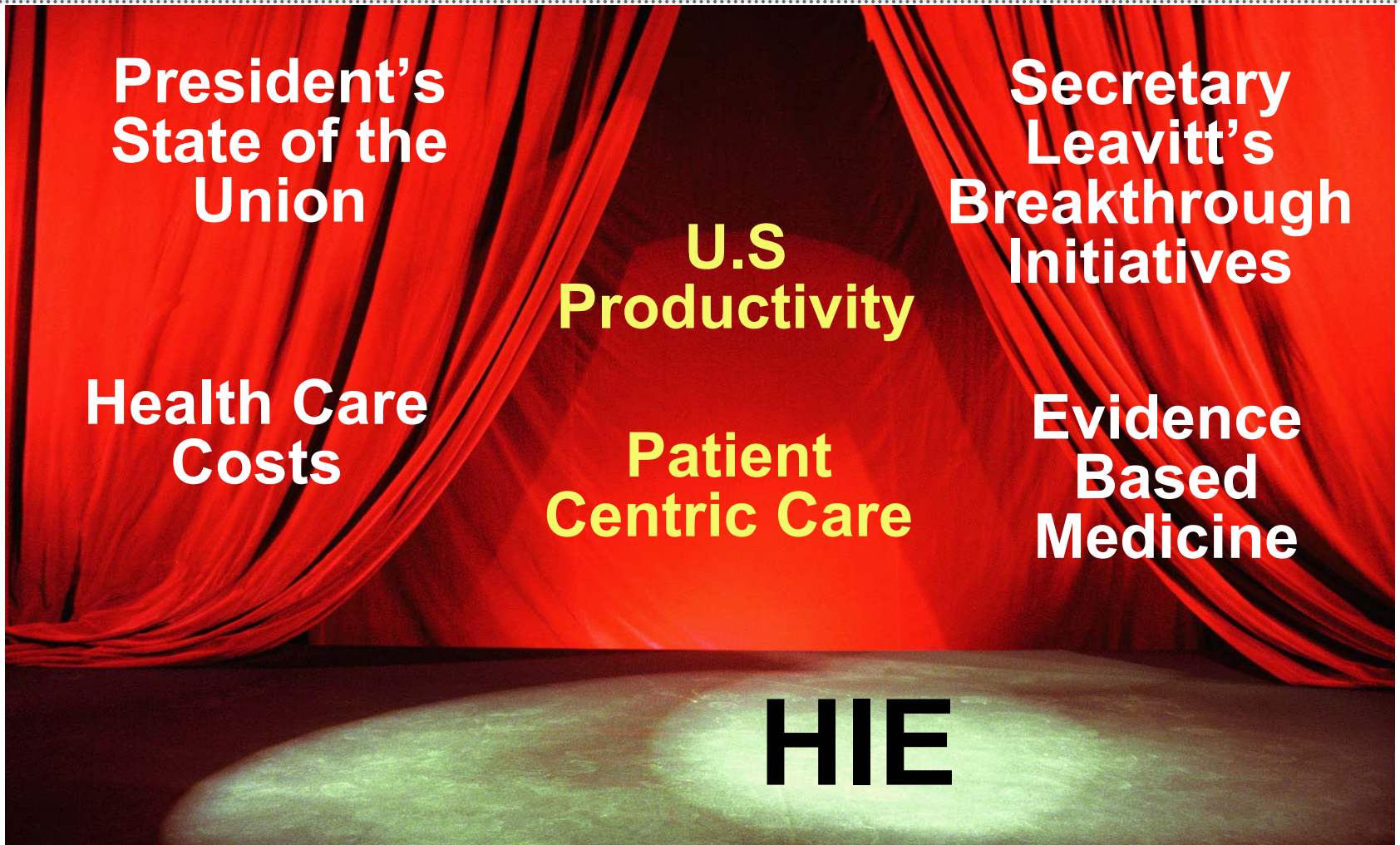
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Agenda

- Health Information Exchange (HIE) Overview

- Recommendations in "Medicare's Next Voyage: Getting Physicians to Adopt HIT"

- Medicare's increasing role in promoting physician HIT adoption

- Will the current initiatives be enough?

Many Benefits are Anticipated, but Barriers Still Exist

- Benefits

  » Quality improvement

  » Increased efficiencies

  » Enhanced access

  » Increased patient support

- Barriers

  » Interoperability standards

  » Misaligned incentives

  » Sustainable business model

  » HIT adoption rates particularly for physicians

Growing Attention on HIE Value has Led to Increased Focus on Medicare

Administration	Congress	Private Sector
Office of the National Coordinator (ONC) and the American Health Information Community (the Community)	MMA: e-Rx provisions CCIP/MHS, many HIT demonstrations	Formation of RHIOs, plans and large employers promoting EHRs and PHRs
President's declaration on nationwide EHR adoption	Recent legislation (e.g., Frist/Clinton S. 1418 and Johnson H.R. 4157)	Financial incentive programs
CMS and AHRQ activities	Growing interest and consensus on HIE/HIT benefits	Increased investment
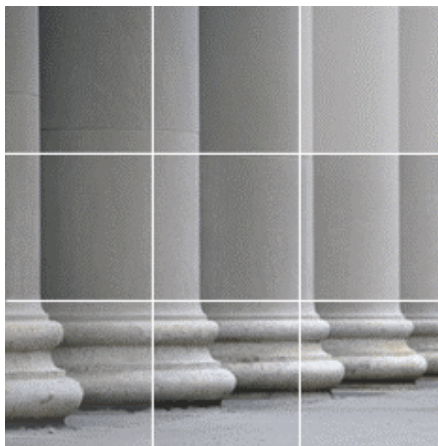
EHR: electronic health record
AHRQ: Agency for Healthcare Research and Quality
MMA: Medicare Modernization Act
CCIP: Chronic Care Improvement Program
MHS: Medicare Health Support

RHIO: Regional Health Information Organization
PHR: Personal Health Record

"Medicare's Next Voyage:
Getting Physicians to Adopt HIT"

Medicare has the Power to Promote Physician Adoption

Largest Single Purchaser of Health Care Services

- Over 41 million beneficiaries

- More than $290 billion in expenditures

- 700,000 participating physicians

Leader in Shaping US Health Care Policy But....

- Lags behind private sector: disease management, health information technology/exchange (HIT/HIE)

- Not using power of entitlement program

*The 24 month waiting period does not apply to those diagnosed with amyotrophic lateral sclerosis (ALS).

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CMS Leadership is Essential to Identify Priorities and Payment Strategies

Clarity Around Medicare-specific HIT Goals for Physicians is Key Step

- Expectations for physicians around necessary technological capabilities

- Impact HIT and HIE should have on health outcomes and health care system

- Time frame for action

- Incentives

- Physician qualification requirements

Various Initiatives Could Drive New Medicare HIT Incentives But All Require CMS to Consider Key Questions

Examples of Initiatives	Issue/Implications
Adopt Implementation Plan	• What is the time frame for physicians to present a plan and begin implementation? • What level of detail will be required in the plan?
Adopt Certain Type of HIT	• What criteria will be used to certify HIT? • Who will run process?
Meet Designated Quality Improvement Outcomes	• What information will physicians be expected to report and/or fully automate? • How will quality outcomes be identified/prioritized?
Adopt Technology along Requisite Schedule with Reporting, Quality, and HIT Requirements	• Will requirements vary depending on physician demographics? • What types of technical and other implementation support will physicians require?

CMS Development of HIT Blueprint is an Essential Building Block for Physicians

Blueprint Options

- Adopt Implementation Plan

- Adopt Certain Type of HIT

- Meet Designated Quality Improvement Outcomes

- Adopt Technology along Requisite Schedule with Reporting, Quality, and HIT Requirements

HIT Financial Incentive Approaches

- **New Conditions of Participation**
  - » High upfront costs and misaligned incentives may require long time horizon for physician acceptance

- **Differentiated Payment**
  - » Financial support rewards physicians but budgetary issues may limit support reality

- **Cost Sharing Approach**
  - » Budget-neutral program could ensure equal return on government investment in 10 years

Medicare is Essential to Driving Broad Scale Physician Use of HIT and HIE

- Continue to grow and build on existing initiatives, pilots, activities

- Flex muscles and use purchasing power to create massive shift

- Develop blueprint for physicians with clear goals and direction

- Consider array of questions and issues and debate publicly

- Be wary of other implementation challenges (e.g., work flow)

- Work with other stakeholders (e.g., Congress, private sector) to put forth sustainable, politically acceptable financial options
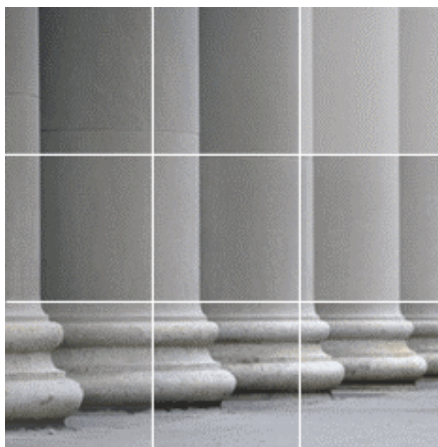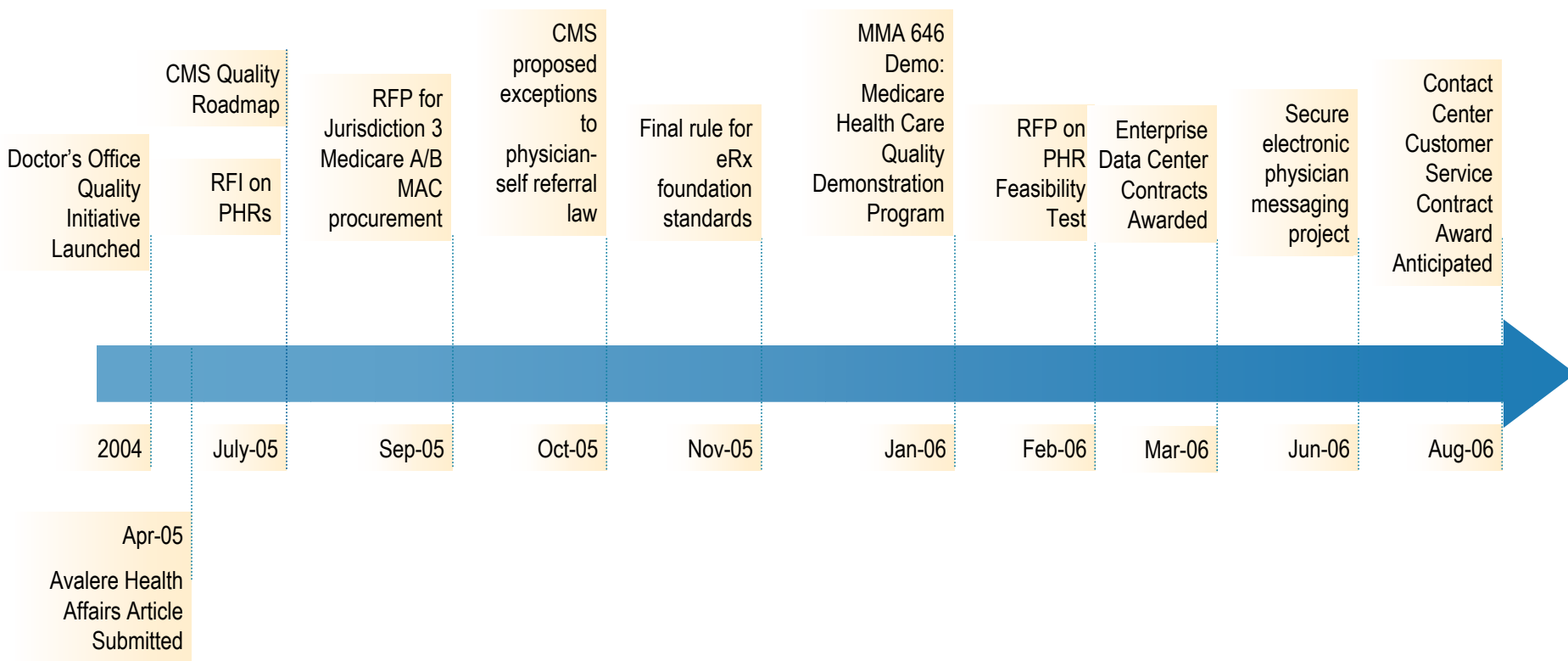
Medicare's Increasing
Role in Fostering HIT Adoption

CMS' Efforts Towards Advancing HIT Adoption has Rapidly Progressed

CMS Quality Roadmap

CMS proposed exceptions to physician-self referral law

MMA 646 Demo: Medicare Health Care Quality Demonstration Program

Contact Center Customer Service Contract Award Anticipated

Doctor's Office Quality Initiative Launched

RFP for Jurisdiction 3 Medicare A/B MAC procurement

Final rule for eRx foundation standards

Secure electronic physician messaging project

RFI on PHRs

RFP on PHR Feasibility Test

Enterprise Data Center Contracts Awarded

| 2004 | July-05 | Sep-05 | Oct-05 | Nov-05 | Jan-06 | Feb-06 | Mar-06 | Jun-06 | Aug-06 |

Apr-05

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CMS' Quality Improvement Roadmap Establishes the Framework for CMS Involvement

- Reflects agency's commitment to improving health care quality for Medicare and Medicaid beneficiaries

- Goal: right care for every person every time that is safe, effective, efficient, patient-centered, timely, and equitable

- Advances a vision for:

    » Creating and Using Better Evidence

    » Measuring Quality

    » Paying for Quality

    » Fostering HIT

- Strategy: Assist practitioners in making care more effective and less costly, especially by promoting the adoption of HIT

CMS is Sponsoring a Number of Demonstrations with HIT Components

- Medicare Health Support (formerly Chronic Care Improvement Program)

  » Chronic care disease management program for fee-for-service Medicare

  » Integrates HIT into care delivery

- MMA Section 646 Medicare Health Care Quality Demonstration

  » Examines factors that encourage the delivery of improved patient care quality (e.g. reimbursement redesign via financial incentives)

- MMA Section 649 Medicare Management Performance Demonstration

  » Modeled after *Bridges to Excellence*, 3-year P4P demo pays physicians to adopt and use HIT and evidence-based outcome measures to promote continuity of care for chronically ill Medicare beneficiaries

- Doctor's Office Quality –Information Technology Project (DOQ-IT)

  » Promotes EHR and HIT adoption in small-to-medium sized physician offices

P4P: Pay for Performance

QIOs can Promote HIE Advancement through work with Evolving HIE Initiatives

- The 8th Statement of Work (SOW), which began in 2005, includes:
    - » Hospitals, nursing homes, home health, physician offices
    - » Surgical care, medication use
    - » Breast cancer, diabetes, and influenza
    - » Health Care disparities

- QIOs provide free, expert assistance on HIT adoption as part of their contracts with Medicare

- Some common roles for QIOs in HIE include:
    - » Educate providers and accelerate provider HIT adoption
    - » Serve as community resource for physician workflow and process change/improvement
    - » Convene stakeholders

- Many QIOs in initial discussions with HIE stakeholders to formalize their role

QIO: Quality Improvement Organization

CMS Philosophy – No Direct Funding

Secretary Mark McClellan, HIMSS Summit: June 2006

CMS will not reimburse solely for HIT adoption or HIT use.
*Rather CMS may reimburse providers for improved quality and outcomes or for the use of e-health services (e.g., secure patient/MD messaging).**

*This is paraphrased from Dr. McClellan's HIMSS remarks and is not a direct quote.

CMS' Actions Can Shape the Market

- CMS wears multiple hats:

  » Payer

  » Regulator

  » Grantor

  » Contractor

  » Policy thought leader

Is the Scope and Direction of Current Activity Enough?

- Will reimbursement need to change?

- Would reimbursement for e-health services be an adequate incentive?

- Is direct funding of HIT purchases necessary?

- Can CMS act alone or does Congress need to get in the game?

Reference and Contact Information

- *Medicare's Next Voyage: Encouraging Physicians to Adopt Health Information Technology,* Health Affairs 24:5 September/October 2005 pp. 1138-1146

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