Overview of the American Recovery and Reinvestment Act: Implications for Health Care Improvement and Reform

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Overview of Presentation

- Overview of current state of adoption of health IT
- Overview of key policies having impact
- Key insights regarding the path forward

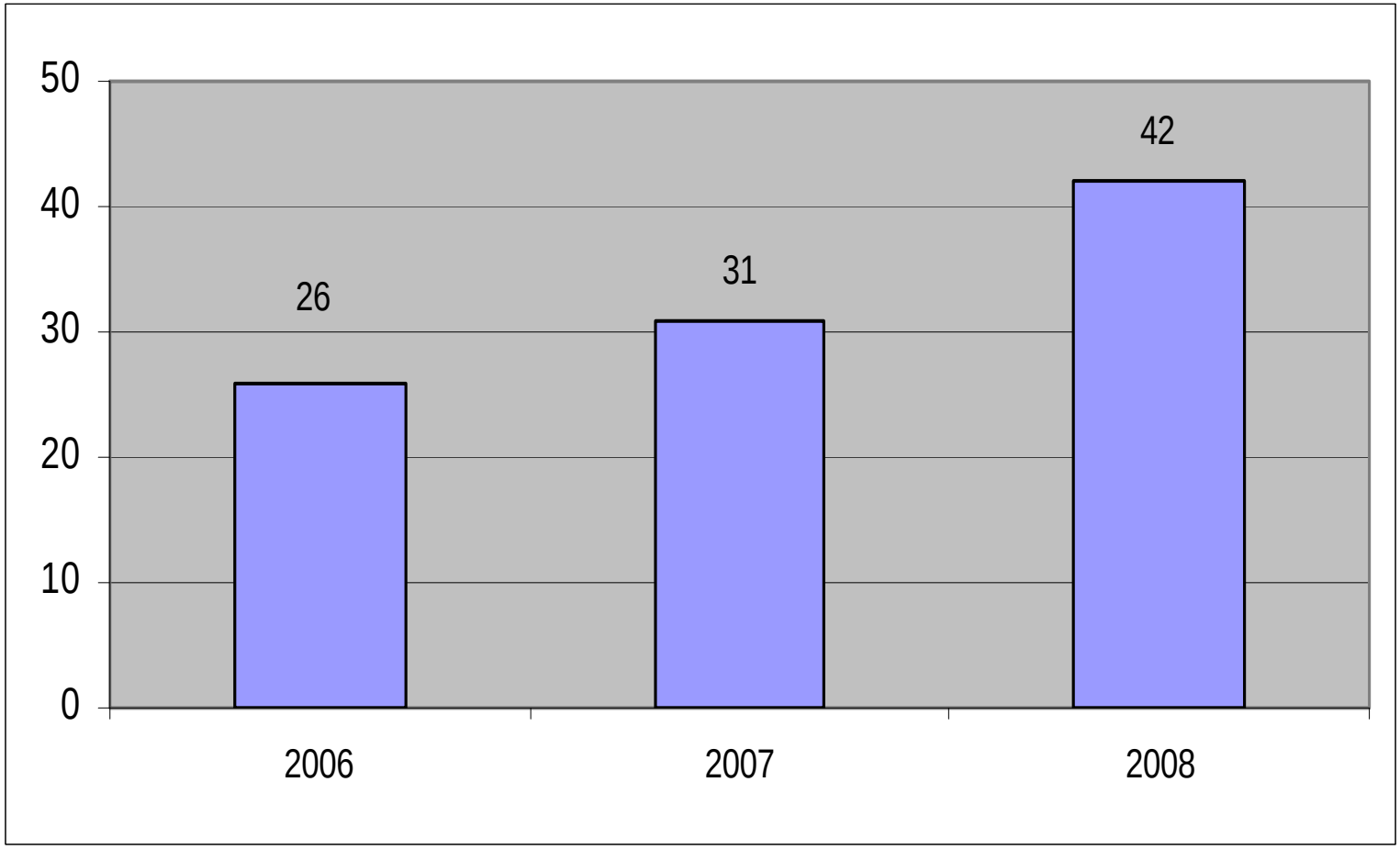
Overview of Current State of Health IT Adoption

Electronic Health Record Adoption Remains Low

- 4% of physicians report having an extensive, fully functional electronic records system, and 13 percent report having a basic system [1]
- 1.5% percent of U.S. hospitals have a comprehensive electronic records system and an additional 7.6 percent have a basic system [2]
- Computerized provider-order entry for medications has been implemented in only 17 percent of hospitals [2]

1 DesRoches C, Campbell E, Rao S, Donelan K, Ferris T, Jha A, Kaushal R, Levy D, Rosenbaum S, Shields A, Blumenthal D. "Electronic Health Records in Ambulatory Care—A National Survey of Physicians". *New England Journal of Medicine*: 359;1. July 3, 2008.
2 Jha A, DesRoches C, Campbell E, Donelan K, Rao S, Ferris T, Shields A, Rosenbaum S, Blumenthal D. "Use of Electronic Health Records in U.S. Hospitals". *New England Journal of Medicine*: 360;16. April 16, 2009.

Operational Health Information Exchange Initiatives According to eHealth Initiative 2008 Survey



More Operational Initiatives Are Exchanging Data According to eHealth Initiative 2008 Survey

Data Currently Exchanged	2008	2007
Labs	26	19
Outpatient Lab Results	25	19
Outpatient Episodes	23	21
Radiology Results	23	15
Inpatient Episodes	22	16
Dictation/Transcription	20	14
ED Episodes	20	15
Outpatient Prescriptions	19	15
Claims	18	13
Pathology	18	14

Continuing to Focus on Supporting Direct Care Delivery According to eHealth Initiative 2008 Survey

- Of the 42 operational health information exchange initiatives:
  - 26 offer clinical messaging
  - 26 offer results delivery
  - 26 offer clinical documentation
  - 16 provide alerts to providers
  - 16 provide consultation/referral services
  - 16 provide enrollment or eligibility checking

Efforts Continue to Target Population Health as a Goal According to eHealth Initiative 2008 Survey

- Of the 42 operational initiatives:
  - 10 offer disease or chronic care management services
  - 8 offer quality improvement reporting for clinicians
  - 6 offer public health reporting
  - 5 offer quality improvement reporting for purchasers or payers.

Barriers to Adoption

- Lack of capital to invest
- Lack of a sustainable business model for health information exchange
- Concerns about privacy and security
- Lack of standards adoption
- Workflow and organizational change

Help is On the Way..
American Recovery and Reinvestment Act

American Recovery and Reinvestment Act
$36B Will Support Health IT Use

- $2B in direct funding channeled through the Office of the National Coordinator
- $34B in Medicare and Medicaid incentives for healthcare professionals, hospitals, and other providers
- Goal is 90% EMR adoption for physicians and 70% for hospitals, and EMRs for most Americans by 2014.

At a Glance
Recovery Act Investments

Funds	Funding source	How funds will be used for healthcare IT
$2B	Office of the National Coordinator for Health Information Technology (OHCHIT)	▪ $300 million for health information exchanges ▪ Remainder used at discretion of ONCHIT to promote HIT; portion of funds expected to fund EMR loan & grant programs
$34B	Medicare & Medicaid EMR incentives	▪ Funds awarded to hospitals and non-hospital affiliated professionals ▪ Must use certified EMRs and show “meaningful use” of EMRs
$1.1B	Comparative Effectiveness Research program	▪ $300M for Agency for Healthcare Research and Quality ▪ $400M for National Institutes of Health ▪ $400M to HHS for research grants
$4.7B	Commerce Department’s National Telecommunications and Information Administration	▪ Grants to support deployment of broadband, telemedicine and distance learning services ▪ Most funding will be used for broadband deployment, but a significant portion is expected to be used for telemedicine programs
$85M	Indian Health Services	▪ Equip Indian Health Services with IT, telemedicine equipment and related infrastructure
$50M	VA Health System	▪ Upgrading and expanding healthcare IT infrastructure
$500M	Social Security Administration	▪ Upgrading SSA’s computer system; at least $40M for new system that uses EMRs to speed processing of disability claims
$1.5B	Health Resources and Services Administration	▪ Awarded to federal community health centers for construction, renovation and equipment, including healthcare IT
$2.5B	Agriculture Department	▪ USDA’s Distance Learning, Telemedicine and Broadband program; to bring broadband to rural areas ▪ Unspecified portion of funds will be used for telemedicine projects

American Recovery and Reinvestment Act Covers Numerous Areas

- Codification of the Office of the National Coordinator for Health Information Technology
- Standards and Policy
- Significant Incentives for Meaningful Use
- Grant and Loan Programs
- Technical Assistance
- Privacy Policy
- Support for Research

Process for Adoption of Standards

1. **National Coordinator shall review, determine**, and report to the Secretary (within 45 days) **whether to endorse** each standard, implementation specification, and certification criterion for electronic exchange and use of health information, that is **recommended by the HIT Standards Committee** (FACA body) for purposes of adoption by Federal government

2. **HIT Standards Committee** work shall be in alignment with the **areas identified and prioritized by the HIT Policy Committee** (FACA body)

3. **Within 90 days** after receipt of standards, implementation specifications and certification criteria from the National Coordinator, **the Secretary** (in consultation with other federal agencies) shall review and **determine whether or not to propose adoption**

Process for Adoption of Standards

4. **Secretary must provide notification** to National Coordinator and HIT Standards Committee in writing for non-adoption and reasons related thereto

5. **By 12/31/09 Secretary** by a rule-making process shall **adopt an initial set of standards**, implementation specifications and certification criteria in alignment with areas recommended by the HIT Policy Committee

6. **Standards**, implementation specifications and certification criteria **adopted before enactment** of the Act, through existing processes **can be applied** toward meeting this requirement

*ONC recovery plan indicates a draft will be submitted for OMB clearance by August 26, 2009

Relevance of Standards in the Act

1. **Federal Adoption**
   - As each **agency implements, acquires, or upgrades** health IT systems, it shall utilize, where available, those systems that meet the standards requirements
   - President shall take measures to assure that **federal activities involving the broad collection and submission of health information are consistent** with standards within three years of adoption
   - Each **agency relating to promoting quality and efficient health care in federal government administered or sponsored health care programs shall require** in contracts or agreements with providers, insurers or health insurance issuers, that as they implement, acquire or upgrade health IT systems, they shall utilize, where available, health IT systems and products that use the standards

Relevance of Standards in the Act

2. **Grants and Loans: In General**
   - To greatest extent practicable, the Secretary shall ensure that where funds are expended for the acquisition of health IT, such health IT shall meet the **standards, implementation specifications and certification criteria** under the legislation
3. **Medicare and Medicaid Incentives**
   - Incentives for healthcare professionals and hospitals require **"meaningful use" of "certified EHR Technology"**

Medicare Incentives for Health Care Professionals

Year	Amount
First Year	If 2011 or 2012, then $18,000 If 2013 or later, then $15,000
Second Year	$12,000
Third Year	$8,000
Fourth Year	$4,000
Fifth Year	$2,000
Sixth Year and Beyond	0

If eligible professional predominantly furnishes services in a Secretary-designated health professional shortage area, amounts are increased by 10%. No incentives for initial adoption after 2014

Medicare Penalties for Health Care Professionals

Year	Penalty Amount
2015	1%
2016	2%
2017	3%
Beyond 2017*	3%*

*For 2018 and beyond, if proportion of eligible professionals who are meaningful users is less than 75%, percentage shall increase by 1% from percent in previous year but not be greater than 5%

Medicare Incentives for Hospitals

- Incentives start in 2011
- Minimum base payment of $2 million in first year
- Large hospitals can qualify for more than $10 million (approximately) over a four-year period
- Incentive program uses a complicated formula to determine payments
- Incentives vary by hospital based on total discharges, Medicare population (A and C), and charity care
- Payments made over four years
- Hospitals adopting after 2013 receive reduced payments
- No incentive payments for hospitals first adopting after 2015

To Qualify for Medicare Incentives Must be a "Meaningful User" of "Qualified EHR Technology"

A "Meaningful User" must have:

- Meaningful use of **"certified EHR technology"**
- **Information exchange**
- **Reporting** on clinical **quality measures**

To Qualify for Medicare Incentives Must be a "Meaningful User" of "Qualified EHR Technology"

- **"Qualified electronic health record (EHR)"** is certified as meeting standards as specified in the legislation
- "**Includes** patient demographic and clinical health information, such as medical history and problem lists;
- **Has the capacity to:**
  - Provide clinical decision support
  - Support physician order entry
  - Capture and query information relevant to health care quality
  - Exchange electronic health information with, and integrate such information from other sources

Meaningful Use
Information Exchange Definition

- Connected in a manner that provides (in accordance with laws and standards applicable to exchange of health information), for the electronic exchange of health information to improve the quality of care (such as promoting care coordination)

Reporting on Clinical Quality Measures Provisions

- The Secretary shall select the quality measures consistent with following:
  - Preference to clinical quality measures that have been endorsed under a contract with the Secretary
  - Prior to any measure being selected, it shall be published in Federal Register for public comment
- Secretary may not require electronic reporting of information unless he or she has capacity to accept information electronically, which may be on a pilot basis
- Must avoid duplicative or redundant reporting

Public Reporting

- CMS will post on its website the names, addresses, and phone numbers of eligible professionals who are meaningful EHR users and group practices receiving incentive payments

Public Feedback to Date on Meaningful Use…

- Must focus on improving health and health care (health IT is not an end unto itself)
- Focus on use and not the technology itself
- A predictable path and a phased approach
- Incremental and achievable, expanding over time
- Trajectory for classes of data to be incorporated over time (lab test results, medication-related information, etc.)
- Metrics should recognize heterogeneity of tools that can support hospitals and health care professionals at the point of care
- Patient-centered approach

Overview of Report from Meaningful Use Work Group, HIT Policy (FACA) Committee
Released June 16, 2009, to be Modified by July 16, 2009

- Five key areas build on the work of the National Quality Forum
  1. Improve quality, safety, efficiency, and reduce health disparities
  2. Engage patients and families
  3. Improve care coordination
  4. Improve population and public health
  5. Ensure adequate privacy and security protections for personal health information

Quick Overview of Report from Meaningful Use Work Group, HIT Policy (FACA) Committee
Released June 16, 2009, to be Modified by July 16, 2009

Health Outcomes Policy Priorities	2011 Measures
Improve quality, safety, efficiency, and reduce health disparities	▪% diabetics with A1C under control ▪% hypertensive with BP under control ▪% with LDL under control ▪% offered smoking cessation ▪% with recorded BMI ▪% surgical patients who received VTE prophylaxis ▪% orders entered directly into CPOE ▪Use of high-risk medications by elderly ▪% over 50 with annual colorectal screening ▪% of females over 50 receiving annual mammogram ▪% patients at high-risk for cardiac events on aspirin prophylaxis ▪% of patients with current pneumovax ▪% eligible patients who received flu vaccine ▪% lab results incorporated into EHR in coded format ▪Stratify reports by gender, insurance type, primary language, race, ethnicity

Overview of Report from Meaningful Use Work Group, HIT Policy (FACA) Committee
Released June 16, 2009, to be Modified by July 16, 2009

Health Outcomes Policy Priorities	2011 Measures
Engage patients and families	▪% of patients with access to personal information electronically ▪% of patients with access to patient-specific educational resources ▪% of encounters for which clinical summaries were provided

Overview of Report from Meaningful Use Work Group, HIT Policy (FACA) Committee
Released June 16, 2009, to be Modified by July 16, 2009

Health Outcomes Policy Priorities	2011 Measures
Improve care coordination	▪Report 30 day readmission rate ▪% of encounters where med reconciliation was performed ▪Implemented ability to exchange health information with external clinical entity (labs, care summaries, med lists) ▪% of transitions in care for which summary care record is shared

Overview of Report from Meaningful Use Work Group, HIT Policy (FACA) Committee
Released June 16, 2009, to be Modified by July 16, 2009

Health Outcomes Policy Priorities	2011 Measures
Improve population and public health	▪Report up to date status for childhood immunizations ▪% reportable lab results submitted electronically

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Health Outcomes Policy Priorities	2011 Measures
Ensure adequate privacy and security protections for personal health information	▪Full compliance with HIPAA privacy and security rules ▪Entity under investigation for a HIPAA privacy or security violation cannot achieve meaningful use until cleared ▪Consider or update a security risk assessment and implement security updates

Funding: Act Will Provide "Immediate" Funding to Strengthen the HIT Infrastructure

- **State Grants (required)**
  - Program established by Secretary, through the National Coordinator to **facilitate and expand the electronic movement and use of health information among organizations** according to nationally recognized standards
  - Grants to states/state-designated qualified entities can be in one of two forms: **planning grants, implementation grants**
- **Loan Program (optional)**

Technical Assistance Programs

- National **health IT extension program** to assist health care providers in adopting, implementing, and effectively using certified EHR technology that allows for the electronic exchange and use of health information
- A national **Health Information Technology Research Center** to provide **technical assistance** and develop or recognize **best practices** to support and accelerate efforts to adopt, implement, and effectively utilize health IT
- Creation and support of **regional extension centers** that will provide **technical assistance and disseminate best practices** and other information learned from the national Research Center

Key Insights Regarding the Path Forward

Strategy for Health Information Exchange is Critical

- The federal government is poised to invest an unprecedented amount of funds--$33B for meaningful use of EHR technology
- In order for the government to realize the full value from this investment, significant investments must also be made in a health information infrastructure **—both locally and nationally**
- Approach can range from one which is highly engineered to one which is fairly hands-off (e.g. define meaningful use and then let the market work)
- .With the right incentives in place, and clarity around standards, several innovative approaches can and will emerge….

Stay the Course on Meaningful Use

- Focus on rewarding improvements in health and health care: both process and outcome measures
- But also encourage information mobility to support health care improvement goals (exchange of lab, medication and other key information)
- Continue to find ways to assure we don’t stifle innovation

Technical Assistance….for the Small Physician Practices is One of the Most Important Problems to Solve

- Amounts contemplated for regional extension centers will likely not be sufficient
- So…build in incentives to get the private sector (all stakeholders….) to step up to the plate
- Focusing on health IT implementation alone will not get us to the improvements we need
- Build in technical assistance for workflow changes necessary to support:
  - Care coordination (e.g. the patient-centered medical home)
  - Quality improvement and performance measurement

And Finally….Make Sure We're Laying the Foundation for Improvements in Population Health

- Billions of dollars are spent each year to both measure and improve care, conduct research, monitor the safety of medical products, track public health threats, and manage chronic disease
- To date very few of these initiatives leverage the use of electronic clinical health information that currently resides in physician offices, health plans, hospitals, laboratories, pharmacies and other health care-related organizations
- With increased health IT adoption anticipated as a result of the American Recovery and Reinvestment Act, we have the opportunity to smartly invest in health IT adoption that will significantly improve the quality, safety and efficiency of care….
- This will not happen by itself…will require thoughtful, deliberate implementation

Areas Where Health IT Can Have Enormous Impact

- Medical product safety
- Comparative effectiveness
- Chronic care management
- Quality performance and improvement reporting
- Public health surveillance

In Summary

- We have an enormous opportunity ahead of us….**right now**
- We've learned a lot along the way, over the last several years, so let's apply our lessons learned
- Let's focus on **improving health**, and **improving health care….** health IT is not an end unto itself
- This will require collaboration…among public and private sectors, and across every sector of health care
- And if done right, will lay the foundation for not only improved health care, but also health care reform

Thank You!

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