



Quality, Evidence, and Drug Safety: Health Information Exchange

November 1, 2005

Avalere Health LLC



Agenda

- The Health Information Technology (HIT) Landscape
- The Health Information Policy Landscape
- Implications for Key Stakeholders



The Health Information Technology Landscape



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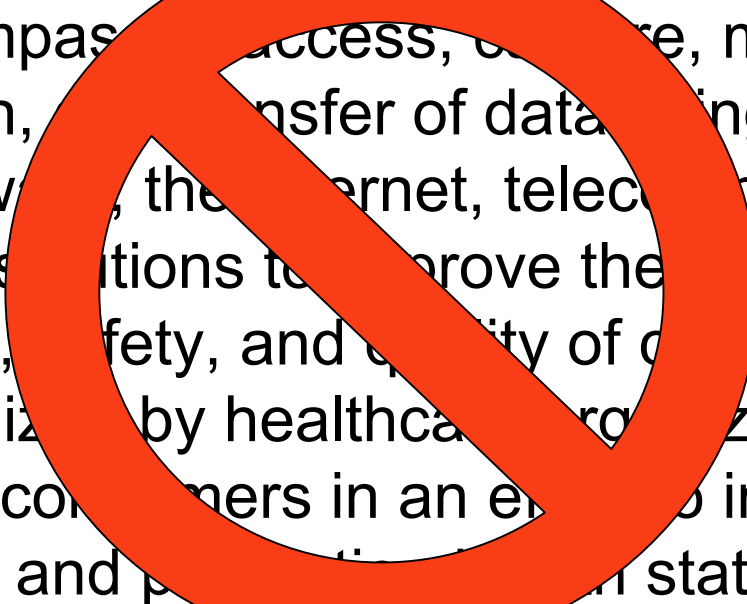
Technology Enabler: HIT vs. HIE

- HIT is the common industry term for a wide array of technology, process, and policy initiatives to enable the timely collection, distribution, and use of health information
 - Stakeholders agree—the goal of enabling real-time health information where and when it is needed is the critical industry driver behind any technology application, i.e., automated health information exchange (HIE)
- **Evolving HIE**
 - » Advances patient safety, quality of care, administrative efficiency
 - » Spans broad array of transactions (e.g., claims, lab results, complex decision support)
 - » Requires secure, interoperable infrastructure—systems must be able to talk to one another
 - » Uses technology that continues to evolve
 - » Requires stakeholders that possess content and technology expertise

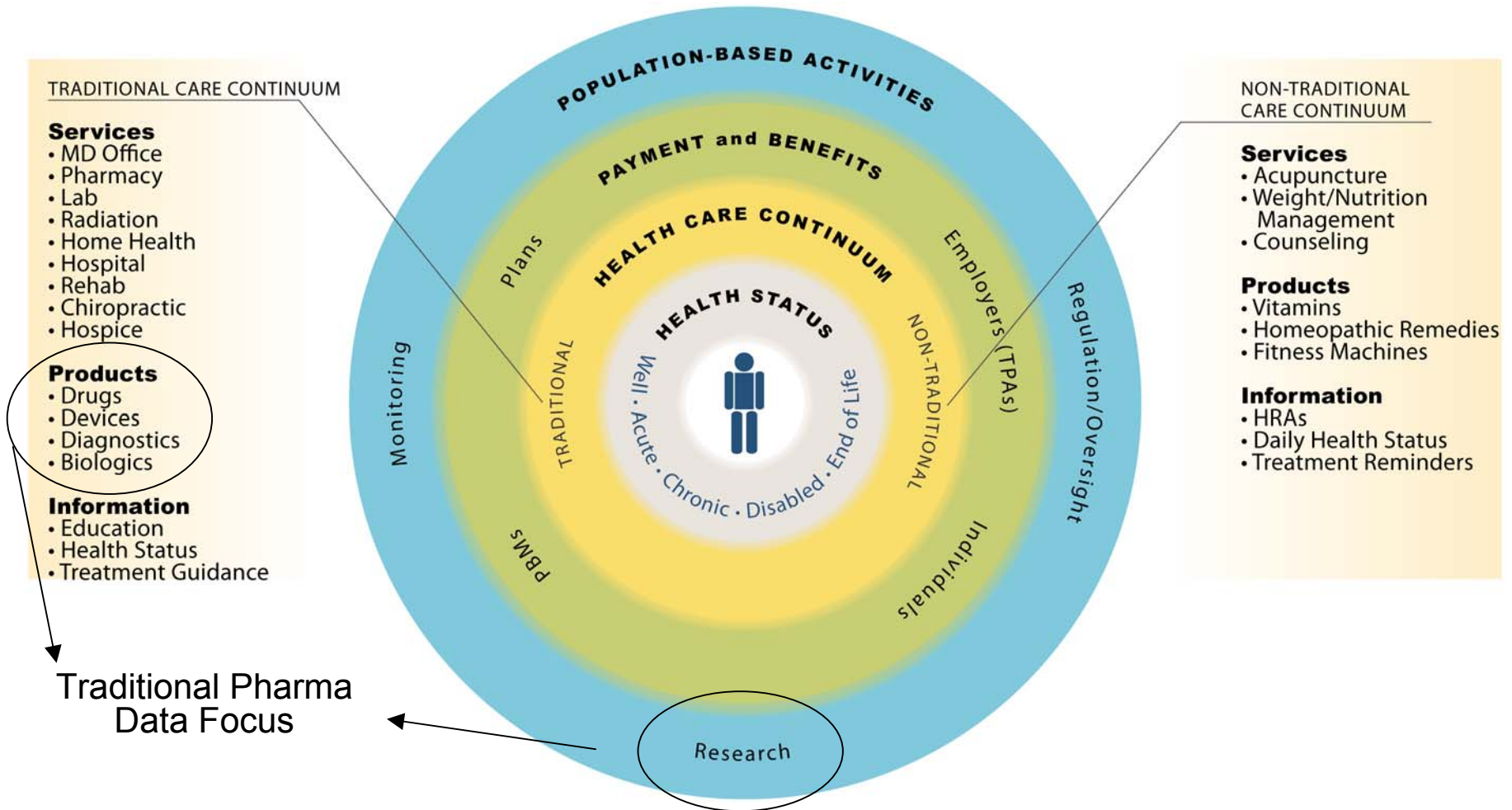


Defining the HIE Universe

HIE encompasses access, exchange, management, interpretation, and transfer of data using – applications, software, hardware, the Internet, telecommunications, and/or other digital solutions to improve the success, efficiency, effectiveness, safety, and quality of clinical and business processes utilized by healthcare organizations, providers, patients, and consumers in an effort to improve individual and population health status.



Health Information Exchange is Transforming the Health Information Community



Barriers to HIT Adoption and Diffusion Persist

- Lack of uniform standards that promote interoperability and support health information exchange
- Public trust and support – privacy and security concerns
- Competing and conflicting technology evolution
- Technology obsolescence
- Misaligned incentives in the health care system
- Project scope – *Run before you walk?*
- Lack of financial incentives and meaningful funding to overcome high start up costs and promote HIT adoption (e.g., payment differentials, grants)
- Federal leadership and coordinated public/private sector activities just forming
- Legislative hurdles



The Health Information Policy Trends



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Key HIE Trends Push Stakeholders to Consider Potential Business Impact

- National infrastructure push - *use case* scenarios
 - » Federal request for proposals (RFPs) supporting: national health information network (NHIN) architecture prototypes, privacy and security solutions, standards harmonization, product certification; newly established American Health Information Community “The Community” advises and oversees infrastructure initiatives
 - Emerging information exchange networks and initiatives
 - » Regional Health Information Organizations (RHIOs) and local health information initiatives to create, test and improve information exchange
 - Tactical HIE government and industry initiatives
 - » e.g., eRx, EHR, PHR, CPOE, bar coding, RFID, remote monitoring
 - Consumerism
 - » Fostered by cost shifting, HSAs, HRAs, employer incentives, health information access authorization
 - Funding and incentives
 - » Pay-for-performance, grants and seed funding, technology give-aways and health plan network services
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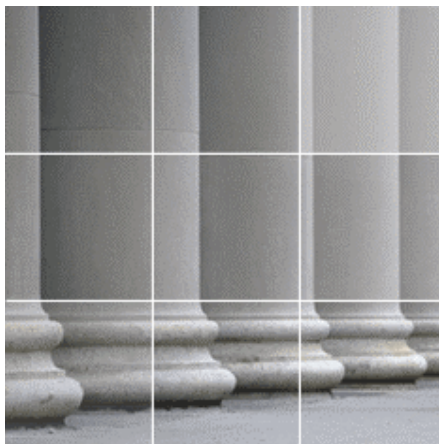
■■■■ National Infrastructure Push – “The Community” and Interoperability Contracts

- “The Community” has begun its work...designated three main work groups
 - » Bio-surveillance
 - » Consumer-driven health information technologies
 - » Chronic disease monitoring
- Three of the four interoperability contracts have been awarded
 - » Standards harmonization process
 - » Privacy and security solutions
 - » Product certification process
- Use cases, i.e., HIE scenarios
 - » All RFP contractors including the NHIN prototype awards due in October will recommend a minimum of 3; AHIC will select the top 3
- **Stakeholders should engage and consider how direction of Federal initiatives will affect their business**



Local HIE Initiatives

- With few exceptions, most local HIE activity is in its early stages
 - Preliminary results of Avalere's state HIE environmental scan indicate:
 - » Confirms that majority of HIE initiatives are still in planning or pilot stage
 - » Funding through private sector (e.g., foundations, delivery systems) or Federal (e.g., AHRQ, HRSA) dollars
 - » Many States (e.g., Public health offices, Medicaid agencies) have a limited role in HIE initiatives within their borders
 - » HIE initiatives target a variety of issues, patient populations, sites of care (e.g., emergency departments, medication management, chronic disease, LTC)
 - » Opportunities for broad stakeholder influence, participation, and support
 - Local markets are test beds
 - » Stakeholders offer direct input
 - » Stakeholders gain an understanding of what works, what doesn't, and the impact
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Implications for Key Stakeholders



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Future Policies Will Influence Core Business Areas

Regulatory/Reimbursement

- P4P based on appropriate data and measures?
- Additional data requirements
- Changing role of quality improvement organizations (QIOs)
- Push for improved consumer information
- Regulations and incentives to provide automated outcomes data

Policy

- Upcoming coverage guidance on Medicare coverage criteria
- Expanded role of Oregon's DERP Medicaid and Part D plans
- Infrastructure policies – use cases, architecture design
- Health and prevention programs

Clinical Development

- Registries, alerts and monitoring provide real-time clinical data
- Increase in FDA and CMS concurrent reviews of new products
- Framework for early (pre-EHR) shared clinical databases
- De-identified clinical data bases will or will not be available for Pharmaceutical research?

Managed Markets/Sales

- CMS 2007 plan year Medicare Part D formulary review
- High cost beneficiary disease management focus
- Medicaid and managed care cost monitoring and control initiatives

HIE Can Transform the Future of the Pharmaceutical Industry

Pharmaceutical Business with Real-time HIE- Key Opportunities:

- Drug Discovery
 - » Pharmacovigilance, Phase IV research
 - » New clinical trial models
 - » Modeled clinical trials (Archimedes)
- Patient-Physician Relationship
 - » Personalized medicine – monitoring and Rx adjustment
 - » Enhanced care coordination – medication management
 - » EBM-based alerts
- Payment
 - » Formulary revisions
 - » Coverage of off-label uses
 - » Results-based payment