



Pay for Performance and Health Information Technology: Overview of HIT Pay for Performance Initiatives

National Pay for Performance Summit

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Overview of Discussion



- What Does Health Information Technology Have to do With Pay for Performance?
- Overview of What's Happening at the National Level Related to HIT
- Review of What's Happening in States and Communities Across the U.S. Related to HIT
- Ways to Integrate HIT Expectations into Pay for Performance Activities



Background About Us

eHealth Initiative and Foundation

Mission and Focus



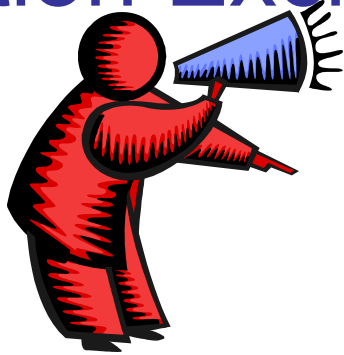
- Mission: Improve the quality, safety, and efficiency of healthcare through information and information technology
- Areas of Focus:
 - Focus on states, regions and communities as the center of implementation: aligning national standards with local solutions
 - Develop and drive adoption of sustainable model for healthcare transformation through quality-based incentives
 - Advocate for continued favorable national policies

Our Diverse Membership



- Consumer and patient groups
- Employers, healthcare purchasers, and payers
- Health care information technology suppliers
- Hospitals and other providers
- Pharmaceutical and medical device manufacturers
- Pharmacies, laboratories and other ancillary providers
- Practicing clinicians and clinician groups
- Public health agencies
- Quality improvement organizations
- Research and academic institutions
- State, regional and community-based health information organizations

eHI is the “Go-to” Organization For State and Regional HIT and Health Information Exchange Efforts



Advocacy

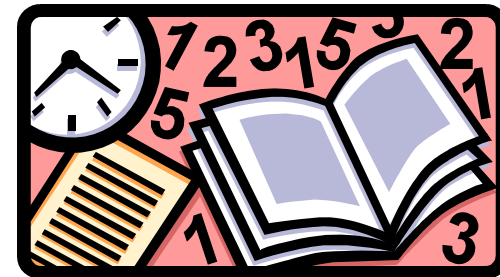


Grants

eHealth Initiative
and Foundation



Hands-on Help



Knowledge

eHI's Tool-Kit for Transformation through Health Information Exchange will Help States and Communities



- A comprehensive on-line, interactive resource that walks a community through the six critical components of success:
 - Getting started: Assessing environment, engaging stakeholders, developing shared vision and goals
 - Organization and governance, legal issues
 - Value creation, financing and sustainability
 - Policies for information sharing
 - Practice transformation and quality improvement
 - Technical implementation



What Does HIT Have to Do With Pay for Performance?

What is Health Information Exchange or Interoperability?



- Health information exchange provides the capability to electronically move clinical information between disparate healthcare information systems while maintaining the meaning of the information being exchanged.
- The goal of health information exchange is to facilitate access to and retrieval of clinical data to provide safer, more timely, efficient, effective, equitable, patient-centered care.

Why Health Information Exchange?



- U.S. healthcare system highly fragmented....data is stored —often in paper form—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 the information they need in the patient record
- Clinical research hindered by paper-based, fragmented systems – costly and slow processes

Value for Patients



- The true promise of coordinated care along the entire care continuum, and improved relationships with all care givers
- The ability to better manage their personal health information and records
- The ability to improve the physician-patient dialogue and relationship

Value for Clinicians



- Doing well while doing good
- Gaining a deep understanding of their individual, group and practice's performance in delivering quality care to patients
- Initiating and tracking QI programs
- Better management and coordination of their patients' care

Value for Purchasers and Payers



- Real-time, relevant, fair, and equitable information on the quality of services delivered by all clinicians
- Ability to better engage employees and their family members in managing their care



What's Happening at the National Level?

Understanding the National Agenda around HIT and Health Information Exchange



- Enormous momentum around improving quality, safety and efficiency through clinical exchange within Administration, Congress, and the private sector
- Key themes
 - National standards for interoperability
 - Alignment of value based purchasing with HIT infrastructure required to get there
 - Government as catalyst
 - Public-private sector collaboration

Signs of Momentum for HIT and Health Info Exchange: Activities in Congress



- 12 bills introduced in 2005
- Most bi-partisan
- Unprecedented collaboration between the Republicans and Democrats on the importance of leveraging HIT and the *mobilization of information* to address healthcare challenges
- One with most promise is S. 1418. Similar bill introduced by House this year

Health Information Technology Featured in State of the Union



- “For all Americans, we must confront the rising cost of care...strengthen the doctor-patient relationship...”
- “We will make wider use of electronic records and other health information technology, to help control costs and reduce dangerous medical errors”

Signs of Momentum for HIT and Health Information Exchange: Activities in Administration



- AHIC public-private “community” formed to provide input to Sec. Leavitt re how to make health records digital and *interoperable* and assure that privacy and security are protected
- Overseeing work in four “break-through” areas that will create realizable benefits to consumers in two to three years
 - Biosurveillance
 - Chronic care
 - Consumer empowerment
 - Electronic health records

Signs of Momentum for HIT and Health Information Exchange:

Four DHHS Contracts



- **Standards Harmonization.** \$3.3 million contract to ANSI for convening Health Information Technology Standards Panel (HITSP) to review standards under development and develop a roadmap for single set of standards
- **Compliance Certification.** \$2.7 million contract to Certification Commission for HIT to develop process and criteria for inspecting EHRs and other HIT
- **Privacy and Security.** \$11.5 million contract to Health Information Security and Privacy Collaboration overseen by RTI International who will work with states to assess and develop plans to address variations in organization-level business policies and state laws that affect privacy and security practices that may serve as barriers to health information exchange
- **Nationwide Health Information Network.** Four contracts totaling \$18.6 million to four consortia led by Accenture, CSC, IBM and Northrop Grumman to develop a blueprint for how a generalized network would share information across the U.S.

President's Budget Announced Today



- For fiscal year 2007 the President proposes to develop nationwide standards to accelerate patient access to EHRs, including a “medical clipboard” that can only be accessed with patient’s consent, electronic medication history and lab test results, and ways to utilize health information tools to monitor disease outbreaks. This year’s budget requests \$169 million, an increase of \$58 million, to continue this initiative.



What's Happening at the State, Regional and Local Levels

Why Focus on States and Communities?



- Wide-spread recognition of the need for health information technology and exchange/ interoperability at the national level
- While national standards are needed, *healthcare indeed is local* and leadership is needed at the state, regional and community levels across the country to drive implementation
- Need for collaboration and development of consensus on a **shared vision, goals and plan** is needed among multiple, diverse stakeholders at the *state and regional level*

Survey of Over 100 State, Regional and Community-Based Initiatives



- 109 respondents from 45 states and the District of Columbia
- Covered aspects related to goals, functionality, organization and governance models, information sharing policies, technical aspects, funding and sustainability

Key Findings from Survey



- Health information exchange activity is on the rise....there are more efforts, and those that are out there are maturing
- Of the 109 health information exchange efforts in the survey:
 - 40 are in the implementation phase and
 - 25 fully operational
- Nine were fully operational in 2004

Key Findings from Survey

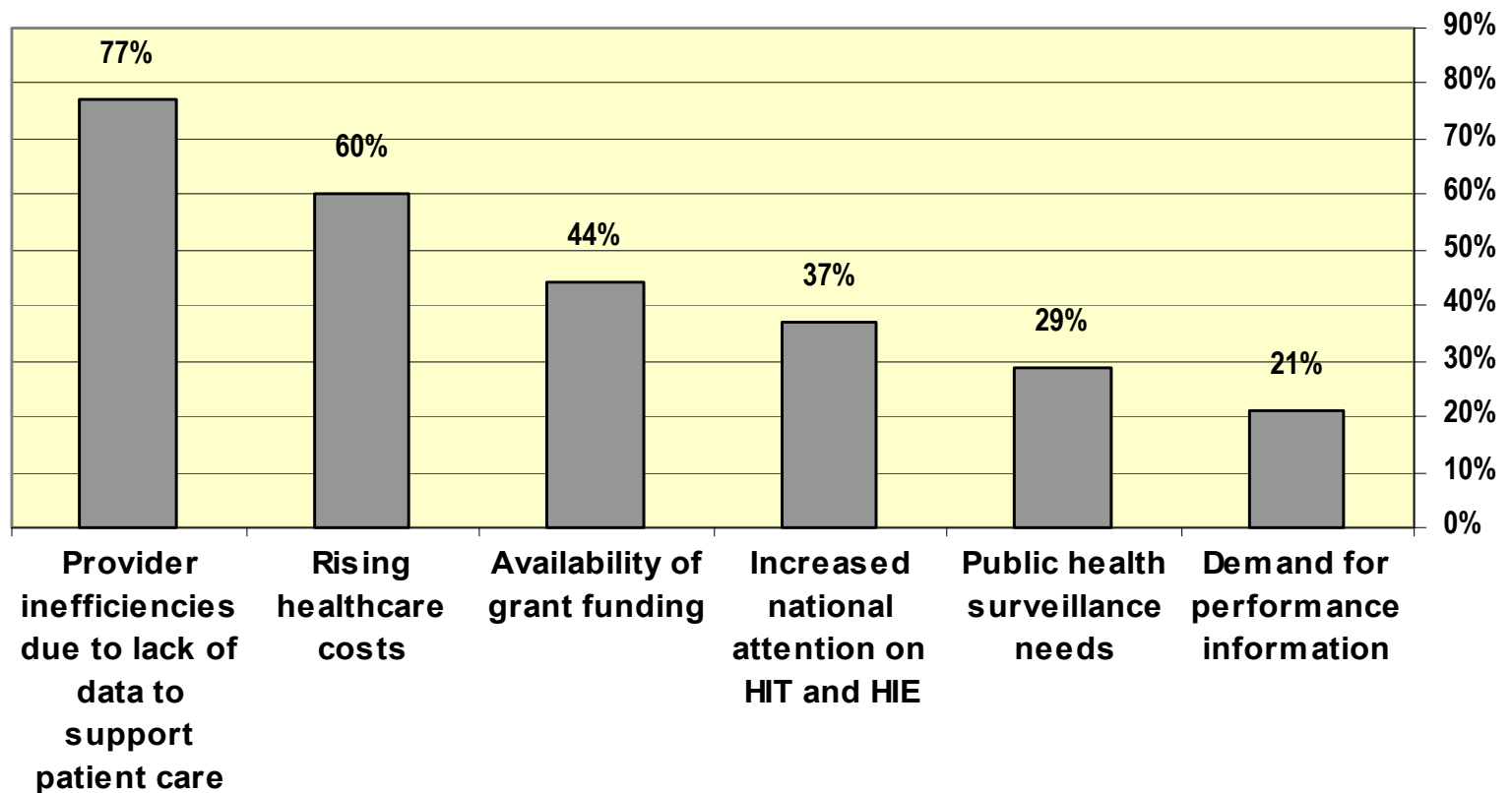


- The key driver moving states, regions and communities toward health information exchange is
 - Perceived provider inefficiencies (77% of all respondents)
 - Rising healthcare costs also seen as important driver (60% of all respondents)

Key Drivers for Health Information Exchange



Significant Drivers for Health Information Exchange



Key Findings from Survey



- Organization and governance structures are getting more formalized and shifting to multi-stakeholder models with the involvement of providers, purchasers and payers
 - 60% of advanced stage are incorporated
 - 70% are non-profit models

Key Findings from Survey



- Organization and governance structures are getting more formalized and shifting to multi-stakeholder models with the involvement of providers, purchasers and payers
 - Providers continue to play the most dominant role but see an increase in others: health plans (28%), local public health departments (45%), QIOs (35%), employers (22%), patient consumer groups (29%)

Key Findings from Survey

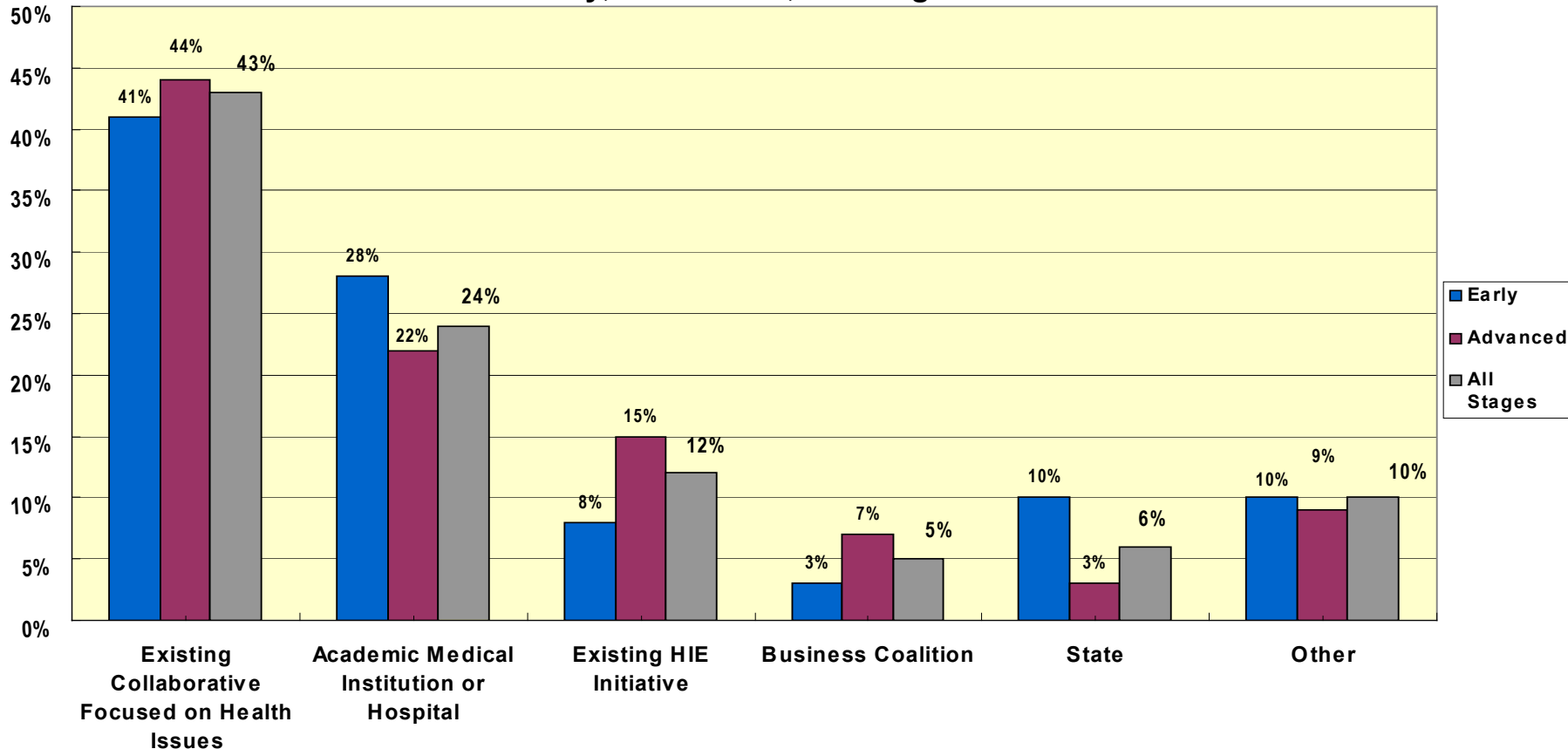


- Organization and governance structures are getting more formalized and shifting to multi-stakeholder models with the involvement of providers, purchasers and payers
 - Clear shift towards leadership by neutral, multi-stakeholder entity (55%)

Who is Leading These Efforts?



**"Lead" Organization for Health Information Exchange
Early, Advanced, All Stages**



Key Findings from Survey: What are They Doing?

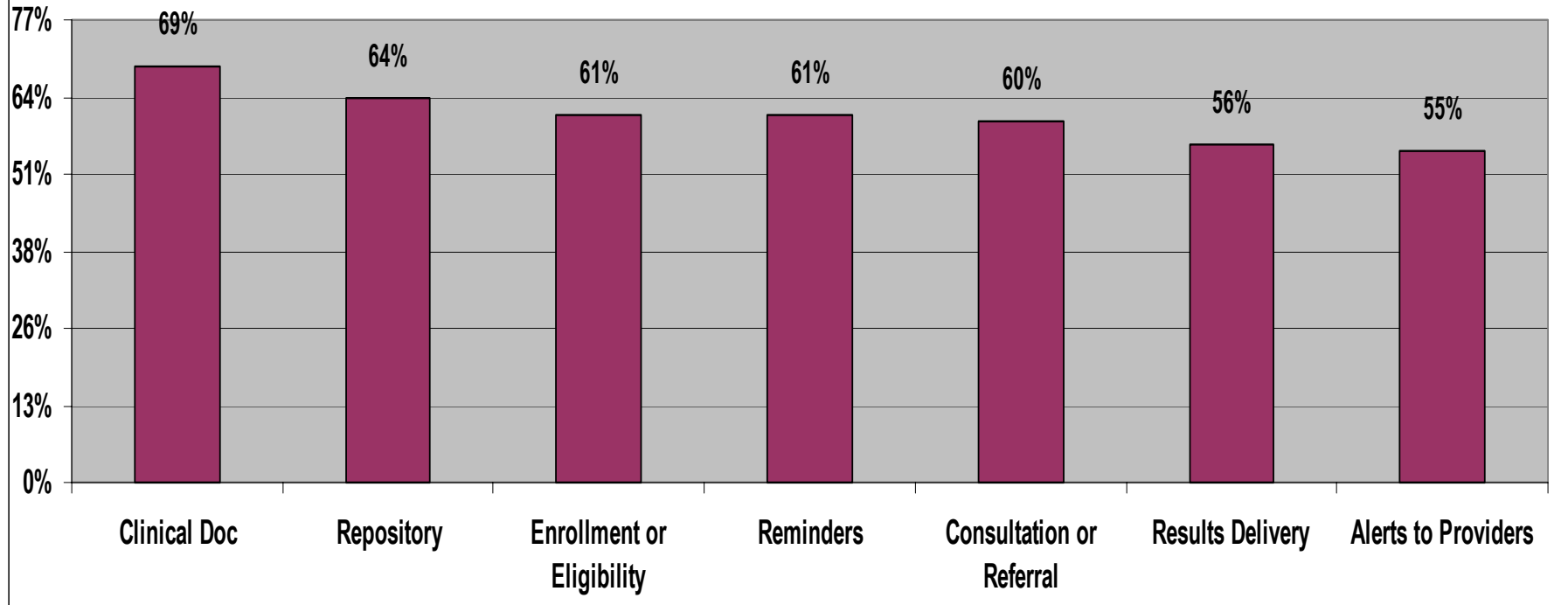


- Primary focus continues to be on supporting care delivery
 - Clinical documentation
 - Reminders
 - Results delivery

Health Information Exchange Initiatives: What Are They Doing?



**Functionalities to Support Patient Care
Current and Within Next Six Months: Advanced Stage Initiatives**



Key Findings from Survey: What are They Doing?

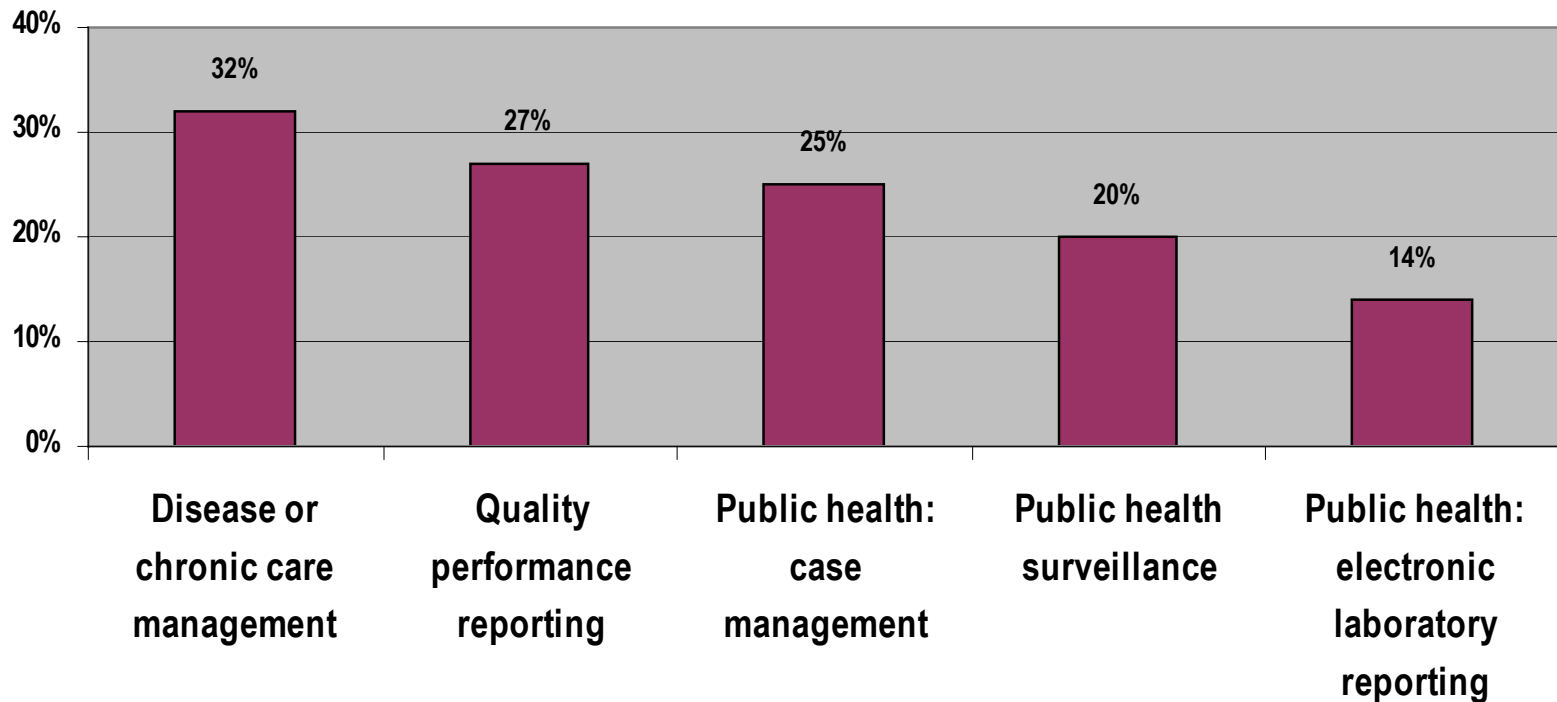


- Advancements in functionality to support improvements in quality and safety are evident. In addition to traditional uses to support care delivery, a number are now expanding functionality
 - 32% currently providing disease or chronic care management services (with additional 21% expecting to within six months)
 - 27% are currently supporting quality performance reporting efforts (with additional 18% expected within six months)

Growing Focus on Disease Management, Quality Reporting



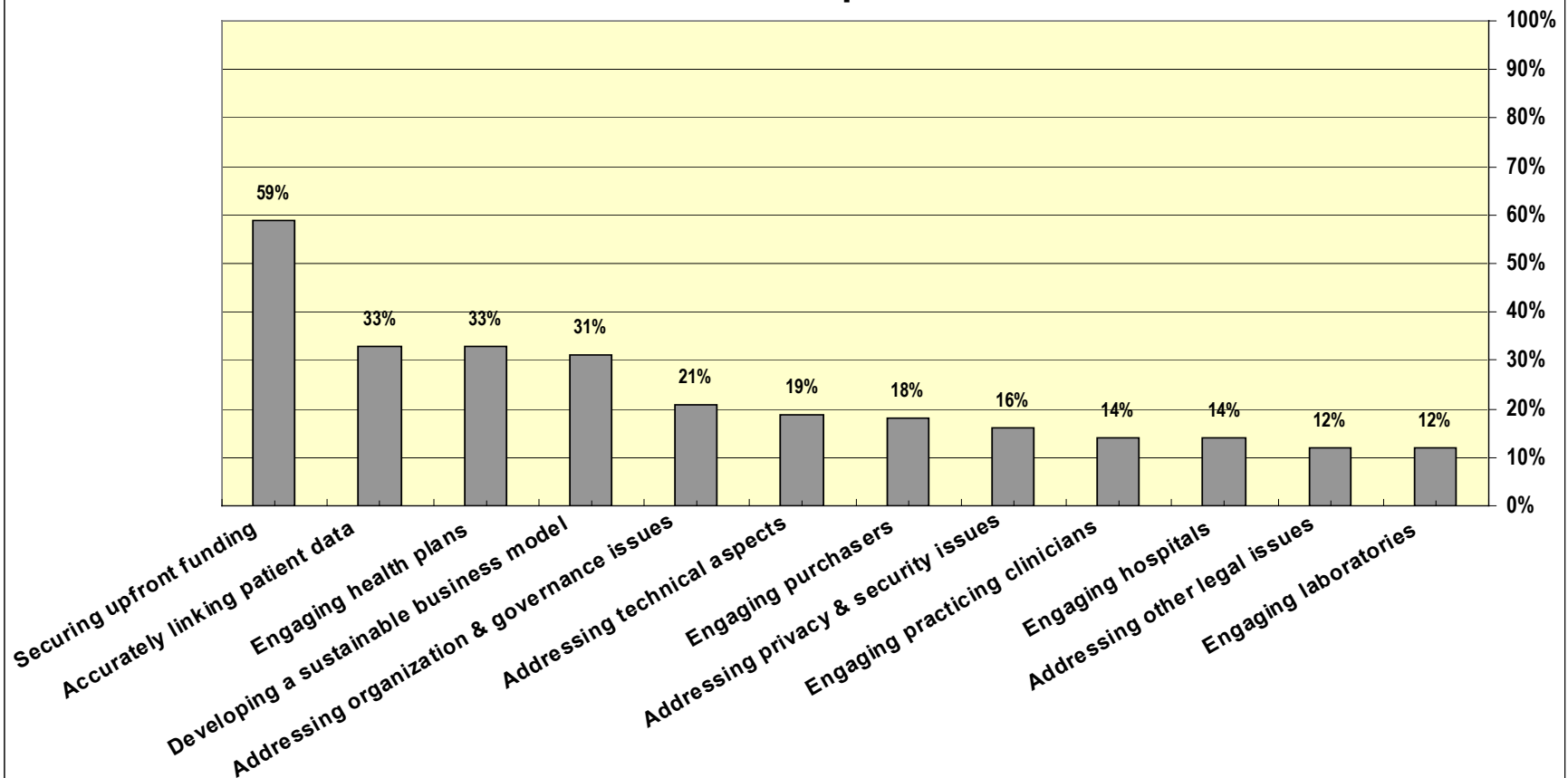
Functionality to Support Efforts to Improve Population Health and Patient Safety: Advanced Stage



Most Significant Challenges



**Very Difficult Challenges for Health Information Exchange:
All Respondents**



Most Difficult Challenges



1. Securing upfront funding- 91% of all respondents cited “securing upfront funding” as either a very difficult or moderately difficult challenge.
2. Developing a sustainable business model- 84% of all respondents cited “developing a sustainable business model” as a very difficult or moderately difficult challenge.

Most Difficult Challenges



3. Engaging health plans- 74% of respondents perceived the engagement of health plans as a very difficult or moderately difficult challenge.
4. Accurately linking patient data- 80% of respondents indicated that accurately linking patient data was a very or moderately difficult challenge.

Key Findings from Survey



- Funding sources for both upfront and ongoing operational costs still rely heavily upon government funds
 - 46% of all respondents cited federal government contracts as current revenue source
 - 48% of advanced stage cite federal government as source for ongoing operations

Key Findings from Survey

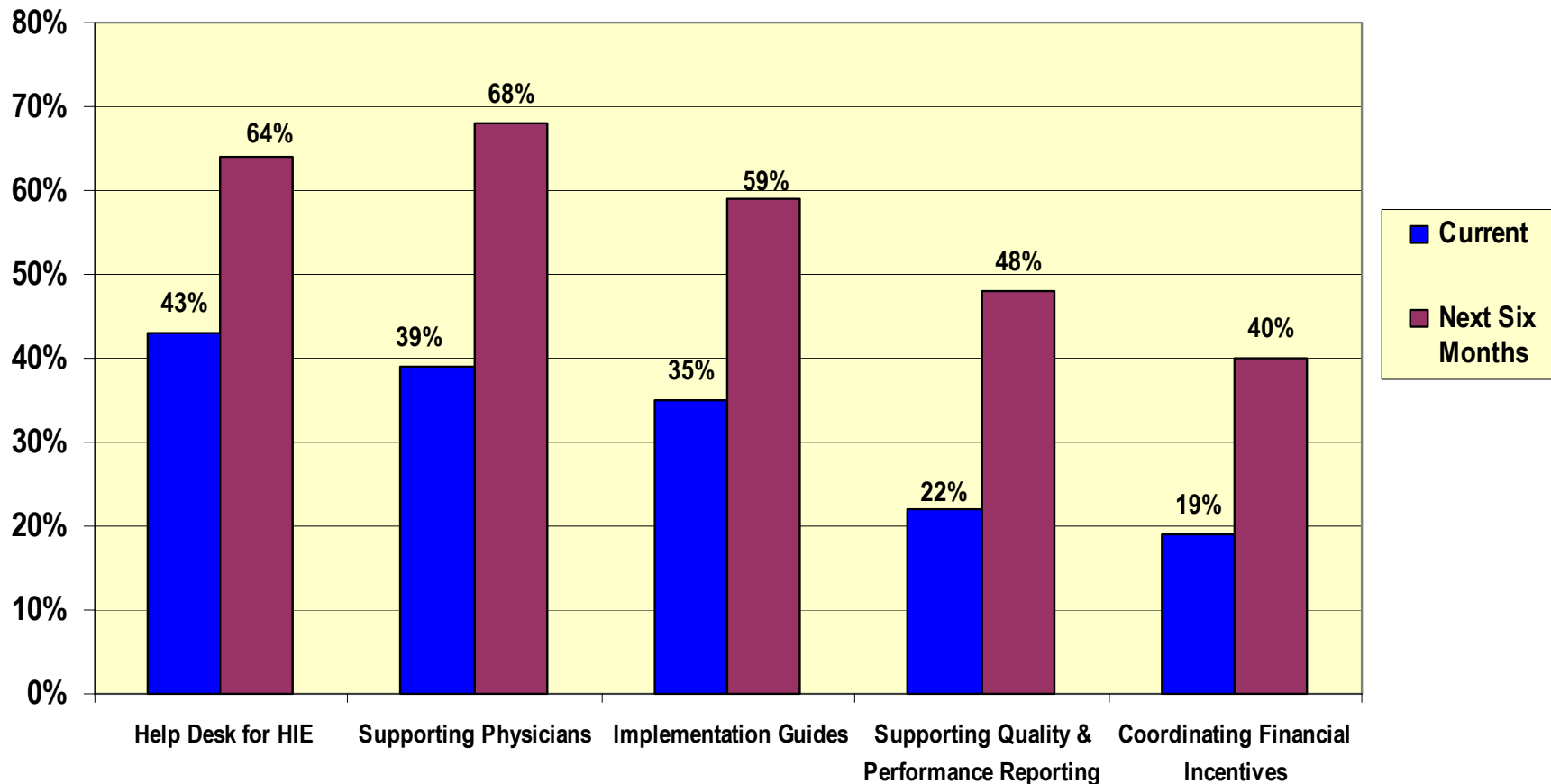


- **But alternative funding sources for ongoing sustainability are beginning to emerge.**
 - Advance payments from hospitals (38%)
 - Physician practices (33%)
 - Public health (19%)
 - Labs (15%)
 - Payers (15%), and
 - Purchasers (9%)

New Models for Sustainability Emerging



**Expansion of Services: Advanced Stage
Current and Within Next Six Months**





Emerging Guiding Principles

Characteristics of Successful Health Information Exchange Initiatives



- Governed by a diverse and broad set of stakeholders within the region or community
- Develop and assure adherence to a common set of principles and standards for the technical and policy aspects of information sharing - addressing the needs of every stakeholder
- Develop and maintain a model for sustainability that aligns the costs with the benefits of HIE; and
- Use metrics to measure performance from the perspective of: patient care, public health, provider value, and economic value.

Emerging Guiding Principles



- **Approach for Getting Organized**
 - Convened by trusted, neutral party
 - Engage all of the stakeholders in your region : clinicians, hospitals, laboratories, community health centers, pharmacies, health plans, employers, patient groups, public health, and the state and local government
 - Get clear upfront on your shared vision, goals and objectives, and principles for working together
 - Focus on value
 - Link to the challenges of your region or community
 - Incremental approach

Emerging Guiding Principles



- **Engaging Practicing Clinicians in the Changes Required**
 - Innovation and investment will be needed to support small physician practices in migration
 - Reduce burden of multiple reporting systems
 - Build reporting into current work-flow
 - Improve trust by leveraging emerging certification processes
 - Realign incentives to promote adoption

Emerging Guiding Principles



- **Financing and Sustainability**

- Must create value for all participants, both globally and for each stakeholder interest
- Look for incremental value gains – projects that will immediately return value – as you move towards your longer-term goal
- Incentive amounts offered should be meaningful
- 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

Emerging Guiding Principles



- **Financing and Sustainability....**

Coordination and collaboration within the region or community is critical.

- Physician practices ordinarily contract with a large number of purchasers and payers.
- Incentives offered by a small number of purchasers or payers generally are not effective
- Reduce the potential for the “free rider” effect
- Most of the data required to deliver care within physician practices resides somewhere else (hospital, lab, pharmacy, health plan, etc.)
-

Emerging Guiding Principles

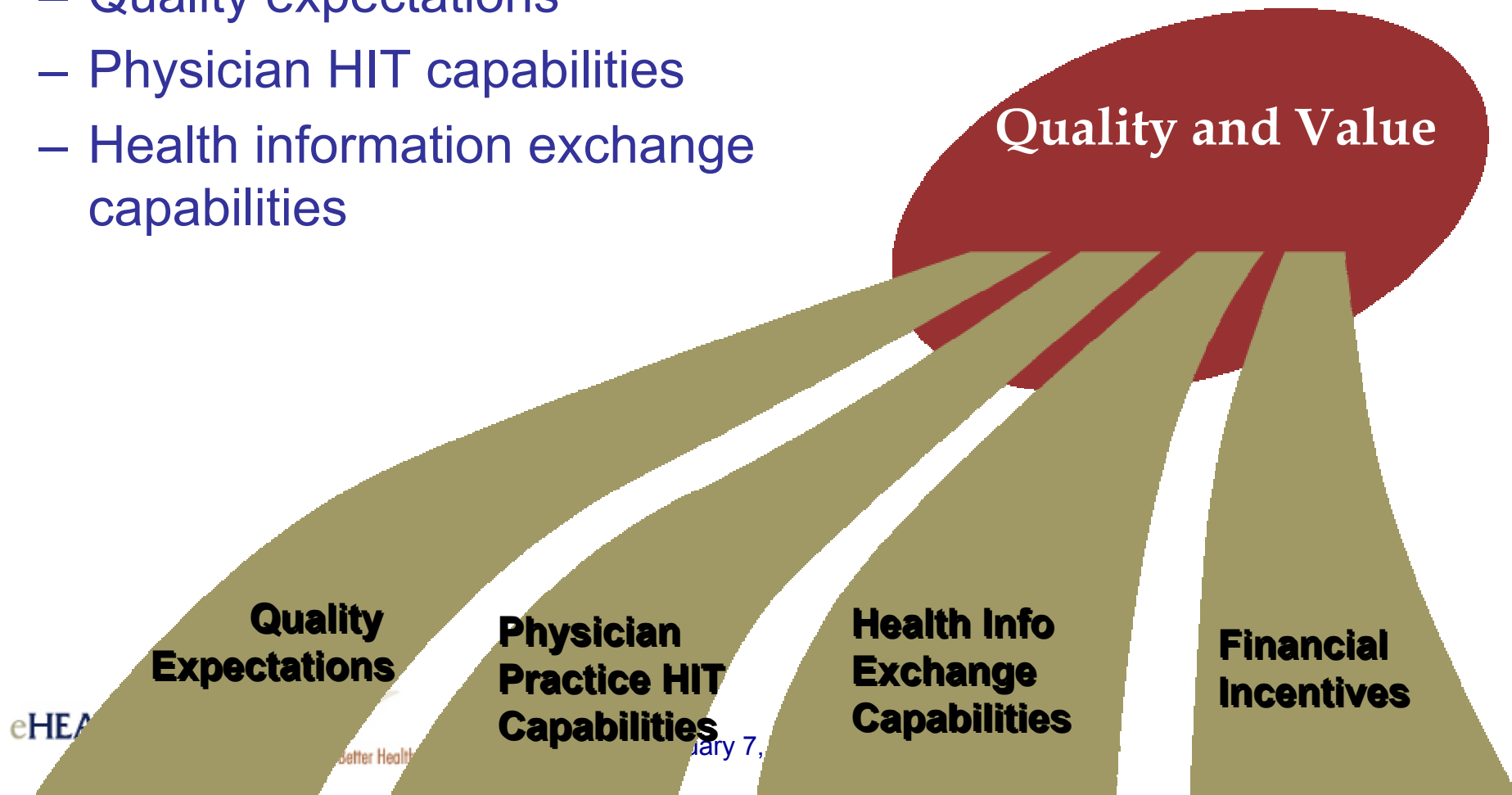


- **Financing and Sustainability:**
 - **Rapidly emerging interest in aligning quality improvement initiatives with the HIT and health information exchange infrastructure required**

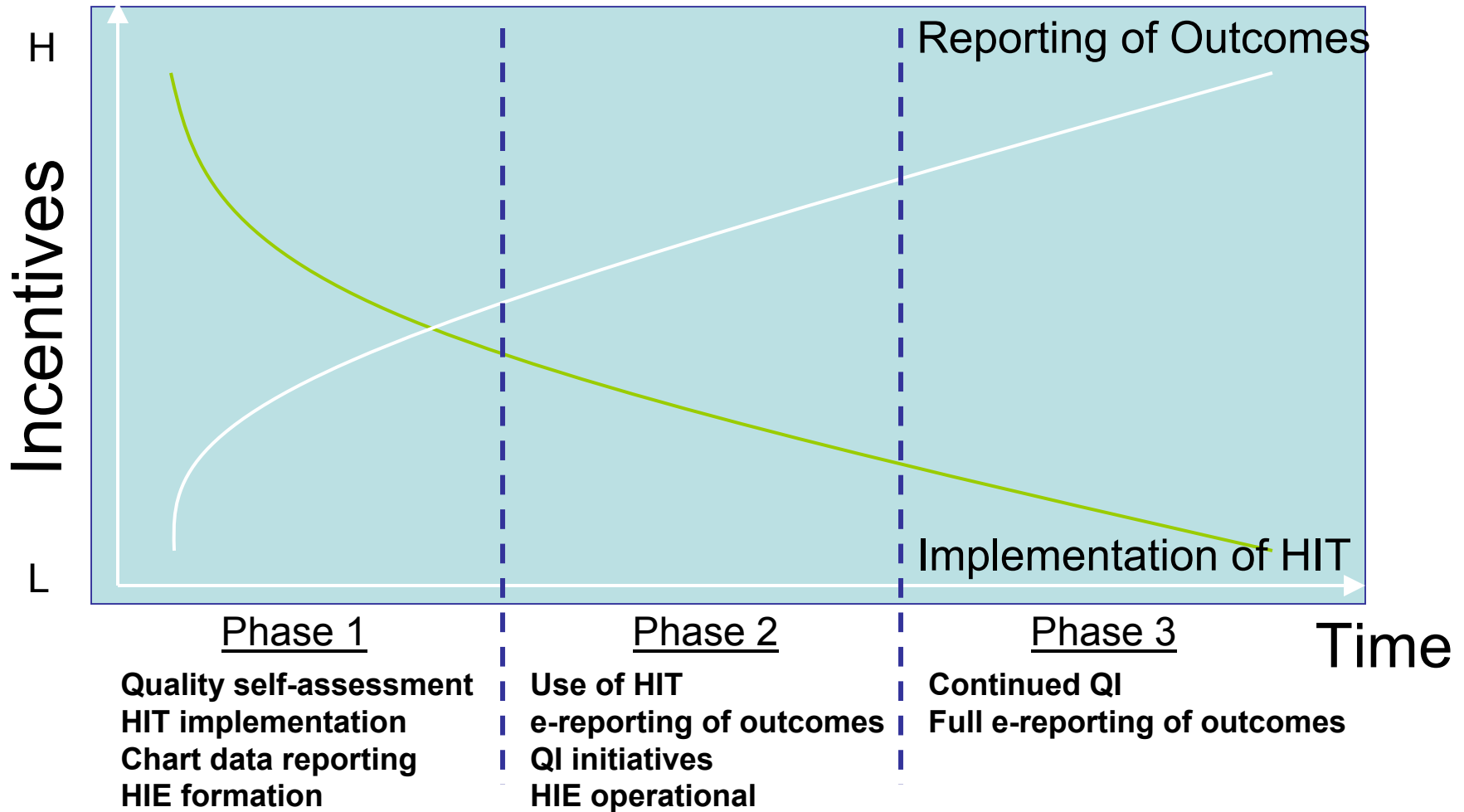
eHI's Parallel Pathways: Aligning Incentives with Quality *and* HIT



- Aligning Incentives with
 - Quality expectations
 - Physician HIT capabilities
 - Health information exchange capabilities



Aligning Quality Expectations with HIT and HIE Capabilities



The Private Sector has Many Programs in Place



- Physician-based:
 - Bridges To Excellence has a program focused on adoption of systems of care, including HIT....enormous uptake across the country
 - The Integrated Healthcare Association in CA rewards physician groups for ambulatory POE and eRX systems
- Hospital-based – The Leapfrog Group has launched a national program that rewards good outcomes and adoption of CPOE systems

Many Health Plans have Incorporated Incentives as Well



- CareFirst BCBS – they licensed BTE and are expanding their program to reward many practices in the DC & Virginia areas
- UHC, CIGNA, Aetna – they are all recognizing physicians that adopt and use HIT to varying degrees

Key Take-aways



- Multi-stakeholder collaboratives focused on health information exchange are cropping up across the country
- Rapid changes in policy at the national, state and local levels
- Enormous leveraging opportunities for quality and value based purchasing efforts

Key Take-aways



- Remember that most of healthcare is delivered by small physician practices...supporting quality improvement will be difficult without information systems
- Collaboration across value-based purchasing efforts and health information exchange efforts are a win-win
- Mobilizing health information is going to **dramatically improve the quality and safety of healthcare in the U.S.**



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