A National View on Health Information Exchange

Mini-Summit on HIE and P4P
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Overview of Presentation

- Overview of the state of the field – health information exchange
- Overview of key health IT provisions in the American Recovery and Reinvestment Act
- Discussion of opportunities for leveraging a growing electronic health information infrastructure for value-based health care

Overview of eHI's 2008 Survey Results: Fifth Annual Survey of Health Information Exchange

Background on eHI Annual Survey

- Since 2004, eHI has conducted an annual survey to provide a comprehensive look at current activities and maturation of HIE
- Survey looks at multiple levels of the system: national, state, regional, local levels
- Data is used by public agencies such as ONC, AHRQ, CDC and HHS to inform strategies related to health IT
- Responses to the survey are self-reported
- This year's survey collected information from 130 respondents from 48 of the 50 states, the District of Columbia, and Puerto Rico

State of the Field

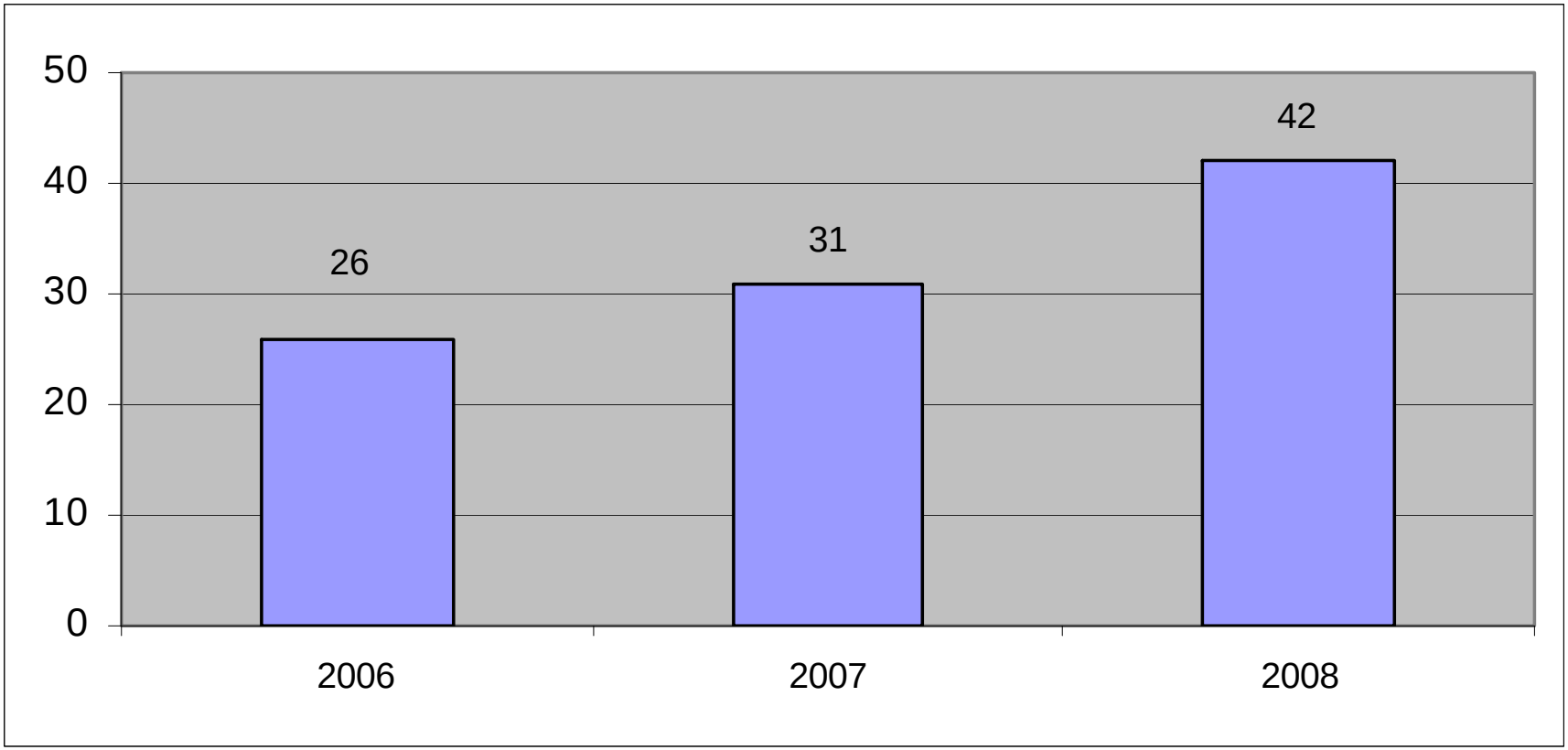
- **The number of health information exchange initiatives in each phase of development are evenly dispersed.**

  Thirty-nine of the initiatives included in the 2008 survey are just getting started with health information exchange, 36 are in the process of implementation, and 42 are operational.

- **The number of operational health information exchange initiatives has increased considerably.**

  The 2008 survey results indicate 42 operational health information exchange initiatives—up from the 32 reporting in 2007—indicating a 31% increase. All 32 operational health information exchange initiatives who responded in 2007 continue to be in operation in 2008.

Number of Operational HIEs 2006-2008



State of the Field

- **The 2008 survey counts 18 new health information exchange initiatives.**

  Eighteen new health information exchange initiatives not included in the 2007 survey reported findings in 2008, demonstrating increased interest in and momentum for the use of health information exchange to improve the quality, safety and efficiency of health care in the U.S.

Growing Impact: Reductions in Health Care Costs

- A majority (69%) of the fully operational exchange efforts (29/42) report reductions in health care costs:
  - 19 reduced staff time
  - 11 decreased dollars spent on redundant tests
  - 5 documented a reduction in patient admissions
  - 5 decreased cost of care for chronic care patients

Growing Impact: Improvements in Care Delivery

- About half (52%) of fully operational exchange efforts (22/42) report positive impacts on health care delivery.
  - 16 improved access to test results
  - 13 improved quality of practice life
  - 9 decreased support staff
  - 8 improved compliance with chronic care and prevention guidelines
  - 6 reported better care outcomes for patients
  - 4 reported a decrease in prescribing errors
  - 4 increased recognition of disease outbreaks

Growing Impact: Positive ROI for Stakeholders

- For the first time, a majority (69%) of operational exchange efforts (29/42) report a positive financial return on their investment (ROI) for their participating stakeholders.
  - 13 reported an ROI for hospitals
  - 9 reported an ROI for physicians practices
  - 6 reported an ROI for health plans
  - 5 reported an ROI for independent laboratories

More Operational HIE Initiatives Are Exchanging Data

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

- 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

- 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.

Financing Continues to Be Greatest Challenge

- Development of a sustainable business model:
  - 50% of all 130 included in the 2008 survey cited this as a very difficult challenge and an additional 32% citing this as a moderately difficult challenge.
  - 36% of operational initiatives cite the development of a sustainable model as a very difficult challenge, with an additional 36% citing this as a moderately difficult challenge.

Top Sources of Start- Up Funds for Operational Efforts

- Hospitals (48%)
- Federal government (48%)
- State government (33%)
- Private payers (26%)
- Philanthropic sources (24%)

Top Sources of Funds to Support Ongoing Operations – Operational HIEs

- Hospitals (62%)
- Physician practices (38%)
- Federal government (36%)
- Private payers (29%)
- State government (26%)
- Public payers (24%)

Decreased Dependency of Federal Government

- Seventy-one percent of the 42 operational health information exchange initiatives who responded to the 2008 survey communicated that they were no longer reliant on federal funds to support their sustainability. This is up from the 56% in 2007.

Overview of the American Recovery and Reinvestment Act

American Recovery and Reinvestment Act
An Overview of the Investment

- Net investment of $19B over ten years

- $2 billion in direct funding channeled through the Office of the National Coordinator
  - $300 million reserved for subnational and regional health information exchange efforts
  - $20 million reserved for NIST for work on health care information enterprise integration

- Incentives through Medicare and Medicaid for healthcare professionals, hospitals, and other providers
  - Starting in 2011, will increase the deficit by $29B through 2019
  - Savings of approximately $12B
  - Net effect on federal deficit is approximately $17B through 2019

Other Funding

- $85 million for the Indian Health Service to use on health IT
- $1.5 billion for community health centers, a sum that can be used toward health IT acquisition
- $500 million for the Social Security Administration for processing disability and retirement workloads, of which up to $40 million may be used for health IT research and adoption
- $1.1 billion to AHRQ, HHS, and the NIH for comparative effectiveness research

Nine Key Elements

1. Office of the National Coordinator
2. Standards and Policy, and Related Committees
3. Grant and Loan Programs
4. Technical Assistance
5. Workforce Training, Research
6. Medicare Incentives for Healthcare Professionals
7. Medicare Incentives for Hospitals
8. Medicaid Incentives
9. Privacy Provisions

Standards and Policy

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

Relevance of Standards in the Act

- **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

- **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

Relevance of Standards in the Act

- **Medicare Incentives**
  - Both Medicare incentives for healthcare professionals and hospitals require **"meaningful use" of "certified EHR Technology"**
- **Medicaid Incentives**
  - Medicaid incentives are to encourage the adoption of **"certified EHR technology"**

Definitions

- **Certified EHR Technology**: “Qualified electronic health record” that is certified as meeting **standards** that are applicable to the type of record involved
- **Qualified EHR:** An electronic record of health-related information on an individual that
  - **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

Grant and Loan Programs

Immediate Funding to Strengthen the HIT Infrastructure
Required Uses of Funds

1. **Health IT architecture** that will support the nationwide electronic exchange and use of health information in a **secure, private**, and accurate manner

2. Development and adoption of appropriate certified **EHRs** for categories of providers **not eligible for support under Medicare/Medicaid**

3. **Training** on and **dissemination** of information on best practices to integrate health IT including EHRs, into a provider's delivery of care, consistent with Health IT Research Center

Required Uses of Funds

4. Infrastructure and tools for the promotion of **telemedicine**, including coordination among Federal agencies in the promotion of telemedicine.

5. Promotion of the interoperability of **clinical data repositories or registries**.

6. Promotion of technologies and best practices that **enhance the protection** of health information by all holders of individually identifiable health information.

7. Improvement and expansion of the use of health IT by **public health** departments.

State Grants to Promote Health IT (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**

State Grants to Promote Health IT
Use of Funds

1. Enhancing **broad and varied participation in the authorized and secure nationwide electronic use and exchange** of health information
2. Identifying **State or local resources** available towards a nationwide effort to promote health IT
3. Complementing other Federal grants, programs, and efforts
4. Providing **technical assistance** for the development and dissemination of solutions to barriers to the exchange of electronic health information;
5. Promoting effective strategies to adopt and utilize health IT in medically underserved communities
6. Assisting patients in utilizing health IT
7. Encouraging clinicians to work with Health ITRegional Extension Centers, to the extent available and valuable
8. Supporting public health agencies' authorized use of and access to electronic health information
9. Promoting the use of EHRs for quality improvement including through quality measures reporting

Definition of Qualified State-Designated Entities

- **Designated by the State as eligible** to receive awards
- **Not-for-profit entity** with broad stakeholder representation on governing board
- Demonstrate that one of principal goals is to use health IT to **improve health care quality and efficiency**
- Adopt non-discrimination and conflict of interest policies that demonstrate **commitment to open, fair, and nondiscriminatory participation** by stakeholders

Competitive Grants to Support Development of Loan Programs (Optional)

- The National Coordinator may award competitive grants to states and Indian tribes for the establishment of programs for loans to health care providers
- No awards to support loan programs will be made before January 1, 2010
- Grants will be used to support a certified EHR technology loan fund.
- Grants shall be deposited in the Loan Fund established by the state/Indian tribe.
- No funds authorized to be used for other purposes shall be deposited in any Loan Fund.

Optional Loan Programs Purposes

- Loans shall be distributed to health care providers for the following uses:
  - Facilitate the purchase of certified EHR technology;
  - Enhance the utilization of certified EHR technology;
  - Train personnel in the use of such technology; or
  - Improve the secure electronic exchange of health information.

Technical Assistance

Health Information Technology Extension Program

- The Secretary, acting through the ONC, shall establish a **health IT extension program** to assist health care providers to adopt, implement, and effectively use certified EHR technology that allows for the electronic exchange and use of health information
- The National Coordinator shall consult with other Federal agencies with demonstrated experience and expertise in information technology services, such as NIST in developing and implementing this program.

Health Information Technology Research Center

- The Secretary shall create a **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 that allows for the electronic exchange and use of information in compliance with adopted standards, implementation specifications, and certification criteria.

- The Center shall seek input from other Federal agencies; users of health IT; and others as appropriate

Health Information Technology Research Center: Purposes

- Provide a forum for the **exchange of knowledge** and experience;
- Accelerate **transfer of lessons learned** from existing public and private sector initiatives;
- Assemble, analyze, and widely **disseminate evidence and experience** related to the adoption, implementation, and effective use of health IT that allows for the electronic exchange and use of information;
- Provide **technical assistance** for the establishment and evaluation of **regional and local health information networks** to facilitate the electronic exchange of information across health care settings and improve the quality of health care;
- Provide **technical assistance** for the development and dissemination of solutions to barriers to the exchange of electronic health information; and
- Learn about effective strategies to adopt and utilize health IT in **medically underserved communities.**

Health Information Technology Regional Extension Centers

- The Secretary shall provide assistance for the creation and support of regional centers
- The regional centers will provide **technical assistance and disseminate best practices** and other information learned from the national Research Center to support and accelerate efforts to adopt, implement, and effectively utilize health IT that allows for the electronic exchange and use of information in compliance with adopted standards, implementation specifications, and certification criteria.
- The regional centers shall be **affiliated with any US-based nonprofit institution or organization** that applies for and receives merit-based awards to operate a regional center

Health IT Regional Extension Centers Objectives

1. Assistance with the **implementation, effective use, upgrading, and ongoing maintenance** of health IT
2. **Broad participation** of individuals from industry, universities, and State governments
3. Active **dissemination of best practices and research** on the implementation, effective use, upgrading, and ongoing maintenance of health IT, including EHRs, to health care providers in order to improve quality and protect the privacy and security of health information
4. **Participation** in **health information exchanges**
5. Utilization of the expertise and capability that exists in federal agencies other than the Department
6. **Integration** of health IT, including EHRs, into the initial and ongoing **training** of health professionals and other relevant individuals in the healthcare industry

Medicare Incentives for Healthcare Professionals

Medicare Incentives: Basic

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

Medicare Penalties

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%

Must be Meaningful EHR User to Qualify

1. **Meaningful use** of "certified EHR technology", including use of electronic prescribing
2. **Information exchange**
3. **Reporting on** clinical quality **measures**

Certified EHR Technology: Definition

- "Qualified electronic health record (EHR)" that is certified as meeting standards (as specified in the legislation) that are applicable to the type of record involved
- "Qualified EHR" is an electronic record of health-related information on an individual that
  - **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

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)

Demonstration of Meaningful Use and Information Exchange

- Must satisfy the demonstration requirement through means specified by the Secretary which may include:
  - Attestation
  - Submission of claims with appropriate coding indicating patient encounter was documented using certified HER technology
  - Survey response
  - Reporting of clinical quality meausures
  - Or other means

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

Medicare Incentives for Hospitals

Medicare Incentives for Hospitals

- Incentives start in 2011
- Large hospitals can qualify for up to $11 million 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
- Hospitals adopting after 2013 receive reduced payments
- No incentive payments for hospitals first adopting after 2015

Medicare Incentives Penalties

- Starting in 2015, eligible hospitals that are not meaningful EHR users will face a market basket adjustment under Medicare
- The annual Medicare basket adjustment for non-using eligible hospitals will be reduced as follows:
  - By 33 1/1 percent for 2015
  - By 66 2/3 percent for 2016
  - By 100 percent for 2017 and each subsequent year

Incentive Payments Eligibility and Other

- Must be “eligible hospital”: as defined in the Medicare section of the Social Security Act.
- Language also enables application to certain Medicare Advantage-affiliated eligible hospitals
- Must be a “meaningful EHR user” (same requirements as for healthcare professionals)
- Same public reporting requirements
- Same hardship requirements

Next Stop: Health Care Reform?

Opportunities for "Building the Bridge"

Key Considerations

- OMB projects that nearly all health care professionals will be using EHRs in ten years
- Penalties will increase beyond 2017 if 75% penetration rate is not achieved
- Information exchange and clinical quality reporting requirements for “meaningful use” lay the groundwork for the bridge
- Rule-making this year and next to define “meaningful use” is most important….and will play a key role in determining how this rolls out
- Requirements associated with grant funds and technical assistance will also play a key role
- We could get this right…or we could really get this wrong
- Thoughtful insight, careful consideration, collaboration over the next several weeks and months is critical!

Questions and Discussion

Thank You

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