RIQI HIT Adoption Committee

American Recovery and Reinvestment Act
HITECH Provisions

Adapted from: AHIMA/FORE Presentation

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Laura Adams, President and CEO, RIQI

Policy Changes
Overview

Office of National Coordinator

- Codifies ONC's role in HHS and imposes substantial reporting requirements
- Empowers ONC to review and determine whether to endorse standards, specifications, & certification criteria
- Chief Privacy Officer must be appointed by February, 2010

Privacy and Security Provisions

- Extends HIPAA to a broader range of organizations handling such information
- Mandates notification to individuals and government agencies in the event of security breaches
- Expands individual rights currently afforded under HIPAA
- Toughens HIPAA's civil penalties

Nationwide Health Info Network

- Leaves open the issue of how the NHIN will be governed
- Directs HHS Secretary to provide recommendations within a year and must report within 2 years (and annually thereafter) describing actions taken to create a nationwide health IT network

Federal Advisory Committees

- Creates Health IT Policy Committee that prioritizes and harmonizes standards, specifications, & certification criteria
- Creates Health IT Standards Committee that recommends standards, specifications, & certification criteria; Secretary of HHS has until 12/31/09 to adopt the initial set of standards

Programs and Incentives
Overview

Appropriations for Health IT

$2-$3 billion for loans, grants & technical assistance for:

- National Resource Center & Regional Extension Centers
- EHR State Loan Fund
- Workforce Training
- Research and Demonstrations

New Incentives for Adoption

New Medicare and Medicaid payment incentives for HIT adoption

- $18-19 billion in expected payments through Medicare to hospitals & physicians
- $12 billion in expected payments through Medicaid
- ~$30 billion expected outlays, 2011-2016

Appropriations for HIE

At least $300 million of the total at HHS Secretary's discretion for HIE development

- Grants to States or qualified State-designated entities
- For planning and/or implementation
- Beginning in 2011, states will be required to make available non-federal contributions; At HHS discretion prior to 2011

Broadband and Telehealth

$2.8-$6.6 billion toward broadband loans and grants for telehealth

- Directs ONC to invest telehealth infrastructure and tools
- Directs the new FACA Policy Committee to consider telehealth recommendations

Health Information Exchange (HIE)
Funding, Requirements, and Uses

Funding Mechanism

Appropriations, subject to annual review & authorization

Payment Agent

States or state-designated entities

Payment Recipients

- State Department of Health or a *qualified* state-designated HIE governing entity.
- Recipients must consult with wide range of stakeholders throughout health care.

Level of Funding

- At least $300 million in grants to be divided among planning & implementation activities.
- State matching funds are required in FY 11).

Requirements for Funding

- Submission of a plan, approved by HHS, that describes the activities to facilitate and expand the electronic movement and use of HIE according to nationally recognized standards and implementation specifications.

Use of Funds

- Enhancing broad and varied participation in nationwide HIE
- Identifying State or local resources available towards a nationwide effort to promote health IT
- Complementing other federal programs and efforts towards the promotion of health IT
- Providing technical assistance to develop & disseminate solutions to advance HIE
- Promoting effective strategies to adopt and utilize health IT in medically underserved communities
- Assisting patients in utilizing health IT
- Encouraging clinicians to work with Health IT Regional Extension Centers
- Supporting public health agencies' access to electronic health information
- Promoting the use of EHRs for quality improvement

State-level Health Information Exchange
Considerations

- **HIE provision distinguishes between planning and implementation grants, and it is likely that much larger grants will go toward implementation.**
- **Criteria for implementation funding will be determined by HHS Secretary, but will likely require States and/or designated entities to have:**
  - An operating governance structure
  - A defined technical plan
  - Defined clinical use cases
  - Statewide policy guidance as to privacy and security
- **Implicit onus on states to develop HIE infrastructure in the near-term to enable otherwise-eligible providers to earn their Medicare/Medicaid incentive payments.**

Medicare and Medicaid
Incentives

	Medicare	Medicaid
Funding mechanism(s)	Incentive payments	Incentive payments State matching payments (for admin costs)
Payment Agent	Medicare carriers and contractors	State Medicaid agencies
Payment Recipients	Hospitals and physicians	Hospitals and physicians State Medicaid agencies for program admin
Amounts for Hospitals	***$2 million base amount*** Plus increases for annual discharges, number of inpatient days attributable to Medicare, and charges attributable to Medicare	***$2 million base amount*** Plus increases calculated using similar methodology as Medicare incentive *(eligible entities include Acute Care and Children's Hospitals)*
Amounts for physicians & other health professionals	***Up to $44,000 in Medicare reimbursements*** Over 5 year period	***Up to $75,000*** Over a 5 year period for 85% of eligible implementation costs
Key Consideration	*Hospitals (not physicians and professionals) will qualify for both Medicare & Medicaid funding but must participate in HIE projects & be "meaningful user" to drawn down funds*	

Medicare Incentives for Physicians

- “Meaningful Use” of certified EHR technology by community physicians
- Timeframe is 2011-2015 or 2012-2016 with payments of $18,000, $12,000, $8000, $4000, $2000 (Total of $44K/physician
- Consolidated payment or periodic installments to be determined
- 10% increased payment for heath professional shortage areas

Penalties to Physicians

- Reduced payments if not implemented until 2013 or 2014 - $15,000, $12,000, $8000 (Total of $35K/physician)
- No incentives payments will be made at all after 2016
- Physicians for whom the first payment year is after 2014 receive no incentive payments
- Penalties for non-use by 2015 will be 1 – 3% reduction in reimbursement each year with authority granted to HHS to reduce reimbursement rates further beginning in 2018 if 75% of physicians have not adopted
- Hardship exemption

Certified EHR Technology

- Meet standards adopted by the National Coordinator for Health IT
- Must include demographics, medical history, problem lists, quality indicators
- Clinical decision support and provider order entry
- Exchange clinical information to/from other organizations
- Voluntary Certification Program in collaboration with National Institute of Standards and Technology

"Meaningful User"
Statutory Definition

- Using certified EHR technology
- e-Prescribing
- Demonstrating that the EHR technology is connected in a manner that provides for the electronic exchange of health information that improves the quality of care
- Submits information on clinical quality measures and other measures as selected and in a form and manner specified by the Secretary of HHS
- ***Secretary directed to improve the use of EHRs and health care quality over time by requiring more stringent measures of meaningful use.***

“Meaningful User”
Possible Criteria

Physicians

- E-prescribing
- Quality reporting
- Connects to HIE
- Decision support use
- Charting
- Chart sign-off

Hospitals

- CPOE
- Quality reporting
- Connects to HIE
- Evidence-based guideline use
- Charting
- Nursing adoption
- Discharge planning

Areas of Ambiguity

- Volume of e-prescribing
- Definition of “HIE”

Areas of Ambiguity

- Level of adoption across hospital
- Definition of “HIE”
- Integration across ancillaries

Regional Extension Centers
Funding, Requirements, and Uses

<table>
<tr><td><u>Funding Mechanism</u>
Appropriations, subject to annual review & authorization</td><td><u>Payment Agent</u>
HHS</td></tr>
<tr><td><u>Payment Recipients</u>
• Non-profits, perhaps QIOs, Chartered Value Exchanges, Regional Health Information Organizations</td><td><u>Level of Funding</u>
• Estimate approximately $750M - $1B (equally spread $5B across grant programs);
• 50% matching requirement</td></tr>
<tr><td colspan="2"><u>Requirements for Funding</u>
• Organization must be US-based non-profit
• Likely, one or more per region
• Organizations will have extensive experience in quality reporting, health IT demonstrations
• Existing relationships with least-advantaged providers (i.e., public and critical access hospitals, FQHCs, rural providers, primary care physicians)
• Awards decided on the basis of merit</td></tr>
<tr><td colspan="2"><u>Use of Funds</u>
• Assistance with the implementation, effective use, upgrading, and ongoing maintenance of health IT
• Active dissemination of best practices and research
• Participation, to the extent practicable, in HIEs</td></tr>
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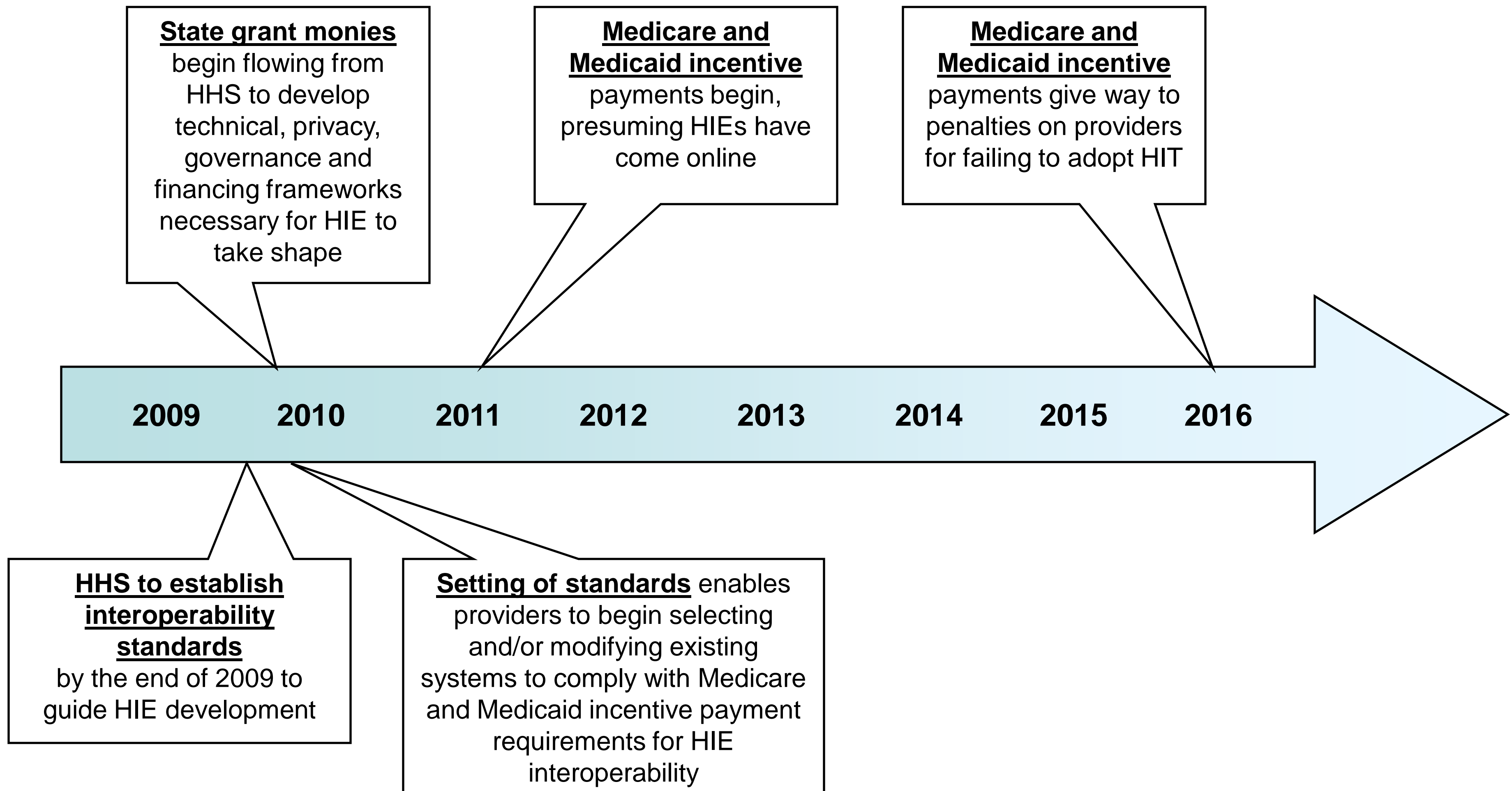
Other Provisions

- Research and Development Funding
- Competitive Grants to States and Tribes for Loan programs
- Clinical Education Grants
- Medical Informatics Program Grants

Program and Incentives
Implementation Timeline



In Conclusion

The legislation is complex in parts, too simplistic in others, lacks detail in certain respects and presents uncertainties throughout.

It is, however, a thoughtful attempt to direct a multi-constituent process, with funding to create a comprehensive effort to stimulate the modernization of the U.S. health care system—an investment that simultaneously reduces the cost of care while improving outcomes.

--Bureau of National Affairs, Inc. 2009