



**HIT Intrigue in Washington:**  
 Federal Initiatives to expand  
 Health Information Technology

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**HIT and Washington: Overview**

- *HIT's unprecedented staying power:*  
Themes provoking non-stop Congressional Interest and Action
- *The MMA and HIT:*  
"Phase I" of legislative accomplishments in HIT
- *Phase II:*  
Swirling legislation, major provisions, emerging bills
- *The Administration and HIT:*  
Many promising (unwieldy?) initiatives
- *Outlook*

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**HIT Holds Lawmakers' Attention  
Despite Many Competing Health Care Priorities**

- Congress and the Administration demonstrating strong and **sustained interest** in HIT expansion and interoperability
- In the last four years, seven Congressional committees have held over **15 hearings** on how to expand HIT
- More than **30 bills** have been introduced in the 108th and 109th Congresses with HIT components
- Administration devoting **major resources**, established ONCHIT, Strategic 10-Year Plan, commissions, grants, etc...with the Secretary's direct and consistent participation

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**HIT's Driving Forces: Themes Provoking Action**

- **Savings** to Medicare and the Nation's health system
- Improvements in **quality, patient safety, and value**
- **Consumer empowerment**
- Strengthening the health care safety-net for the **uninsured**
- **National security/crisis management**

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**A Port in the Health Care Spending Storm?**

- Potential efficiency savings of widespread HIT use estimated at \$80-\$140 billion/year for nation.
  - Nearly 10% of U.S. health spending
- ...An alluring promise to a Congress grappling with hard-to-control growth in federal health spending
- Medicare and Medicaid will cost the Federal Government \$625 billion in 2006, about one-third of all national health spending
- VA, Tricare, FEHBP, IHS, cost the Federal government an additional \$85 billion in 2006

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**Lawmakers ISO Solutions to Improve  
Disparaged Quality, Safety & Value of US Care**

- Congress driven since the late 90's to address reports of injuries and deaths due to medical errors.
- Improving health care quality important for global competitiveness, health insurance premiums, vocal employers seeking solutions
- Lawmakers struggled with complex solutions for improving health care quality, HIT/EMR has emerged as highly desirable, manageable solution
- Value-based Purchasing, chronic care management, important for controlling cost drivers, both are aligned with HIT

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## Empowering Consumers to Participate in Their Care



- Congress considering establishing HIT standards that will allow and encourage individuals to:
  - Own and use their medical records, esp. for chronic conditions
  - Evaluate provider quality and price for non-emergency services
  - Result in migration of consumers to better quality, lower prices
- Concerns of privacy advocates a key barrier
- Key to Administration/Congressional HSA initiatives

## HIT's Potential for Strengthening the Safety Net of Care for the Poor



- Communities can create virtual systems of health care delivery for their uninsured individuals through:
  - Shared health record
  - Common eligibility screening and enrollment in federal, state and community medical assistance programs and charity programs
  - Primary care expansion
  - Collaborative disease management
  - Collaborative pharmacy strategies
- Providers more likely to volunteer care when EMR is available

## HIT Increasingly Critical for National Security/Crisis Management



- Congress highly motivated to legislate post-catastrophe
- Hurricane Katrina provided an unfortunate, live demonstration of worst-case health records scenarios discussed in Congress just prior to Katrina
- Vivid media stories impressed upon lawmakers the need to act quickly
- Hurricane spurred HHS contract to plan and promote widespread use of electronic health records in the Gulf Coast regions

## Most Significant Legislative Action to Date: The Medicare Modernization Act of 2003



- The MMA was an important first step in promoting HIT through signed legislation
- Electronic Prescription Standards
  - Grants to Physicians to Implement Electronic Prescription Programs
  - Medicare Care Management Performance Demo
  - Chronic Care Improvement Under Medicare Fee-for-Service
  - Commission on Systemic Interoperability

## Many HIT Bills, Include Overlapping Themes Common Provisions in HIT Legislation



- **Standards Adoption**
  - Deadlines, Incentives, Penalties
  - Including standards for information exchange (HL7), classifications and coding [incl. claims data] (ICD10; CMS 1500), terminology and vocabularies (SNOMED; LOINC)
- **Stark/Anti-kickback Exemption**
  - Exempt prohibitions for health systems purchasing HIT for physicians
  - Some require certification, standards adoption, network
- **Uniform Privacy/Security Rules**
  - Some bills ensure application of HIPAA standards
  - Johnson bill is first to move toward national uniform standard on privacy and security

## Common Provisions in HIT Legislation (cont.)



- **Grants/other funding**
  - Physician and provider incentives (Stark exception),
  - Revolving loan programs/other access to capitol for EMR purchases
  - Matching grants
  - EMRs as a Tax Credit v. business expense
  - Most funding connected to standards adoption or network membership
- **Quality measurement system**
  - Development and adoption of uniform health care quality measures
- **HIT in Federal health programs**
  - Medicare payment incentives for providers using EMR, Requiring FEHBP contractors to use EMR, Medicaid HIT chronic care demonstration
- **Other:** RHIOs/Networks, Codify ONCHIT

## Recent Activity in Congress



### Action has Narrowed to Two Prevailing Bills For Now:

- Senate passed S. 1415, *Wired for Health Information Technology* (November).
  - Frist, Enzi, Clinton and Kennedy
  - Bill passed by voice vote (bipartisan support for now)
- House Ways and Means/Energy and Commerce Subcommittee joint bill: H.R. 4157, *Health Information Technology Promotion Act of 2005* (October)
  - Chairwoman Johnson, Chairman Deal
  - Hearings underway

## Key Provisions in Major Bills

### Lack of Overlap Could be Cause for Concern



| Provision  | Senate-passed Bill S. 1415             | House Johnson/Deal Bill H.R. 4157         |
|--|--|---|
| Codify ONCHIT  | ✓                                      | ✓   |
| Formal standards adoption process                      | ✓                                      |   |
| Standards mandate:<br>Government -<br>Private sector - | ✓<br>Grant recipients                  |   |
| Grants   | ✓                                      |   |
| Stark/anti-kickback exceptions                         |  | ✓   |
| Uniform privacy/security rules                         |  | Establishes process to achieve uniformity |
| Quality measurement system                             | ✓<br>Measure development and reporting | Separate Johnson P4P bill                 |

## Administration's Investment: Disparate Efforts Beginning to Make Sense



- Numerous players: DHHS (ONCHIT, AHRQ, NIH, CMS), VA, DoD, DoC, OPM, Ag, NASA
- Administration leveraging VA and DoD experience in EMR
- FEHBP directing carriers to use e-prescribing and other applications
- National Institutes for Standards and Technology providing expertise, website on standards development and resources
- AHRQ grant program awarded \$100M over 5 years, named National Technical Resource Center, more grants announced
- CMS establishing P4P, QIO IT skills, e-prescribing standards, demonstrating EMR in physician offices

## Office of the "National Coordinator" of HIT



### *Our 21<sup>st</sup> Century Health Care System uses a 19<sup>th</sup> Century Paperwork System*

- President George W. Bush, April 2004

- April 27, 2004, President calls for widespread adoption of interoperable EMR within 10 years and establishes ONCHIT
- National Health IT Coordinator reports to HHS Secretary, Coordinates all Federal & Private Sector efforts toward National Health Information Infrastructure (NHII)
- ONCHIT developed strategic 10-year plan to adopt EMR and a National Health Information Infrastructure (NHII) to link records nationwide

## Office of the "National Coordinator" of HIT

### ..... Aptly Named Given Numerous Administration HIT Efforts



#### Current ONCHIT Projects and Charges:

- Integration of private and public HIT efforts
- Conduct/commission studies in support of HIT
- Overseeing the American Health Information Community (AHIC)
- Overseeing the Certification Commission for Healthcare Information Technology (CCHIT)
- Awarding and overseeing contracts to facilitate development of NHII:
  - Standards harmonization process for HIT
  - Privacy and Security assessment
  - National Health Information Network Prototypes
  - Measuring the adoption of HER
  - Gulf Costs electronic digital health recovery

## Federal Agencies Still Face Many Challenges



#### GAO Testifies about federal agencies' shortcomings:

- *Integrating current initiatives into a national health IT strategy and federal architecture to reduce the risk of duplicative efforts;*
- *Developing and adopting consistent standards to encourage interoperability;*
- *Coordinating initiatives with states and local agencies to improve the public health infrastructure, and;*
- *Overcoming federal IT management weaknesses to improve progress on IT initiatives.*

*Until these agencies address all these challenges, movement toward building a stronger public health infrastructure will be limited.*

Health Information Technology: HHS is Continuing Efforts to Define a Nation Strategy, March 15, 2006

## HIT: Outlook For Remainder of 2006



### Congress:

- Major Barrier: Limited time left in legislative session
  - competing priorities including November elections, drug benefit implementation, last year's reconciliation bills
- Politics of HIT: Senate and House are far apart, safe harbor, privacy issues becoming more politically charged
  - lengthens time needed for unifying Senate/House bills.

### Administration:

- Several contracts up at end of year
  - HHS will use results to define future direction
- ONCHIT to Release Strategic Plan later in 2006
  - To include milestones for interoperable HIT with performance metrics