

HEALTH IT IMPLICATIONS OF THE STIMULUS PACKAGE



OHIO HOSPITAL ASSOCIATION
Stimulus HIT Working Group
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Health IT Implications of Stimulus Package

4 MAIN AREAS

→ 1. *Medicare and Medicaid Incentives to promote adoption of **certified EHR** in patient care and Medicare Penalties for Failure to use EHR*

2. Development of IT standards for nationwide electronic exchange and use of health information
3. Improvements in HIPAA privacy and security law to better protect protected health information
4. Funding for broadband network and infrastructure to promote information exchange and telemedicine in underserved areas

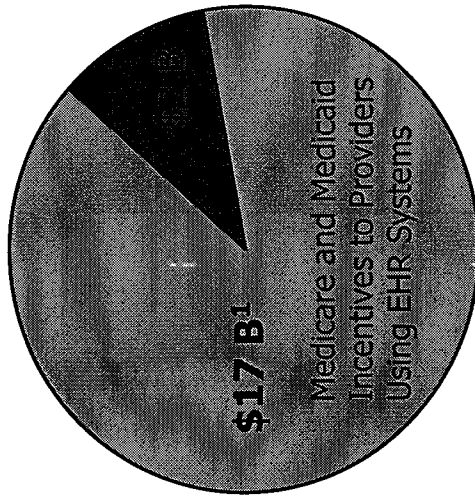




MEDICARE AND MEDICAID INCENTIVES TO ADOPT EHR

Significant Federal Funds

Total \$19 B



Net Medicare
Spending over 10
years

Office of National
Coordinator (ONC) for
grants, loans and
technical assistance to
develop IT and for
HIPAA enhancements
(\$2 B)

ONC now permanent
part of HHS



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¹ CBO estimates incentive payments will actually be \$30 B, with approximately \$12-13 B savings



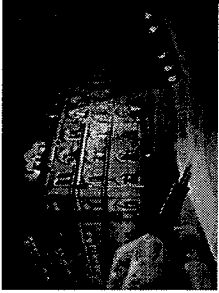
Office of National Coordinator for Health Information Technology

- **ONC responsible for creating nationwide health IT technology infrastructure to improve and coordinate care**
- **ONC directed to develop standards and certification criteria by year end 2009, and to coordinate health IT policies through a federal IT strategic plan**
- **Also established advisory committee Health Information Technology Policy Committee (to make policy recommendations to the NC on implementation of nationwide health IT infrastructure)**
- **HIT Standards Committee (to recommend to NC standards, implementation, specifications and certification criteria for electronic exchange and use of health IT)**



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Medicare and Medicaid Incentives to Adopt EHR

\$2 B in Appropriations For

- Health information Exchanges (HIE) Program for States - \$300 M
- State-based EHR Adoption Loan Programs
- National Health IT Research Center and Regional Centers to serve as a forum for exchanging knowledge and experience, disseminating best practices, and technical assistance to health networks
- Workforce Training Grants
 - Medical informatics programs
 - Integrating EHRs into medical school curricula
- Available now!



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Medicare and Medicaid Incentives to Adopt EHR

Overview of Incentives

HOSPITALS

- Available in FY 2011 for 5 years
- Payments Based on Medicare or Medicaid Share
- Must be CERTIFIED EHR
- Must Show "meaningful use" by 2015
- Medicare AND Medicaid Incentives (can collect BOTH)

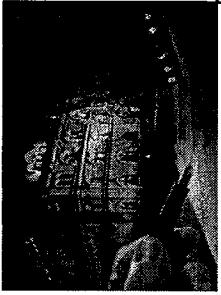
PHYSICIANS

- Available in FY 2011 for 5 years
- Payments Flat Amount
- Must Show "meaningful use" by 2014
- Must be CERTIFIED EHR
- Medicare OR Medicaid Incentives (if at least 30% Medicaid) (can't collect BOTH)



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Medicare and Medicaid Incentives to Adopt EHR

Congressional Budget Office Estimates

- Incentives will increase health IT adoption rates to 70% hospitals, and 90% physicians by 2019
- Without incentives, estimates were health IT adoption rate of 45% hospitals, and 65% physicians by 2019
- Savings \$12 B through reduced utilization





Medicare and Medicaid Incentives to Adopt EHR

- Hospital and Physician
Eligibility for Incentive Payments
“Meaningful Use” in Year Qualify
- Must adopt CERTIFIED EHR Systems
 - Must implement core EHR System Functions, including CPOE
 - Must report on Clinical Quality Metrics
 - Not clear what metrics HHS will require
 - Must participate in Health Information Exchanges (HIE) to share data with other providers



