

The American Recovery and Reinvestment Act of 2009 – What It Means to You."

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Agenda

- › A Big Day...
- › What It Means
- › How It Works
- › What It Means for You
- › Q&A

Big Day...



"Because we know that spiraling healthcare costs are crushing families and businesses alike, we're taking the most meaningful step in years towards modernizing our healthcare system. It's an investment that will take the long overdue step of computerizing America's medical records, to reduce the duplication and waste that costs billions of healthcare dollars and medical errors that cost thousands of lives each year. ... We have done more in 30 days to advance the cause of healthcare reform than this country has done in an entire decade."

President Barack Obama
February 17, 2009

Breaking it Down...

- › The *American Recovery and Reinvestment Bill* signed
 - \$790 billion
 - Approximately \$30 billion within the Bill is allocated towards the improvement of healthcare in some form
 - Health IT
 - Training for more primary care physicians
 - Research on chronic diseases
 - Community Health Centers
 - “Comparative Effectiveness” research
- › The *Health Information Technology for Economic and Clinical Health Act* (“HITECH”) includes \$19 billion for health information technology

What is in the \$19 Billion?!

\$17 billion

Physician Incentives

Incentive Bonuses from Medicare/Medicaid

+ \$2 billion

HHS Discretionary Funds (For Use By National Coordinator of Health IT)

Standards Development, Grants (AHRQ, HRSA, CMS), HIE Infrastructure, Loans to the States for EHR, Regional HIT Resource Centers, Telemedicine, Efficacy Studies

= \$19 billion

HHS = Health and Human Services

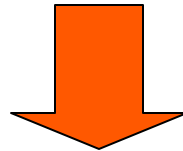
AHRQ = Agency for Healthcare Research and Quality

HRSA = Health Resources and Services Administration

CMS = Centers for Medicare and Medicaid Services

The HITECH Act: Overview

- › The Bill aims to accomplish four major goals:
 - Health information technology infrastructure for interoperability in place
 - Standards building upon CCHIT by 2010
 - Saving the government \$12 billion
 - Strengthening Federal privacy and security law



Congressional Budget Office estimates that 90% of doctors and 70% of hospitals using comprehensive EHR by 2020

The HITECH Act: Overview

Physician Incentives

- › \$17 billion in incentives require proof of "meaningful" use
 - Use of a certified product as determined appropriate by the Sec. of HHS
 - The EHR technology must be connected
 - Complies with submission of reports on clinical quality measures
- › Those that adopt first will benefit the most (declining incentives)
 - Physicians can earn between \$44,000 to \$64,000 over five years from Medicare / Medicaid if they are utilizing an EHR in 2011
 - Late adopters will receive significantly less
 - Providers may receive incentives under only one of the programs
 - 2015: reductions in Medicare/Medicaid fees for non-EHR users
- › Hospitals can earn up to \$2,000,000 *plus* discharge bonuses (total payout to them could be \$10 million +)

The HITECH Act: Overview

HHS Discretionary Funds

- › Secretary of HHS has 90 days to develop plan to allocate \$2 billion
- › Core areas of focus:
 - Standards requirements due before the end of this year
 - HIE Infrastructure, National Health Information Network (NHIN)
 - Regional Health IT Resource Centers
 - Federal grants through AHRQ, HRSA, CMS
 - Grants to the states in 2010
 - Promote advanced EHR – disease mgmt., quality care measures

The HITECH Act: Standards

- › Focused on rapidly increasing interoperability capabilities, as well as privacy protections within EHR products and regional HIE efforts
- › The Secretary of HHS will identify a standards harmonization organization (could be HITSP) and a health IT certification organization (expected to be CCHIT)

HITSP = Healthcare Information Technology Standards Panel

The HITECH Act: Overview

Privacy & Security

- › Federal privacy and security laws (HIPAA) were expanded to protect patient health information, including:
 - Defining which actions constitute a breach (including some inadvertent disclosures)
 - Imposing restrictions on certain disclosures, sales, and marketing of protected health information
 - Requiring an accounting of disclosures to a patient upon request
 - Authorizing increased civil monetary penalties for HIPAA violations
 - Granting authority to state attorneys general to enforce HIPAA

Additional Areas for Funding

- › Prevention and Wellness - \$1 Billion
- › Community Health Centers - \$1.5 billion
- › Training Primary Care Providers - \$500 million
- › Indian Health Service Facilities - \$415 million
- › NIH Research and Facilities - \$10 billion

The Dust Settles

- › Stimulus politics
- › Comparative effectiveness
- › HHS Secretary: “I’ve got the power”
- › Check the box?

Understanding The Federal Incentives

If you start now...

**EHR
Stimulus
Funding**

+

**ePrescribe
Incentive**

+

**PQRI
Incentive**

**\$44,000
over 5 yrs.**

**\$3,000-5,000/yr.
estimate**

**\$3,000 - \$5,000/yr.
estimate**

PQRI = Physician Quality Reporting Initiative

The Time is NOW.

Great incentives are coming. Be ready for them.

› **Funding is Front Loaded**

- \$30,000 (close to 70% of the funding) comes in the first two years.
- It decreases significantly every year thereafter.

› **You Need to Demonstrate Meaningful Utilization**

- Purchase and Implementation are not enough. You must use it.
- Steps include: evaluate your workflows, develop your selection criteria, select a vendor, develop your implementation plan, install your EHR, connect to other providers and have your MDs fully functional.
- A lot to do in a short period of time.

› **Funding is Time Stamped**

- Funding starts in 2011, decreases over time and goes away after 2015 .
- Penalties begin in 2015.

The Time is NOW.

Great opportunities are already in place. Take advantage of them now.

- › **Incentives from Federal Government are Already in Place**
 - CMS incentive programs = estimated impact of \$6,000 to \$8,000/MD/year
 - 2% financial incentive for physicians to use electronic prescribing
 - 2% for Physician Quality Reporting Initiative (PQRI)

What This Means for YOU

- › The world has changed
- › Imagine a world where 90% of providers have electronic health records and they're connected
- › Build on what you have

Q&A

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