

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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WASHINGTON, DC 20515-6115

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MEMORANDUM

July 25, 2010

To: Members of the Subcommittee on Health

Fr: Committee on Energy and Commerce Staff

Re: Subcommittee Hearing on Health Information Technology

On Tuesday, July 27, 2010, at 1:00 p.m. in room 2322 of the Rayburn House Office Building, the Subcommittee on Health will hold a hearing entitled “Implementation of the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH).” The hearing will focus on the progress and plans for implementation of the provisions of the HITECH Act aimed at nationwide electronic use and exchange of health information since its passage on February 17, 2009 as a part of the American Recovery and Reinvestment Act of 2009.

I. BACKGROUND ON THE HITECH ACT

The American Recovery and Reinvestment Act of 2009 (ARRA) (P.L. 111-5), signed into law on February 17, 2009, included the Health Information Technology for Economic and Clinical Health (HITECH Act). The Committee on Energy and Commerce has a long record on exploring and promoting the use of health information technology (health IT). This includes reporting H.R. 6357, the “Protecting Records, Optimizing Treatment, and Easing Communication through Healthcare Technology Act of 2008” out of the committee on a bipartisan basis in the previous Congress. The HITECH Act maintained several provisions from this committee reported bill.

The HITECH Act promotes adoption of health information technology (health IT) among hospitals, doctors, and healthcare providers. Health IT makes use of electronic health records and other technologies to facilitate the ordering of tests or medications, aid in clinical decision making, and allow for secure data sharing among providers, insurers, patients and others.

The HITECH Act includes several components that take important steps to increase adoption and use of health IT. First, it codifies the Office of the National Coordinator for Health Information Technology (ONCHIT) within the Department of Health and Human Services

(HHS) and charges that office with developing and implementing a nationwide plan to guide the adoption of health IT. Second, the legislation authorizes \$2 billion to fund programs designed to stimulate the spread of health IT, including grants to help set up regional health information exchanges, train a growing health IT workforce, and identify and develop best practices for the adoption of an electronic health record (EHR). Third, HITECH Act establishes a program that will provide incentive payments through Medicare and Medicaid to eligible professionals and hospitals who demonstrate “meaningful use” of a certified EHR system that will allow providers and others to securely exchange electronic health information. It requires the government to take a leadership role in developing the standards that will allow for the nationwide electronic exchange and use of health information to improve quality and coordination of care working closely with stakeholders and interested parties particularly through the HIT Policy and Standards Committees. Finally, it strengthens Federal privacy and security law to protect identifiable health information from misuse as the health care sector increases use of Health IT. The HITECH Act is expected to save billions in the public and private sector through improvements in quality of care and care coordination and reductions in medical errors and duplicative care.

This hearing will focus on efforts to promote the adoption of health information technology through initiatives by ONC and through Medicare and Medicaid incentives for the meaningful use of a certified EHR.

II. ONC INITIATIVES TO PROMOTE AND FACILITATE THE NATIONWIDE ADOPTION OF HEALTH IT AND THE ELECTRONIC EXCHANGE OF HEALTH INFORMATION

The HITECH Act charged ONC with the goal of promoting the use of EHRs and the secure electronic exchange of health information for all Americans. Meaningful use of EHRs and the secure and timely electronic exchange of health information can improve caregiver decisions, patient outcomes, and coordination of care savings lives and money. To that end, ONC has developed a number of initiatives, some of which are listed below:

ONC has promoted and funded state and regional health information exchange initiatives (HIEs) to make a reality the electronic exchange of patient health information.

ONC has promoted the creation of a nationwide health information network: a collection of standards, protocols, legal agreements, specifications and services to enable secure exchange of health information.

ONC has provided funding for seventeen Beacon Community Cooperative Agreement Programs. These programs consist of a consortium of stakeholder organizations that receive funding to build and strengthen the community’s health information technology infrastructure and exchange capabilities while developing best practices that can be used by communities nationwide about the use of health IT resources to inform a range of clinical, care delivery, and

other reforms that together can enable communities to achieve measureable and sustainable improvements in the health care cost, quality, and population health.

ONC is authorizing the creation and funding of over seventy Regional Extension Centers (RECs) and one National Health Information Technology Research Center. The RECs are designed to offer technical assistance, guidance, and information on best practices to support and accelerate health care providers' efforts to adopt an EHR and become a meaningful user under Medicare or Medicaid. RECs should be providing on the ground one on one support for providers prioritizing small and rural providers that need assistance with all the changes that need to accompany the adoption of an EHR so these providers can achieve and maximize the quality improvement and patient safety outcomes possible with the use of an EHR. The National HIT Research Center is aimed at gathering relevant information on effective practices to help RECs collaborate with relevant stakeholders and each other and identify and share best practices in EHR adoption.

Officials from the Office of the National Coordinator for Health Information Technology and the Centers for Medicare and Medicaid Services, a REC, eligible professionals and hospitals that serve Medicare and Medicaid patients, vendors of electronic health records, and consumer advocates with a patient perspective will be available to discuss these initiatives and the ongoing progress towards nationwide use and exchange of electronic health information.

III. MEANINGFUL USE

Recently, the Centers for Medicare and Medicaid Services announced in a final rule the minimum requirements that eligible Medicare and Medicaid providers must meet through their use of a certified EHR technology in order to qualify for the incentive payments available under the HITECH Act. In companion final regulations, ONCHIT identified the standards and certification criteria for the certification of EHR technology, so eligible professionals and hospitals may be assured that the systems they adopt are capable of performing the required functions.

Under Medicare, eligible professionals can receive up to \$44,000 over the next five years towards the meaningful use of a certified electronic health record. Under Medicaid, eligible professionals with at least thirty percent Medicaid patient volume (twenty percent for pediatricians) can receive up to \$63,750 over the next six years towards the meaningful use of a certified electronic health record. Acute care hospitals and children's hospitals will be eligible for a \$2 million base payment amount with additional amounts based on the size of the hospital. Critical access hospitals are eligible for accelerated depreciation of their costs of purchasing health IT, beyond their typical cost-based reimbursement plus 1 percent. In 2015, there will be a Medicare payment reduction for eligible professionals and hospitals who are not meaningful users of health IT with exemptions permitted by the Secretary of HHS on a case by case basis for hardship.

Officials from the Office of the National Coordinator for Health Information Technology and the Centers for Medicare and Medicaid Services, eligible professionals and hospitals that serve Medicare and Medicaid patients, vendors of electronic health records, and consumer advocates with a patient perspective will be available to discuss the final rules for standards and certification of EHR systems and incentive payments under Medicare and Medicaid.

IV. WITNESSES

The following witnesses have been invited to testify:

Panel One:

David Blumenthal, M.D.

National Coordinator
Health Information Technology
U.S. Department of Health and Human Services

Mr. Anthony Trenkle

Director
Office of E-Health Standards and Services
Centers for Medicare & Medicaid Services

Panel Two:

Frank J. Vozos, M.D., FACS

Executive Director
Monmouth Medical Center
New Jersey Hospital Association

Gregory D. Starnes

Chief Executive Officer
Fayette County Hospital

Christine Bechtel

Vice President
National Partnership for Women & Families

Roland A. Goertz, M.D. M.B.A.

President-Elect
American Academy of Family Physicians
Heart of Texas Community Health Center

Matthew Winkleman, M.D.

Chief Executive Officer
Primary Care Group

Glen E. Tullman
Chief Executive Officer
Allscripts

Peggy C. Evans, Ph.D, CPHIT
Director
Washington and Idaho Regional Extension Center
Qualis Health