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Mission: to transform the health care system through information and technology to improve patient safety and health care quality, lower costs, and coordinate care.

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FY06 HHS Appropriations Passes with ONC Funding Intact

Prior to adjourning for the holidays, the U.S. Congress passed the FY06 (October 1, 2005 - September 30, 2006) [HHS appropriations bill](#) to fund the department's programs, including the Office of the National Coordinator for Health Information Technology (ONC), which received \$61,700,000. The funds will be used as follows: \$42,800,000 for expenses necessary for ONC, including grants, contracts and cooperative agreements for the development and advancement of an interoperable national HIT infrastructure; and \$18,900,000 will be available from section 241 of the Public Health Service Act to carry out HIT network development.

The conference agreement does not include general provision language proposed by the Senate or similar language proposed by the House prohibiting the use of funds provided in the Act to implement any strategic plan that does not require a patient whose information is maintained by HHS to be given notice if it is lost, stolen or used for another purpose. However, the conferees underscored the importance of consumer confidence in the privacy and security of their personal health information as a fundamental principle in all actions taken to carry out the HHS HIT strategic plan.

HHS has funded a “Privacy and Security Solutions for Interoperable Health Information Exchange” contract to study and address variations in state law and business practices

related to privacy and security that may pose challenges to interoperable health information exchange. Funds are included for ONC to continue its work to evaluate and initiate solutions, including those that will maintain the security and privacy protections for personal health information, as part of the HHS' activities in carrying out its HIT strategic plan. The conferees requested a report within 90 days describing how HHS plans to implement this section.

The bill also included \$319 million for the Agency for Healthcare Research and Quality, the same amount it received in FY 05. Of that amount, just under \$50 million is designated to support health information technology. The agency also supports the development of evidence-based guidelines, funds research into patient safety improvements, publishes reports examining health care quality and disparities in minority health (see below) and conducts other activities to promote safer, more effective health care.

Caucus Urges the President to “Continue to Raise the Bar” on Health IT Funding

Thirty-one Members of the House of Representatives, led by the 21st Century Health Care Caucus, sent a letter to President Bush urging the administration to request increased funding for health information technology in the Administration's Fiscal Year 2007 budget request.

In a tight fiscal environment for FY06, Congress appropriated \$61.7 million for the Office of the National Coordinator for Health Information Technology (ONCHIT).

However, this amount was \$13.3 million below the President's \$75 million request for ONCHIT. ONCHIT is the office responsible for the development of an interoperable national HIT infrastructure to improve the quality and efficiency of health care.

Acknowledging that Congress failed to meet the President's request for FY06, the Members of Congress still encouraged the President to set his sights high in the upcoming budget, saying “we strongly urge you to continue to raise the bar in supporting HIT.” The letter is available at the caucus website, www.patrickkenedy.house.gov/21stcenturyhealth, under “Links”.

Reauthorization of 27 Major Health Bills Expected in the Second Session of 109th Congress

Congress will consider the [reauthorization](#) of some 27 major health care bills in the Second Session of the 109th Congress, including a number that could have direct system reform impact. For example, the Agency for Healthcare Research and Quality (AHRQ), which has an important role in spurring patient safety research, health IT adoption, and other quality initiatives, is slated for reauthorization. The Substance Abuse and Mental Health Services Administration (SAMHSA) is also overdue for reauthorization, presenting an opportunity to better integrate behavioral health with overall health. Other major bills due for action include the National Institute of Biomedical Imaging & Bioengineering Establishment Act; the Agency for Health Care Research and Quality; Minority Health & Health Disparities Research and Education; the Public Health Improvement Act; the Children's Health Act; the Poison Control Center Enhancement and Awareness Act; the Health Professional Education Partnership Act; the Women's

Health Research and Prevention Amendments Act; and the National Bone Marrow Registry.

Other legislation that must be reauthorized in 2006 are Birth Defects Prevention, Food and Drug Administration Modernization, Prevent Health Amendments, National Institutes of Health Revitalization, ADAMHA Reorganization, Transplant Amendments, Public Health Service Act, Titles X and XX, Project Bioshield, Health Care Safety Net Amendments, Rare Diseases Orphan Product Development, Rare Diseases Act of 2002, Public Health Security and Bioterrorism Preparedness and Response, Muscular Dystrophy Community Assistance, Health Professions Education Partnership Act, Child Care Development Block Grant (tied with TANF), Health Professions Educational Assistance Act (Title VII of PHS Act), and the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act.

Gingrey Introduces New Health IT Bill

Rep. Phil Gingrey (R-GA) has introduced [H.R. 4641](#), the ADOPT HIT Act. This legislation would provide tax benefits for health care professionals who invest in health information technologies, including:

- Increase the deduction allowed under section 179 for the purchase of qualified health care information technology by health care professionals.
- Increase the first year deduction of rapid depreciation for qualified equipment from \$100,000 to \$250,000.
- Increase the purchase maximum for qualifying equipment from \$400,000 to \$600,000 in any given year.
- Give a tax credit to health care professionals for telecommunication charges incurred by utilization of an EMR.

New Health IT Office Created in the Health Resources and Services Administration

HHS Health Resources and Services Administration (HRSA) has officially created an Office of Health IT, which will determine how the agency's programs will support HHS' HIT goals. HRSA is focusing on using HIT in the agency's programs for the nation's poor, uninsured and special needs populations. The office will have three major components: a Division of Health IT Policy; an Office for the Advancement of Telehealth; and a Division of Health IT State and Community Assistance. Cheryl Austein-Casnoff assumed her role as director of the office in early December 2005.

Health Quality Improves Modestly According to Government Report

As required by law, the federal Agency for Healthcare Research and Quality (AHRQ) released the [2005 National Healthcare Quality Report](#) and the [2005 National Healthcare Disparities Report](#), which showed modest improvements in overall quality and the reduction of disparities for minority health, but troubling reversals in disparities and access to care for Hispanics.

The annual reports are intended to measure health care quality and disparities in four domains: effectiveness, patient safety, timeliness, and patient centeredness. According to the quality report, overall quality improved at 2.8% for 2005, the same as 2004. Improvement was much greater in certain heavily measured areas where quality improvement efforts have been targeted.

New Medical Website Searches Articles from 66,000 Sites

From iHealthBeat:

A new Web site, Healthline.com, works as a medical search engine by allowing users to look for articles from about 66,000 Web sites with medical content, the New York Times reports.

The Web site, which is owned by Healthline Networks, is a "resurrection" of YourDoctor.com, a company created in 1999 to develop a searchable, user-friendly database of original medical content and information published by others, according to West Shell III, Healthline's chair and CEO. YourDoctor.com closed in 2001. Its original investors, however, began to see new interest in Internet advertisers and hired Shell to revive the idea under the Healthline brand, the Times reports.

Healthline says its site offers a broader choice of information than WebMD - the most popular online medical resource - and a more refined choice than general search engines such as Google, the Times reports. Shell said WebMD and other online publishers offer content that is "high-quality [and] trusted" but "limited in lots of different ways." Shell predicted that Healthline would succeed because Internet users often want multiple sources of information. "One answer doesn't make you informed," he said

Wayne Gattinella, CEO of WebMD, said that while he does not know much about Healthline, he believes that WebMD has "an advantage as a recognized brand in a very important category" (Tedeschi, New York Times, 1/23).

Great Britain Set to Launch Major IT Initiative

From iHealthBeat:

The United Kingdom's National Health Service this week will launch its \$10.9 billion health IT initiative, which should link "thousands of NHS health professionals into a single national infrastructure," United Press International reports.

However, "after an initial burst of enthusiasm, doctors' support for the system appears to be waning as costs spiral and implementation lags behind the original timetable," according to United Press International.

A survey released last week by Medix, an online resource for health care professionals, found that most physicians were concerned about implementation. Seventeen percent of respondents said they supported the project, compared with 57% who said they opposed it. Only 1% of respondents said it was a "good" or "excellent" program, United Press International reports. Fifty-nine percent of GPs and 66% of other physicians said the program would improve care in the long term, according to the survey.

The NHS said its data from research firm [Mori](#) found staff to be supportive of the program's goals. "There is usually a dip in confidence in IT change programs as early implementation gets underway," according to the NHS. An NHS spokesperson said the program is "within budget and ahead of schedule in some areas and broadly on time in others."

The IT program includes several components, including the Choose and Book system, which allows physicians to select and schedule appointments for their patients. The program also features an Electronic Prescription Service and a picture archiving and communications system. In addition, physician practices and local health authorities will use a Quality Management and Analysis System to get feedback on quality of care delivery. Health professionals also will have access to a secure national e-mail and directory service. The system will be operated through N3, a high-speed broadband centralized national network (Strange, *United Press International*, 1/20).

Missouri Creates Health IT Task Force

Missouri Gov. Matt Blunt has [established a health information technology task force](#) to study and recommend how government and private organizations can better share data, according to *Government Health IT*. The task force is charged with assessing the state's health IT status, analyzing the costs of an interoperable system, finding funding and studying telemedicine, with a preliminary report due July 1 and a final report due September 1.

The governor has not named the fourteen members of the task force yet, except its chairperson, Julie Eckstein, the director of Health and Senior Services. Blunt has also proposed a \$25 million fund to help support health IT investments.

Palm Beach County to Create Electronic Health Record

The quarter-million uninsured people in Palm Beach County, Florida, will receive electronic health records according to a [new plan](#) unveiled this month. A coalition of providers and payers has received funding to begin developing a record that can be accessed from the county's hospitals, free clinics, and community health centers. The record would not be a complete medical record, but would contain information essential to care, such as a medication list, test results, and brief summaries of physician notes. The project has received \$800,000 in funding from the state and a local foundation. The project is estimated to take two years to complete.

FDA to Improve Medical Device Guidelines

From iHealthBeat:

The [FDA](#) last week announced that it will take steps to improve its monitoring of medical devices after they have been approved, the [New York Times](#) reports (Meier, *New York Times*, 1/21).

Under the "Postmarket Transformation Initiative" the agency said it will develop an electronic reporting system for adverse reactions, standardize the identification process, obtain the medical records of patients who use the devices and increase communication with professional organizations and the medical device industry (*CQ HealthBeat*, 1/20).

According to the *Wall Street Journal*, the program was addressed in an FDA report prepared internally that critiqued the agency's handling and safety practices of medical devices such as defibrillators and pacemakers. The report concluded that the current monitoring system at FDA's [Center for Devices and Radiological Health](#) lacks "quality information" on approved devices, while at the same time the volume of information received "exceeds the center's ability to consistently enter or review the data in a routine matter."

A number of concerns have arisen in recent months in the wake of safety problems with medical devices, according to the *Journal* (Wilde Mathews, *Wall Street Journal*, 1/20).

Daniel Schultz, director of FDA's device center, said the new guidelines will include plans to make information on devices available to the public. "There are a lot of things we are doing," Schultz said, adding that "there are still some things that fall through the cracks" (*New York Times*, 1/21).

IHI Promising Practice of the Month: Smooth Nursing Handoffs

When you're a patient in the hospital, the comings and goings of providers can often be disconcerting, especially when you're not sure if all the information about your care has been fully conveyed during shift changes. Kaiser Permanente, the nation's largest non-profit health plan has come up with a novel solution to the shuffle of front line providers called the Nurse Knowledge Exchange (NKE). IHI is helping KP make the successful pilot program the norm in all its facilities.

<http://www.ihl.org/IHI/Topics/MedicalSurgicalCare/TransformingCare/ImprovementStories/ShiftingtoHigherStandard.htm>

The House 21st Century Health Care Caucus thanks the following organizations for their contributions to this newsletter:

HIMSS (Healthcare Information and Management Systems Society) is the healthcare industry's membership organization exclusively focused on providing leadership for the optimal use of healthcare information technology and management systems for the betterment of human health. HIMSS frames and leads healthcare public policy and industry practices through its advocacy, educational and professional development initiatives designed to promote information and management systems' contributions to ensuring quality patient care. On the web at www.himss.org. (Items 1, 3-5)

The Institute for Healthcare Improvement (IHI) is a not-for-profit organization leading the improvement of health care throughout the world. Founded in 1991 and based in Boston, MA, IHI is a catalyst for change, cultivating innovative concepts for improving patient care and implementing programs for putting those ideas into action. Thousands of health care providers participate in IHI's groundbreaking work. To find out more, go to www.ihl.org. (Item 12)