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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.

In This Issue:

1. [House Subcommittee Marks up Health Information Technology Bill](#)
2. [House Democrats Urge Stronger, Bipartisan Health I.T. Bill](#)
3. [National Quality Forum Releases a Compendium of all NQF-Endorsed Consensus Standards](#)
4. [Blue Cross Blue Shield of Massachusetts to Expand Pay-for-Performance Program](#)
5. [Study Finds Many Malpractice Claims are Without Merit; Most are Denied Compensation](#)
6. [Use of Physician-Level Measures of Clinical Performance in Medical Malpractice Litigation Unlikely](#)
7. [Health Insurance Coverage Gaps Becoming a Problem for More Americans](#)
8. [Murphy Offers Security for Computerized Health Records](#)
9. [New Jersey Bill Would Let Residents Compare Drug Prices Online](#)
10. [States Sign Up for HHS Study on Privacy and Health I.T.](#)
11. [Medicare Projected to Be Insolvent by 2018](#)
12. [Federal Employees' Health Plans Ramping up Personal Health Records](#)
13. [Survey Finds HIPAA Compliance Still Low](#)
14. [U.S. Health I.T. Investments Trail Other Nations'](#)
15. [New York City Launches Health I.T. Initiative for Safety Net Providers](#)
16. [IHI's Promising Practice of the Month: Mentor Hospitals](#)

House Subcommittee Marks up Health Information Technology Bill

The House Ways and Means Health Subcommittee on Wednesday [passed H.R. 4157](#), the Health Information Technology Promotion Act on a party line vote. The bill would codify the Office of the National Coordinator for Health I.T.; create new exemptions from anti-fraud statutes to allow hospitals to provide technology to physicians; authorize the Secretary of HHS to create new privacy rules and, if Congress fails to act on his recommendations, to preempt state privacy laws; mandate a shift from the ICD-9 to ICD-10 coding systems; and create a mechanism to recommend interoperability data standards. Unlike the bill passed unanimously by the Senate last year, H.R. 4157 contains no funding to encourage adoption of technologies by providers or to support the development of health information networks. Subcommittee Democrats argued that the bill did little to facilitate the transition to electronic information systems and threatened

patient privacy, but the subcommittee voted down all of their amendments. The bill must now be passed by the full Ways and Means Committee and reconciled with a bill expected out of the Energy and Commerce Committee before going to the House Floor.

House Democrats Urge Stronger, Bipartisan Health I.T. Bill

Nearly two-thirds of House Democrats, including Democratic leaders, Ranking Members of the Ways & Means and Energy & Commerce Committees, and the Co-Chairs of the New Democrats, [sent a letter](#) to Speaker Dennis Hastert recently urging passage of a stronger and bipartisan health information technology bill.

The Democrats' letter called for action on strong, bipartisan legislation that will substantially accelerate the move to an interoperable, electronic health information system. The letter outlined four key points that are necessary to overcoming systemic obstacles to health information technology investments. The principles are:

1. Ensure patient privacy, confidentiality and data security.
2. Align incentives to spur adoption of health information technology.
3. Provide funding mechanisms for acquisition and maintenance of health information technology.
4. Include a date certain for standards adoption.

The letter, which was sent on the eve of committee consideration of H.R. 4157, a health information technology bill introduced by Ways and Means Health Subcommittee Chairman Nancy Johnson (R-CT), called the principles "not controversial and not partisan" but called them "critical to the transition to a functioning system for the electronic exchange of information."

National Quality Forum Releases a Compendium of all NQF-Endorsed Consensus Standards

The National Quality Forum (NQF) has released [Compendium 2000-2005](#), a comprehensive document of all NQF-endorsed(tm) voluntary consensus standards. The standards are guidelines for high-quality care of given conditions or in given situations that can be used for quality improvement efforts. NQF, a public-private not-for-profit, was established in 1999, following the recommendation of a 1998 Presidential Commission to create a national forum in which stakeholders could find ways to improve the quality and safety of American healthcare. Since its inception, NQF has endorsed more than 200 consensus standards. The compendium includes a table of all NQF-endorsed consensus standards, and is available as both a print publication and a searchable electronic database via CD-ROM.

Blue Cross Blue Shield of Massachusetts to Expand Pay-for-Performance Program

Blue Cross Blue Shield of Massachusetts (BCBSM) is doubling to \$189 million the annual amount it spends on [performance incentives for healthcare providers](#). The change

to this initiative is effective for this year and will increase reimbursements to 5,200 primary care physicians from 10 percent of its total payouts to 13 percent. Therefore, under the enhanced program, an individual primary care physician could receive more than \$10,000 based on certain performance measures. These measures include the number of patients who receive cholesterol screenings, Pap tests or mammograms, and the number of diabetic patients whose blood sugar is carefully monitored. BCBSM also is working to develop performance-based incentives for cardiologists, oncologists, and other specialists by basing 5 to 10 percent of their reimbursements on performance. In addition, BCBSM will devote as much as 2 percent of its total reimbursements on incentive-based pay to 60 hospitals, an increase from 29 hospitals last year.

Study Finds Many Malpractice Claims are Without Merit; Most are Denied Compensation

A [recent study](#) published in the *New England Journal of Medicine* examined 1,452 malpractice claims randomly selected from five insurers that were resolved from 1984 to 2004. The study finds that for 3 percent of the claims, there were no verifiable medical injuries, and 37 percent did not involve errors. Most of these claims-72 percent of those not associated with errors and 84 percent of those with no injury-did not result in compensation. In addition, the payments for claims not involving errors were significantly lower on average than payments for claims involving errors, accounting for 13 to 16 percent of the system's total monetary costs. The study authors also note that while the number of claims without merit that result in compensation is fairly small, it is much more common (one in six claims) for claims that are associated with error and injury to receive no payment. Other findings noted by the authors include: non-error claims are more likely to go to trial than claims that do involve errors or injuries; plaintiffs and defendants must wait several years for claims to be resolved; and the system's overhead costs are significant.

Use of Physician-Level Measures of Clinical Performance in Medical Malpractice Litigation Unlikely

Researchers in a [recent study published in the *Journal of the American Medical Association*](#) found only a remote chance exists that physician-level performance data could be generally admissible as evidence in malpractice claims. According to the researchers, information must be deemed relevant to the specific case at hand to be admissible as evidence in such claims, and even relevant information can be disallowed if a judge determines that it has the potential to mislead or confuse a jury. The researchers concluded that physician clinical performance assessment (PCPA) data are not likely to reach this high bar for admission, at least for the vast majority of injury types that prompt litigation. In addition, if PCPA data continue to be aggregated, rather than describing particular episodes of care-as has been recommended by the Institute of Medicine-the researchers found that such "aggregation will severely limit the prospects of their use as evidence in malpractice litigation."

Health Insurance Coverage Gaps Becoming a Problem for More Americans

The [Commonwealth Fund Biennial Health Insurance Survey](#), a nationally representative survey of 4,350 adults age 19 and older, finds that while lack of insurance continues to be highest among families with incomes under \$20,000, uninsured rates for moderate- and middle-income earners and their families are increasing (from 28 percent in 2001 to 41 percent in 2005). The survey, conducted between August 2005 and January 2006, also showed that of the estimated 48 million individuals who spent any time uninsured in the past year, 67 percent were in families where at least one person was working full time. Other findings of the survey included that one-fifth of working-age adults, both insured and uninsured, currently have medical debt they are paying off over time; rates of medical bill problems and debt were high among people in both lower- and higher-income households who experienced a time without insurance; and 59 percent of uninsured adults with a chronic illness (e.g., diabetes or asthma) did not fill a prescription or skipped their medications because they could not afford them.

Murphy Offers Security for Computerized Health Records

Caucus Co-Chairman Tim Murphy (R-PA) included a provision to help guard computerized health information in H.R. 4127, the Data Accountability and Trust Act, which recently passed the Energy and Commerce Committee.

"With our medical records constantly passing through the hands of so many people, we are all vulnerable to our data falling into the wrong hands," Congressman Murphy said. "The vast majority of doctors, nurses, hospital staff, and others who handle this information are law-abiding citizens, but we must be prepared if there is a security breach. Having personal information of any kind stolen can be traumatic, and cause emotional stress to patients who may already have health problems."

The Data Accountability and Trust Act was introduced to establish procedures to protect computerized data containing personal information. Congressman Murphy's provision ensures the Department of Health and Human Services would have jurisdiction over cases involving stolen computerized health records and enforces the proper penalties. Violators of patient privacy information can be punished up to \$250,000 and up to 10 years in prison for obtaining or disclosing health information with the intent to use it for commercial advantage, personal gain, or malicious harm.

"More than one in four health insurance plans and almost one in three providers have indicated that their organizations experienced data security breaches of personal information during the first six months of last year," Murphy concluded. "The risk of a breach will be greatly reduced and safeguards put in place to notify patients in the event one occurs. Health records contain some of our most private information, and patients should have the peace of mind knowing their information will be protected."

New Jersey Bill Would Let Residents Compare Drug Prices Online

From iHealthBeat:

New Jersey Gov. Jon Corzine (D) supports legislation that would create a Web site listing the retail prices of the 150 most frequently prescribed drugs at pharmacies in the state in an effort to help consumers find the least expensive prescription drugs and to lower prices through competition, the [AP/Philadelphia Inquirer](#) reports.

The bill has been approved by committees in the state Assembly and Senate, and it appears to have enough support to pass the final votes, according to the *AP/Inquirer*.

Under the bill, pharmacies would be required to report retail prices weekly to the state health department to update the registry. Users would be able to search the Web site, by ZIP code, and a printed registry also would be available via a toll-free number.

Developing the Web site is expected to cost the state \$1 million.

States Sign Up for HHS Study on Privacy and Health I.T.

From iHealthBeat:

Twenty-two states have agreed to participate in an HHS program that aims to reconcile security and privacy laws involved with health information exchanges, [Government Health IT](#) reports.

Participating states will receive \$250,000 to \$350,000 each, *Modern Healthcare* reports. The states will have until fall to evaluate policies, regulations and business practices that might hinder their ability to connect to a national health information network. The states will have until March 2007 to identify solutions. Agreements are pending with 12 additional states to participate, according to the prime contractor, RTI International (Lubell, *Modern Healthcare*, 5/23).

RTI plans to release an interim report on Oct. 30 on the program. On March 30, 2007, RTI will make its final assessment and recommendations, [Washington Technology](#) reports (Mosquera, *Washington Technology*, 5/23).

Medicare Projected to Be Insolvent by 2018

The Medicare Hospital Insurance Trust Fund will become insolvent in 2018, based on current cost and population trends, two years earlier than predicted last year, according to the [Social Security and Medicare trustees annual report](#). Centers for Medicare and Medicaid Services Administrator Mark McClellan said Congress should eliminate increases in provider payments and require some individuals to pay higher premiums for their drug coverage by eliminating indexing of the threshold for higher-income beneficiaries.

Speaking at the American Enterprise Institute, McClellan said that if lawmakers passed those changes, outlined in the president's FY07 budget, they might avoid the need to make more drastic cuts later. McClellan said those two steps, along with cost-saving measures Medicare officials are taking on their own, would reduce reliance on general revenues. "We are not waiting for that second year; we are proposing action now," he said. "The more they do now, the less pressure there will be to take drastic steps down the

road, like reductions in payments or reductions in benefits." Asked whether the trustees report was having the desired effect of prodding lawmakers, McClellan said it was too early to tell. "It's only been one day," he said. "Let's give it a little time."

Federal Employees' Health Plans Ramping up Personal Health Records

By the end of this month, the nearly 280 health plans participating in the Federal Employees Health Benefits Program (FEHBP) must outline their current health IT initiatives and their plans to expand them next year, according to [requirements set by the Office of Personnel Management](#). The agency directed federal health plans to work towards offering electronic records to enrollees that contain data they already keep, expanding the use of electronic prescriptions, using electronic records to better manage chronic illnesses by ensuring patients comply with treatments, and educating enrollees on the benefits of electronic tools. As enrollees make their health plan selections for 2007 later this year, OPM plans to highlight carriers that are ahead of the curve in using digital systems. As soon as 2009, OPM will begin cutting profits for plans that are slow to adopt health IT by lowering the premiums they can charge enrollees, [according to OPM](#). Soon thereafter, plans won't be able to participate if they are not fully compliant with health IT standards now being developed by HHS. (*Federal Times*)

Survey Finds HIPAA Compliance Still Low

Compliance with federal privacy rules regarding patients' medical records that went into effect three years ago has declined, according to an annual American Health Information Management Association [survey](#).

The survey of 1,117 hospitals and health systems found that 85% of respondents said they are mostly compliant with HIPAA privacy rules, compared with 91% in 2005. The survey, which was conducted in January, also asked about compliance with HIPAA security rules. It found that one year after the compliance date, 25% of respondents said their organizations are fully compliant, and half of respondents said their organizations are between 85% and 95% compliant.

U.S. Health I.T. Investments Trail Other Nations'

Despite - or perhaps because of -- spending almost two and a half times as much on health care per capita as other industrialized nations, the United States ["lags as much as a dozen years behind other industrialized countries in HIT \[health information technology\] adoption,"](#) according to a new study in *Health Affairs*. The study noted that Germany began developing a national health IT network in 1993 and expects full implementation of its smart card technology by this year, and that a number of other countries have extensive programs in development, whereas the United States has yet to commit substantial resources. The study found a major barrier in the U.S. to be reliance on provider investments. In all of the other countries studied, the government or health insurers or both have borne the cost of implementing health IT programs. Closing on a upbeat note, the study concluded that while starting implementation as much as a dozen

years behind, the U.S. may be able to shorten the implementation time by learning from other countries' experiences.

New York City Launches Health I.T. Initiative for Safety Net Providers

[New York City will spend \\$27 million](#) to help provide 1,000 physicians in clinics serving the poorest areas of the city with electronic health records (EHR) systems by 2008, Mayor Michael Bloomberg has announced. The city is also backing development of a public-health information exchange. Thirty community-based primary care organizations that serve more than 500,000 patients at 150 clinics have joined a newly formed Primary Care Information Consortium, according to a city news release. The city is contributing \$27 million and participating community health centers will give \$13 million. The city also has a grant from the Robert Wood Johnson Foundation.

The National Association of Community Health Centers is [calling on Congress to subsidize the cost of installing and using e-medical records at health clinics](#) that serve uninsured, low-income and homeless patients. At a briefing on Capitol Hill, association leaders released early findings of a national survey showing that although 18 percent of physicians with private office practices use e-medical records (EMRs), only 8 percent of federally funded health centers do so. (*Government Health IT*)

IHI's Promising Practice of the Month: Mentor Hospitals

Hospitals that are serious about reducing unnecessary infections and improving the health outcomes of their patients often need to look beyond their own walls for new ideas and best practices. But it's not always clear where to turn. IHI's 100,000 Lives Campaign has created a network of Mentor hospitals, over 70 strong, who make themselves available to other hospitals in search of advice and guidance on implementing life-saving interventions. For more information, click [here](#).

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 11,13)

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 16)

The *National Quality Forum* (NQF) is a private membership organization created to develop and implement a national strategy for healthcare quality measurement and reporting. NQF's mission is to dramatically improve quality of care. Its portfolio includes the endorsement of performance measurement consensus standards, educational programs for health care leaders on key environmental trends, and award recognition programs. NQF, a non-profit organization with diverse stakeholders across the public and private health sectors, was established in 1999 and is based in Washington, DC. *NQF's Executive Institute* works to assist healthcare leaders in making quality health care the key business strategy of their institutions and the healthcare enterprise overall. To find out more, go to www.qualityforum.org and www.NQFExecutiveInstitute.org. (Items 3-7)