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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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House Finally Passes Health Information Technology Legislation

On July 27, the U.S. House of Representatives passed the long-awaited Health Information Technology Promotion Act of 2006 (H.R. 4157). The bill now goes to a House-Senate conference, where it will need to be reconciled with the Senate's Wired for Health Care Quality Act (S. 1418).

The House bill is an amalgam of bills passed by two House committees (see June 2006 newsletter). The bill resolved several disputes between the two committees. It preserves existing privacy laws and commissioning a study of variations in privacy laws, including proposed legislative changes. The bill requires a transition to ICD-10 codes by October 1, 2010, a year earlier than proposed by the Ways and Means Committee. Stark and anti-kickback laws would be relaxed to allow hospitals and certain other stakeholders to furnish health I.T. to physicians. H.R. 4157 would also codify the Office of the National Coordinator for Health I.T. and establish procedures for the adoption and review of interoperability standards, ensure that federal agencies can accept electronic reporting.

Unlike the Senate bill, which passed unanimously, the House bill generated some opposition. While support for health information technology in general appeared to be

nearly unanimous, many Democrats and some Republicans expressed concern that the bill did not include new privacy protections. Objections were also raised concerning the relative lack of funding. Whereas the Senate bill, the Murphy-Kennedy 21st Century Health Information Act (H.R. 2234), and other House bills included substantial funding authorizations, the bill that passed contains only two minor grant programs. The House bill would provide $40 million in funding over five years to help physicians purchase new technology, compared with the $257 million allocated by Senate legislation in the first two years, with greater funding possible in the following three years. The bill's safe harbors from Stark and anti-kickback laws also generated criticism by some as being broad and not requiring interoperability. Ultimately, however, H.R. 4157 passed 270-148.

Prospects for successfully reconciling the significant differences between the House bill and the more expansive Senate bill are uncertain. Little time remains in the legislative session, but key Members of Congress have expressed a strong interest in reaching a deal before time runs out.

Federal Agencies to Require Quality and Price Reporting

On August 22, President Bush signed an Executive Order titled *Promoting Quality and Efficient Health Care in Federal Government Administered or Sponsored Health Care Programs*. The Order will require the Departments of Health and Human Services, Veterans Affairs, and Defense and the Office of Personnel Management, which administers the federal employee health benefit program to coordinate efforts and drive use of interoperable health information technology and quality and pricing reporting.

Under the Order, federal agencies must implement quality measurement systems that are consistent with consensus standards or contribute claims data for quality measurement purposes. They also must share the prices they pay for care with beneficiaries, and may share prices with the general public. The Executive Order requires Federal agency compliance by January 1, 2007.

CMS Posts Surgical Cost Data Online

From iHealthBeat:

CMS announced that it has posted online the cost and Medicare payment for 61 procedures at ambulatory surgery centers, *United Press International* reports.

The agency in June posted the amount Medicare pays for 41 procedures performed in inpatient hospitals (Pierce, *United Press International*, 8/21). CMS is posting the information in response to the Bush administration's transparency initiative to provide consumers with more information about health care cost and quality, *Health Data Management* reports.

On the CMS Web site, data are broken down by county in each state, the District of Columbia and several U.S. territories. The site does not include information from all

counties in a state. CMS is working on pilot programs that will offer data on the quality of services (*Health Data Management*, 8/22).

CMS to Reduce Reimbursements Rates by 5.1%, Raise Outpatient Payments 3%

CMS announced that it will reduce Medicare reimbursement rates by 5.1 percent in 2007. Hospitals, meanwhile, will get a 3 percent raise for outpatient care on the condition that they submit data proving that they're following guidelines for improving patient care. CMS head Mark McClellan says the cuts are due to more treatments being given to each patient, which doesn't necessarily improve outcomes. CMS is also cracking down on specialty hospitals, stating that "we are entering a new era in terms of disclosure, transparency, and oversight of specialty hospitals." The hospitals will be fined $10,000 a day if they do not report on their financial structures. They also must disclose physicians' financial ties to patients and will be required to treat all emergency patients regardless of their ability to pay for services.

HHS Announces New Safe Harbors and Anti-kickback Act Exceptions

On August 1, Health and Human Services (HHS) Secretary Mike Leavitt announced federal regulations establishing rules intended to support physician adoption of electronic prescribing and electronic health records. The rules create two new exceptions in the Physician Self-referral Law, also known as the Stark Law, and two new safe harbors in the federal anti-kickback statute that protect certain arrangements involving the donation of some forms of electronic health information technology and services to doctors and other designated healthcare providers. The rules, which were published in the Federal Register on August 8, 2006, will go into effect 60 days from the date of publication.

In part, the rules implement a provision in the Medicare Modernization Act (MMA) which directed the Secretary to adopt standards for electronic prescribing and further directed the Secretary, in consultation with the Attorney General, to create an exception to the Stark law and a new safe harbor under the anti-kickback statute to help promote widespread adoption of e-prescribing. The new rules, however, go beyond the mandate of Congress to create a second exemption under the Stark law and a second anti-kickback safe harbor that are intended to support, more broadly, adoption of electronic health record items and services. The new exceptions in the Stark rule and the new anti-kickback safe harbors are viewed by many in the health care industry as necessary to eliminate a barrier to rapid adoption of health information technology.

Ohio Law Expands Hospital-reporting Requirements

A new Ohio state law will require all hospitals within the state to report data on performance measures by April 2007 to a state Web site and to report average charges for their top 60 outpatient procedures by May 2007. Hospitals already are required to report average charges and volumes for their top 100 inpatient procedures -- information that also will be available on the Web site. The state health director will select a new set of performance measures developed or endorsed by the Agency for Healthcare Research

and Quality (AHRQ), the Centers for Medicare and Medicaid Services (CMS), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or the National Quality Forum (NQF). In addition, hospitals must post on their Web sites a price list with charges for room, board and other items. The state estimates that it will spend $3 million to implement the new Web-based reporting system and an additional $2 million a year to operate it.

Health Care Alliances Form New Committee to Expedite National Quality Strategy
Two alliances that have been instrumental in the selection of measures for public reporting have formed a new national Quality Alliance Steering Committee. A key responsibility of the steering committee will be to consider how best to expand the scope, speed and adoption of the work of the two alliances, the Ambulatory Care Quality Alliance (AQA) -- an alliance of 135 physician organizations, consumers, employers and health plan representatives -- and the Hospital Quality Alliance (HQA) a coalition of hospitals, nurses, physician organizations, accrediting agencies, government, consumers and business.

As a first step, the steering committee will explore options for expanding the six AQA pilot projects to combine public and private data and publicly report on physician performance across care settings. The committee will explore options for expanding these pilots to include hospital and cost-of-care measures and will develop a strategy to expand the number of pilots.

New Specialty Care Measures Released for Comment
The National Committee for Quality Assurance (NCQA), in collaboration with Mathematica Policy Research, the American Medical Association (AMA) and the AMA-convened Physician Consortium for Performance Improvement(TM) (Consortium), released the first in a series of physician quality measures for public comment that focus on specialty care. The measures will be considered for use by the Centers for Medicare & Medicaid Services (CMS) to capture data about the quality of care delivered to Medicare beneficiaries.

While significant efforts are underway to measure and report on the quality of care at the physician or physician practice level, most have focused on primary care rather than care delivered by specialists and subspecialists. The eight sets of specialty measures, developed with the support of a contract from CMS, will be released in three phases for public comment. The measures released for public comment assess aspects of eye care, osteoporosis and perioperative care. Over the next few months, measures related to stroke care, skin cancer, geriatrics, emergency care and gastroesophogeal reflux disease will be released for public comment.

New Measures Added to Hospital Compare Website
The Hospital Quality Alliance announced plans to expand the information posted publicly on the "Hospital Compare" website (www.hospitalcompare.hhs.gov) to include information about surgery, pediatric asthma and ICU care, in addition to expanded

information about heart attack, heart failure and pneumonia. The intention is to report on the most common conditions that patients experience while in the hospital. The additions are notable for including the first publicly reported, standardized information specifically regarding children's care. Specific measures hospitals will report include: patient experience of care data containing consumer insight about nurse and physician performance and responsiveness; hospital cleanliness and noise levels; pain control and discharge planning; mortality rates for heart attack, heart failure and pneumonia patients after hospital admission; expanded information on surgical care, including steps taken to prevent blood clots, surgical site infections and post-surgical heart attacks and pneumonia; pediatric asthma treatment; and prevention of infections and other complications of care in intensive care and other critical care units. The new measures will be phased in between 2007 and 2009.

Medication Errors Found to be Even More Common than Believed
A new Institute of Medicine report found that at least 1.5 million preventable adverse drug events occur each year-a figure that far exceeds leading experts' perceptions of the scope of the problem. The greatest number of preventable errors occur in hospitals in the prescribing and administering of medications, although long-term care settings and outpatient facilities experience high error rates as well. One study suggests that medication errors in hospitals alone cost $3.5 billion annually. The report recommends several steps to reduce medication errors including: increased patient education and communication; greater use of information technology to support prescribing and dispensing medication; improved packaging and labeling of medications; and more aggressive policy attention to the issue.

Two Reports Call for Overhaul of the U.S. Healthcare System
The Commonwealth Fund's Commission on a High Performance Health System, composed of prominent health care leaders, released two reports underscoring the need for dramatic change in the U.S. healthcare system. A nationally representative survey of U.S. adults uncovered extensive reports of wasteful, inefficient or unsafe care (reported by 42% of respondents) and widespread support for a fundamental overhaul of the healthcare system (endorsed by 75% of respondents). The other report examines sources of failure within the system and recommends ways to address the problems. Despite the fact that the United States spends the most money on health care, the report says, the country needs to implement significant and systemic changes to increase access, quality, and efficiency of care for all Americans, especially for vulnerable populations. The country needs wide-scale policies and practices to improve safety, expand the use of health IT, reward high-performance health care providers through a payout system, expand access to health care quality and cost data, and expand health insurance coverage. The report also says that health care providers must be held accountable for meeting quality, safety and efficiency benchmarks.

IHI's Promising Practice of the Month: Pediatric Rapid Response Teams
Rapid Response Teams can save lives. But in order to be sure the youngest among us benefit from this powerful intervention, health care providers are now documenting the

best practices that need to accompany Rapid Response Teams in pediatric hospital settings. 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 2, 4-6)

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.ihi.org. (Item 12)

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 7-11)