June 2007

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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CMS Posts First Hospital Mortality Rate Comparisons

In June, the Centers for Medicare & Medicaid Services (CMS) posted the first-ever nationwide hospital mortality rate comparisons of heart attack and heart failure in Medicare beneficiaries on its Hospital Compare web site. The site reports how any given hospital's mortality rate during the first 30 days following admission of heart attack and heart failure patients compares to the national average. According to data obtained by *USA Today*, only 17 of the 4,477 hospitals had mortality rates for heart attack lower than the national average, and only 38 had mortality rates for heart failure higher than the

national average. The web site does not include specific information on mortality rates at individual hospitals; however, it does name those hospitals deemed as high risk. CMS will not take any corrective action toward those facilities, but agency officials hope that being publicly listed as high risk for heart attack or heart failure mortality will prompt them to address the issue.

While many view the comparisons as a positive step toward the provision of more transparent health care, some stakeholder groups have expressed concerns. Consumer advocates have stated that this approach is too cautious, with 98 percent of hospitals falling into the "equal to the national average" category. And physicians and hospital officials have raised concerns about whether the data adequately adjust for how "sick, poor, rural, or urban" the patients are for any given hospital, *USA Today* reports.

AMA-Physician Consortium Approves 10 New Performance Measures
The American Medical Association - Physician Consortium for Performance Improvement (AMA-PCPI) approved 10 new quality measures at its June 1st meeting in Washington, DC. The measures focus on the assessment and treatment of prostate cancer, the prevention of hospital-acquired infections, and the standardization of breast and colorectal cancer pathology reports. The new measures add to the growing pool of physician-level performance measures that, pending endorsement by the National Quality Forum as voluntary consensus standards (which carries a special legal standing that, in most cases, enables the federal government to use them without rulemaking), could be used in pay-for-performance or pay-for-reporting initiatives such as Medicare's Physician Quality Reporting Initiative (PQRI), which offers a 1.5 percent bonus payment to participating physicians.

MedPAC Report Suggests Changes in Medicare
The Medicare Payment Advisory Commission (MedPAC) released its June report to Congress, outlining several approaches to promote efficiency in Medicare. The report describes impending changes in the characteristics of Medicare beneficiaries as members of the baby boom generation begin to enter the program, such as an increasing proportion of beneficiaries with multiple chronic conditions and the declining availability of adult children to provide long-term care for their parents. The Commission identifies a number of strategies to improve Medicare efficiency, including the increased use of comparative effectiveness analysis as a source of guidance for providers and beneficiaries, revised approaches to payment for Medicare Advantage plans, financial incentives to reduce hospital readmissions, and a new wage index scheme. In addition to specific suggestions, the report discusses principles and issues involved in pay-for-performance programs, the current physician practice expense payment system, as well as CMS's preliminary estimate of the physician update for 2008.

Bill to Develop Quality Measures for Children Introduced in House, Senate

A bill recently introduced in both the House and Senate would provide $100 million over the next 5 years to a federal effort to develop a more robust set of pediatric health care quality measures. The Children's Health Care Quality Act, introduced in the House by Diana DeGette (D-CO) and Mary Bono (R-CA), promises to provide support to the private sector to develop comprehensive children's measures, as well as allow the Centers for Medicare & Medicaid Services (CMS) to finance demonstrations of evidence based approaches for better pediatric care. The House bill, introduced in June, is a companion to a Senate bill that was introduced in late April by Evan Bayh (D-IN).

AHRQ Releases 2007 Report on Patient Safety Culture

The Agency for Healthcare Research and Quality recently released its *Hospital Survey on Patient Safety Culture: 2007 Comparative Database Report*, which provides benchmarks that hospitals can use in "in establishing a culture of safety" within their institutions. The report outlines initial results on national trends in safety culture from voluntary surveys taken at nearly 400 hospitals, with more than 100,000 hospital staff respondents. The survey assesses hospital staff opinions about patient safety issues, medical errors, and event reporting in 12 areas (e.g., feedback and communication about errors, handoffs and transitions, non-punitive response to errors, teamwork). Two areas of strength noted for most hospitals were teamwork within units and overall patient safety grades. Areas noted for improvement were non-punitive response to errors and number of events reported. This report serves as an initial step toward the development of a comprehensive database on patient safety culture, with a year-two report scheduled for release in 2008.

New Study Finds Multiple Conditions Actually Increase Quality of Care

A new study published in the *New England Journal of Medicine* has found that patients with multiple chronic conditions actually receive better care for each condition and receive proportionally more of the evidence-based treatments checked for by quality measurements. The study was in response to longstanding physician doubts that new quality reporting requirements will penalize physicians who treat multiple-condition, high-risk clients. It examined 7,680 patients in 3 separate sample groups of community-dwelling adults using 3 distinct sets of quality measures. For each patient the quality of care - defined as "the percentage of quality indicators satisfied among those for which patients were eligible" - was documented and compared to the number of chronic medical conditions that each patient had. The quality scores were obtained through medical record abstraction and patient interviews, with results showing that for each group, an increase in the number of chronic conditions correlates with a statistically significant increase in the quality of care. The report suggests that within a rigorous and thorough quality measurement system physicians will not be penalized for accepting patients with multiple chronic conditions.

GAO Testifies on IT Security Weaknesses

The Government Accountability Office's Director of Information Security Issues Gregory Wilshusen testified before the House Committee on Oversight and Government Reform

chaired by Henry Waxman (D-CA) on June 7. Wilhusen stated that despite federal government agency claims that progress is being made, "significant weaknesses in information security controls threaten the confidentiality, integrity and availability of critical information and information systems used to support the operations, assets and personnel of federal agencies." For example, he testified, agencies did not consistently identify and authenticate users to prevent unauthorized access, apply encryption to protect sensitive data on networks and portable devices, or restrict physical access to information assets. Additionally, agencies did not always manage the configuration of network devices to prevent unauthorized access and ensure system integrity; assign incompatible duties to different individuals or groups so that one individual does not control all aspects of a process or transaction; and maintain or test continuity of operations plans for key information systems.

AHRQ Issues RFI on Establishment of Public-Private Organization

The Agency for Healthcare Research and Quality has announced a request for information (RFI) on a proposal to create a public-private national health care data stewardship organization with oversight of the various issues concerning privacy, security, and ownership of health care data. The proposed entity would set standards for the use of quality data that is in growing demand for performance measurement. The RFI asks that comments and responses be submitted no later than June 27, 2007. Electronic responses should be sent to steward@ahrq.hhs.gov and more information is available through Jon White, MD, the agency's Health IT Director, at jonathan.white@ahrq.hhs.gov.

HHS Plans AHIC Transition into Private Sector; Stark Skeptical

A timeline for transitioning the American Health Information Community (AHIC) from a government advisory panel into an independent, private-sector "leadership entity" by January 2009 was released by HHS Secretary Mike Leavitt on June 12. The plan calls for establishing an AHIC successor organization as "a voluntary public-private partnership" to lead national efforts for the integration and use of health information technology "that is standards-based and interoperable while ensuring that health information is protected and portable," an HHS news release stated.

The plan was met with harsh criticism from House Ways and Means Health Subcommittee Chairman Pete Stark (D-CA). "Secretary Leavitt wants the blind to lead the blind," said Stark, in a news release. "If the private sector was interested in developing or able to promote interoperable standards for health information technology, it would have done so years ago-and private companies wouldn't today be asking the government to pay for it. Self-interested private firms have and will continue to fight among themselves over specifics, further delaying the adoption of money-saving and lifesaving technologies. It is well past time for federal leadership to fix this market failure."

HHS Seeks to Start Implementing NHIN
HHS has taken the next step in its efforts to build a national health information network (NHIN) with a new Request for Proposal (RFP) for Trial Implementations. The effort is designed to build on the lessons learned from the 18-month information exchange effort undertaken by the NHIN Prototype Architecture contracts and the work of the Healthcare Information Technology Standards Panel (HITSP) and Certification Commission for Health Information Technology (CCHIT). Successful proposals must incorporate the core services identified in the NHIN prototypes; implement summary patient record exchange outlined in the American Health Information Community Emergency Responder EHR Use Case; and address two of the existing breakthrough use cases. HHS intends to award up to 10 contracts to state, RHIO, or health information exchange-led efforts. Responses to the RFP are due July 9, 2007. Award announcements are expected later in the summer for the one-year (second option year).

The Office of the National Coordinator for Health Information Technology (ONC) has also released the Summary Report of the NHIN Prototype Architectures. Key services and technical needs for the development of the NHIN are identified and detailed. During the past year, four prototype architectures were developed, tested and successfully demonstrated.

Brailer Forms Private Equity Fund to Focus on Health IT
David Brailer, MD, the first National Coordinator for Health Information Technology, recently announced that he would be starting a private equity fund, Health Evolution Partners, to help lower health care costs in America with a focus on health care IT. The California Public Employees' Retirement System (CalPERS) has committed up to $700 million to Health Evolution Partners, according to Health Evolution Partners. According to published reports, Health Evolution Partners will invest up to $500 million directly into businesses, an enormous increase in capitalization of the health IT field. CalPERS is the nation's largest pension fund with assets of more than $245 billion and the nation's third largest provider of health benefits.

Northeastern Pennsylvania RHIO Dissolves
The board of the Northeastern Pennsylvania Regional Health Information Organization has decided to dissolve the organization because of a lack of start-up money and questions over its sustainability. The RHIO formally launched in July 2006 with the intention of eventually sharing patient data through electronic medical records among health care providers and 22 hospitals in 13 counties. The Northeastern Pennsylvania RHIO's failure is the second this year, coming on the heels of the high-profile dissolution of the Santa Barbara Care Data Exchange.

Divided We Fail Coalition Unites to Promote HIT
Three major U.S. advocacy organizations have endorsed and delivered to Congress five principles for health care information technology legislation. In a joint statement, AARP,

Business Roundtable, and the Service Employees International Union urged Congress to take immediate action to address health care IT, "given the improvements to the quality, efficiency and affordability of health care that can be achieved by implementing health IT." The groups indicated that a broad implementation of health care IT would serve as a "building block" to health care reform generally.

The five principles of health care IT endorsed by the Divided We Fail coalition are:

1. All Americans should have access to a secure, uniform, interoperable health care system that provides administrative and confidential medical information.
2. Adoption of a uniform health information system can improve the patient experience, increase positive health outcomes, and realize significant savings.
3. We urge Congress to pass legislation providing standards for secure, uniform, interoperable health care information technology.
4. This legislation should include grants, loans, or tax credits for providers to assist in the purchase of interoperable health IT systems.
5. The legislation should also ensure adoption of interoperable systems by all payers and providers as early as possible.

CBO Chief Believes Congress is Missing Reasons for Rising Health care Costs
CBO Director Peter Orszag warned lawmakers that they are currently missing the catalyst for skyrocketing health care costs by not focusing on the effectiveness of treatments being offered. "The vast bulk of what we're doing in health care is not backed by evidence," Orszag told the Senate Budget Committee. The economist argued many treatments are not linked to beneficial results, and projected that establishing proven standards of care for various ailments could save government and its citizens nearly 30 percent, or $600 billion, in expenditures. Orszag said that the central challenge in curbing overall expenses, which he attested is key to maintaining the nation's long-term fiscal balance, requires slowing the rate of health care cost growth compared to the country's gross domestic product. The CBO head, who is responsible for analyzing and assessing the fiscal impact of legislation considered by Congress, emphasized that to date he has failed to see any reform proposals adequately addressing the monetary challenge of health care costs. However, Orszag outlined several cost saving "opportunities," which could be legislatively tackled. Currently, public and private sector health care spending accounts for one of every six dollars spent in the United States. Orszag predicted that if growth rate remained stable, by 2050 Medicare and Medicaid outlays alone would consume over 20 percent of the country's GDP - or more than the total federal budget today.

Another Group to Fight for HIT Legislation
On June 5, two former members of Congress known for specializing in health care announced that they will lead a coalition to push Congress to enact health care information technology legislation. Former Rep. Nancy Johnson and former Sen. John Breaux announced the *Health IT Now!* coalition in Washington. The coalition is pushing for passage of legislation that includes:

- A permanent federal responsibility to lead a public-private process of establishing standards for interoperability, product certification and quality measurements;
- Federal financial incentives to providers, communities, states and other organizations to facilitate adoption of health information technology;
- Encouraging consumers to use patient education tools, electronic health records and provider quality data; and
- Federal leadership of a federal-state process to resolve issues in such areas as privacy and professional licensure

Medicare Pilot Program To Test Personal Health Records
From iHealthBeat (6/21/07):
CMS on Wednesday announced that later this month it will launch an 18-month pilot project to determine which personal health record tools and features Medicare beneficiaries find the most useful, *AHA News* reports.

Medicare will work on the pilot in conjunction with four health plans:
- HIP USA;
- Humana;
- Kaiser Permanente; and
- University of Pittsburgh Medical Center (*AHA News*, 6/20).

Each plan will offer a unique PHR that will allow beneficiaries to look up information about their medications and medical conditions to help them manage their care, *Modern Healthcare* reports. Beneficiaries will own their PHR and determine with whom to share it (Robeznieks, *Modern Healthcare*, 6/20).

The PHRs will contain patients' medical conditions, hospitalizations, doctor visits and medications, *United Press International* reports. The records automatically will be updated with Medicare data, and beneficiaries will be able to add other information.

At the conclusion of the 18-month pilot, Medicare will compile information on which features beneficiaries prefer and how to encourage them to use PHRs (*United Press International*, 6/20

Report: HHS Needs Overall Privacy Plan for Electronic Data
From iHealthBeat (6/21/07):
HHS needs to define an overall approach to protecting personal data as it works to develop a national health IT strategy, according to a new Government Accountability Office report, *Technology Daily* reports (*Technology Daily*, 6/20).

The report highlighted key challenges to protecting electronic patient data, including:
- Understanding and resolving legal and policy issues;
- Ensuring appropriate disclosure;
- Guaranteeing patients' rights to request access and changes to health data; and

- Adopting adequate measures for protecting health information (Hanson, *Government Technology*, 6/19).

Linda Koontz and Valerie Melvin, directors of information management issues for GAO, at a House Oversight and Government Reform Information Policy Subcommittee hearing said that while HHS has begun to tackle privacy issues, the process still is in the early stages. They added that HHS has not yet been able to adopt privacy solutions, including the use of identity proofing and user identification tools to protect patients' data within databases.

Koontz and Melvin in a January report called on HHS to seek privacy solutions. However, HHS disagreed with the report and said that it already had adopted a comprehensive privacy strategy, *Technology Daily* reports (*Technology Daily*, 6/20).

IHI Promising Practice of the Month: Heightened Vigilance for High-Alert Meds
Some of the most powerful and effective medications that are integral to treating and healing seriously ill patients are also notorious for their capacity to cause harm - even when used as intended. IHI's 5 Million Lives Campaign has laid out a series of steps hospitals can take to prevent complications and injuries from painkillers, sedatives, blood thinners, and insulin. Safety-minded organizations are making important strides in reducing the risks associated with these "high-alert medications." Click here to read more.

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 7-15)

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 18)

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 1-6)