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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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CMS Releases 2008 Physician Fee Schedule Update, New Performance Measures

On July 2, the [Centers for Medicare and Medicaid Services \(CMS\)](#) released a [proposed rule](#) projecting that Medicare will pay approximately \$58.9 billion to 900,000 physicians and other health care professional in 2008, an 9.9% cut to the [Medicare Physician Fee Schedule \(MPFS\)](#). Regarding this payment cut, acting CMS Administrator Leslie Norwalk said, “For the past five years, Congress has intervened to prevent the implementation of the negative updates resulting from this formula.” Indeed, the House

Ways and Means Committee has proposed a fix that would instead increase physician payments by 0.5% for each of the next two years.

In addition, the rule outlines seven categories of measures for inclusion in the 2008 [Physician Quality Reporting Initiative \(PQRI\)](#), provided that the measures are either National Quality Forum (NQF)-endorsed or adopted by the AQA Alliance. The 2008 proposed measures include existing measures from the AQA Starter Set, other measures from the NQF-endorsed ambulatory care measure set, and new quality measures currently being developed with input from American Medical Association–Physician Consortium for Performance Improvement (physician measures), the Pennsylvania Quality Improvement Organization (QIO) (non-physician and structural measures), and the American Podiatric Medical Association. The proposed rule would also retain the 2007 PQRI measures to the extent that they have been NQF-endorsed.

Comments will be accepted on the proposed rule until August 31, 2007, and a final rule will be published later in the fall. The final rule will be effective for services on or after January 1, 2008.

Study Links High Performance and Reduced Mortality in Hospitals

[A recent study published by *Health Affairs*](#) finds that if the lowest performing U.S. hospitals performed as well as the top-performers on specific quality measures, 2,200 deaths could be prevented each year. The researchers examined data from 3,700 hospitals reporting on ten Hospital Quality Alliance (HQA)–selected performance measures for three common medical conditions—acute myocardial infarction, congestive heart failure, and pneumonia—and compared them to the mortality rates of Medicare enrollees admitted for those conditions. The findings show that higher condition-specific performance on the HQA measures is consistently associated with 7 to 15 percent lower odds of death for each of the conditions. In discussing the possible implications of their results, the researcher state that “the strength and consistency of the associations . . . suggest that these measures identify hospitals with programs that ensure the provision of high-quality care that likely extends beyond the specific processes measured in the HQA program.”

Medicare P4P Demo Brings Improved Quality and Efficiency in Diabetes Care

All of the physician groups participating in the [Medicare Physician Group Practice \(PGP\) Demonstration](#) have shown [improvements in quality and generated cost savings](#) in the management of diabetes during the first year of the project, according to the Centers for Medicare and Medicaid Services (CMS). The three year demonstration, which began on April 1, 2005, is designed to reward providers for coordinating and managing the overall health care needs of Medicare patients with chronic conditions. Performance in year one is based on measures developed from evidence-based guidelines for care of patients with diabetes mellitus. Additional evidence-based measures addressing congestive heart failure, coronary artery disease, hypertension, and cancer screening have been added in performance years two and three. Physician groups that successfully generate savings through enhancements in care management receive a portion of the savings.

While only two of the ten participating groups achieved spending growth rates sufficiently lower than their local markets to share in the savings, all ten groups achieved benchmark or target performance on at least seven out of the ten diabetes clinical quality measures. Strategies implemented by the physician groups include making lab results available to providers prior to patient encounters, educating patients about their conditions and appropriate self-care strategies, and routine follow-up in between visits.

Study Finds “America’s Best Hospitals” Ranking Useful but Imperfect

Patients are more likely to survive the 30 days following an acute myocardial infarction (AMI, i.e., heart attack) if they are admitted to a hospital ranked as [“America’s Best” as by U.S. News and World Report](#), concludes [a study published in Archives of Internal Medicine](#). The study compares over 13,000 patients admitted to 50 hospitals ranked America’s best for “heart and heart surgery” in 2003 with over 250,000 patients in 3813 unranked hospitals. However, although ranked hospitals did have lower mortality rates, on average, than the unranked hospitals, the researchers’ findings also show that not all ranked hospitals had outstanding performance and there were many unranked hospitals with exceptional performance.

NQF Endorses Patient Experience Surveys and New Infection Prevention Measures

On July 17, the National Quality Forum (NQF) announced the endorsement of seven survey instruments to assess patients’ experience with care and five clinician-level measures aimed at infection prevention during surgery.

- The [seven patient experience survey instruments](#) comprise the next step in an ongoing, multi-year effort by NQF to endorse a standardized set of measures for gauging and publicly reporting the quality of ambulatory care, bringing to 112 the total number of NQF-endorsed voluntary consensus standards for ambulatory care to date.
- The [five new clinician-level peri-operative measures](#) for infection control have received a two-year “time-limited” endorsement by NQF, which means they have not yet been adequately field tested. Under this time-limited endorsement, the measure developers are required to submit a plan for field testing. Then, once the field testing is complete and measures have been demonstrated to produce valid and reliable results, NQF would remove the time limitation on the endorsement designation.

RHIOs Say NHIN Misses the Mark

Major stakeholders in the regional health information exchange community say the federal government’s [latest actions to expand a Nationwide Health Information Network \(NHIN\) miss the mark](#). Their complaints pertain to the Department of Health and Human Services’ July 5 request for proposals for regional organizations to expand health IT exchange on the local level. In a July 2 letter to the Office of the National Coordinator, eight leaders of regional health information organizations (RHIOs) and others told the Office of the National Coordinator for Health IT (ONC) that they support expansion but

do not endorse the contracts. “The group is very concerned that the current ONC NHIN contract RFP does not effectively align the national agenda with what states need most at this time,” the letter said.

DOD and VA Progress on Linking Systems

The Departments of Defense and Veterans Affairs are making progress in their efforts to electronically share patient health data, but they still have a long road ahead before they can exchange health information seamlessly, the [Government Accountability Office](#) reported last week. GAO praised the departments’ development of data repositories that will eventually be linked by an interface to let users share all health information.

Administration Voices Concerns with Wired for Health Care Quality Act

On June 27, the Senate Health, Education, Labor and Pensions (HELP) committee approved S. 1693, the Wired for Health Care Quality Act. However on June 26, Health and Human Services Secretary Michael O. Leavitt sent a [letter](#) to HELP Committee Chairman Edward M. Kennedy (D-MA) expressing significant concerns with the bill. Leavitt stated that “I am concerned that this legislation, as presently drafted, would create significant barriers to continued progress already underway.” Specifically, some of the concerns cited by Secretary Leavitt were:

- Section 3003 and 3004 which establish in statute a Partnership for Health Care Improvement (a new advisory committee) and the American Health Information Community (a reconstituted advisory committee);
- Section 3006 which would create Quality Reporting Organizations;
- Opposition to the use of grants and grant-supported state loan programs to stimulate the adoption of HIT;
- Section 3012(a) which would designate operators of health information electronic databases as HIPAA covered entities for purposes of requiring compliance with the HIPAA privacy rule;
- Section 3001(a)(1)(b) which provides that the Partnership will recommend standards;
- Section 3003(d)(1)-(2) which provides that the Partnership may recognize a private entity to recommend certification criteria;
- Section 3002(d)(2)(D) which assigns ONCHIT the role of publishing quality measures; and
- Section 3008(a)(2)(E) which would require recipients of grants for HIT adoption to agree to notify individuals if their information is wrongfully disclosed.

The bill’s sponsors, Kennedy, Sen. Mike Enzi (R-WY), Sen. Hillary Clinton (D-NY), and Sen. Orrin Hatch (R-UT) are reportedly working with the Administration to reach compromise. It is not clear when the full Senate will consider this legislation.

GAO Reports Large Health Data Breaches

GAO has concluded that breaches of sensitive personal information are frequent, but that evidence of resulting identify theft or fraud is uncommon. A survey of 46 hospitals undertaken as part of the [Government Accountability Office report](#) on data security found that 17 breaches occurred at 13 facilities since 2003. The report noted that mandatory notification to consumers of breaches carries many benefits, but costs as well, and

recommended that any notification requirements be risk-based, depending on the likelihood that consumers may be harmed.

CMS Proposes Rule to Spur Adoption of E-Prescribing

The Centers for Medicare and Medicaid Services (CMS) released a proposed new rule designed to increase adoption of electronic-prescribing by physicians. Under current rules, entities that transmit prescriptions using computer-generated faxes are exempt from the requirement that they comply with federal e-prescribing standards. The proposed rule would [eliminate this computer-generated fax exemption](#) by January 1, 2008.

House Children's Health Bill Pushes Building Blocks for Health Transformation

Included in the massive \$90 billion [House bill](#) to reauthorize the State Children's Health Insurance Program (SCHIP) and address Medicare physician payment rates are important building blocks for health care transformation. The bill creates a major new comparative effectiveness research center, funded by Medicare and other payers, and a politically independent commission to set research priorities. The bill also expands a Medicare demonstration program for medical homes, enhanced primary care practices that coordinate care, enable proactive chronic care management and prevention, better use of information technology, and other important reforms of primary care. In addition, HHS would be required under the bill to coordinate development of quality measures to avoid a proliferation of competing measures and to promulgate a plan for system-wide health I.T. use in Medicare. The bill is expected on the House floor before Congress begins the August recess.

Medical Homes Improve Quality and Efficiency, Reduce Disparities, Report Shows

Medical homes, primary care practices that provide individualized, patient-centered, care with enhanced prevention, chronic disease management, and care coordination services, result in [quality and efficiency gains and reduce health disparities](#) for minority populations, according to a Commonwealth Fund report. The report confirms the benefits of medical homes touted by speakers at a briefing sponsored by the 21st Century Health Care Caucus last month. Following that briefing, fourteen members of the House signed on to a letter organized by the Caucus urging inclusion of medical home demonstration projects in the upcoming SCHIP/Medicare bill.

Certification Commission Approves Criteria for Inpatient EHRs

The [Certification Commission for Health I.T.](#) (CCHIT) will begin certifying hospital-based electronic health records on August 1. The CCHIT published the approved criteria at the end of June, which include standards around security, clinician order entry, electronic medication administration and reconciliation, and clinical decision support. CCHIT has previously certified EHRs for outpatient settings in 2006 and 2007.

Leahy, Kennedy Introduce Health Care Privacy Bill

The Chairmen of the Senate Judiciary Committee and the Senate Health, Education, Labor, and Pensions Committees have joined forces to propose an [overhaul of the nation's health care privacy laws](#). Sens. Patrick Leahy (D-VT) and Edward Kennedy (D-MA) would require the Secretary of Health and Human Services to revise the current

HIPAA privacy rule with stronger patient protections under the [Health Information Privacy and Security Act of 2007 \(S. 1814\)](#). Under the bill, for example, patient consent would be required for nearly all uses or disclosures of health information, guarantee patients' right to supplement, amend, correct, destroy, and segregate their health information, create a new office for health information policy at HHS, and stiffen penalties for violations.

Comparative Effectiveness Study Makes Case for Cheaper Diabetes Drugs

From Kaiser Daily Health Policy Report (7/17/07)

Older, less-expensive diabetes drugs are equally as effective and safe as newer, costlier drugs, according to a study published online Monday in the *Annals of Internal Medicine*, the *AP/Houston Chronicle* reports. For the first in-depth comparison of oral diabetes drugs that have been released in the past decade and those that have been available for decades, researchers led by Shari Bolen of [Johns Hopkins University](#) reviewed more than 200 published studies and unpublished information from drug companies and [FDA](#).

Metformin -- sold as Glucophage and generically for about \$100 per year -- "was the clear winner," according to the *AP/Chronicle*. The inexpensive drug was found to work just as well as other medications and does not cause weight gain or dangerously low blood sugar levels. Metformin also lowers LDL, or "bad," cholesterol levels. *Consumer Reports* published a guide to the results, which rated metformin, as well as glipizide and glimepiride -- sold respectively as Amaryl and Glucotrol -- as "best bets," the *AP/Chronicle* reports.

The study found that most oral diabetes medications reduce A1c levels, an important measure of high blood sugar, by about one percentage point. Bolen said that despite intense marketing for newer drugs -- which can cost up to \$262 per month -- researchers "didn't find any benefit" to taking them unless a patient was unable to tolerate an older drug.

The study was commissioned in May 2005 by the federal [Agency for Healthcare Research and Quality](#), before a study released this year tied the [GlaxoSmithKline](#) diabetes drug Avandia to cardiovascular risks. The Hopkins researchers said that evidence is insufficient to address the Avandia issue (Marchione, *AP/Houston Chronicle*, 7/17).

The study is available [online](#).

IHI Promising Practice of the Month: Bringing Boards on Board for Quality

When quality and safety in health care are on the agenda in the hospital boardroom, a lot of good things can happen. Trustees are getting the message -- and the education -- to play a greater role in health care improvement in the the nation's hospitals. 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 6-10)

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 improve the quality of American healthcare by setting national priorities and goals for performance improvement, endorsing national consensus standards for measuring and publicly reporting on performance, and promoting the attainment of national goals through education and outreach 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. To find out more, go to www.qualityforum.org. (Items 1-5)