

HIMSS 5th Annual Public Policy Forum
Campaign 2008: What's Next for Healthcare IT
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National Press Club Ballroom
Washington, DC

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Keynote Speaker: The Honorable Sheldon Whitehouse, U.S. Senator (D-RI)
Observations on Healthcare IT Policy and a Direction for the 21st Century

- Issues in Rhode Island (RI) related to healthcare
 - Rhode Islanders fear loss of healthcare insurance coverage
 - Nurses are overwhelmed with paperwork instead of doing patient care
 - Providers are frustrated
 - Patients receive poor quality of care
 - Need for a way to cut cost of healthcare while improving quality and saving lives
- Healthcare system in the US is broken
 - Over 40 million uninsured
 - \$2 trillion cost of healthcare today
 - \$2.3 trillion by 2010
 - Approximately 100,000 patients killed each year because of medical errors
 - Families are being bankrupted by the rising costs of healthcare
- Reforms are necessary for major system failures
 - -Market failure: Reliance on market forces will lead to defeat
 - -Core problems
 - US healthcare system does not stress quality or prevention
 - No development of IT
 - Way of paying is perverse and not in public interest
 - Despite showing savings in costs and improved patient care by decreasing infections, hospitals see a decrease in revenues
 - Because of decrease in revenues, hospitals do not stress
 - Less focus preventative care
 - In prevention strategies, all costs go to the hospitals and all savings go to the payers

Proposed strategies for fixing healthcare problems

- Deployment of healthcare IT could save billions annually in healthcare costs (average of 86 billion according to multiple sources- range \$75 to 100 billion)
- -Improving quality and prevention
- -Improve reimbursement system so improved quality and prevention are not penalized
- -Quality HIT Act 2007
- -Grants to encourage quality initiatives in coordinated manner and provide cost savings
- -National Health IT and Privacy Advancement Act 2007: encourage national non-profit organization to manage IT
- -Improved Medical Decisions Incentives Act 2007
- -Local approval of best practices to improve reimbursement from private payers
- -Reduce costs
- -Improve care

- -Affordable for all families
- -Inefficiencies can be fixed and is not mandatory to tolerate in the US healthcare system

Healthcare in Campaign 2008: An Analysis of the Electorate:

Moderator: F. Christopher Arterton, PhD, Dean, The Graduate School of Political Management, The George Washington University

**Panelists: Gary Ferguson, Senior Vice President, American Viewpoint
Mark Mellman, President and CEO, The Mellman Group**

Gary Ferguson- American Viewpoint

Issues related to healthcare and upcoming election

- 31% of public say top domestic issue is healthcare
- Of all issues 15% say healthcare is top issue (34% say Iraq War)
- In healthcare, 43% say major problem is number of uninsured
- 79% say that candidate's position on healthcare is important in their vote consideration
- 60% say major system changes needed
- 55% say major problem
- 16% say state of crisis
- 66% say their personal healthcare coverage is fine
- 69% say the government needs to ensure all covered
- 51% express concerns on how government would provide healthcare
- 74% consider healthcare as just one issue to consider in vote decision
- 11% consider it the deciding issue
- **From HIMSS survey of 1,000 anonymous polled**
 - Majority favor nationwide health IT network
 - 57% in favor
 - 30% opposed
 - 12% undecided
 - **Support for way to control cost and improve care**
 - Overall trends
 - Stronger support for HIT in younger groups
 - Those opposed to HIT concerned over privacy and security issues,
 - as well as what role government will play in HIT and how HIT may be used against them
- **Health IT as a voting issue if supported by individual candidate**
 - 57% say no difference to them
 - 22% say more likely to make a difference in vote
 - 13% say less likely to make a difference in vote
- **2008 issues**
 - Democrats focused on universal coverage/care
 - Republicans focused on tax code issues
 - Obstacles to reform
 - Political feasibility and constraints: competing bills make getting consensus difficult
 - Structure of US healthcare politics support free markets
 - Current political environment being shaped by baby boomers, spiraling costs which sets the stage for lively healthcare debate

Mark Mellman- The Mellman Group

Fundamentals that important in the Presidential Campaign

- Incumbancy: Party rarely loses, but because of repeat long term issues, more in favor for Democrats at this time
- Popularity of President: Bush 2nd post unpopular in history, so works against Republicans War: Even more unpopular than the Vietnam conflict
- Economy: Forecast is that 2008 will be relatively bad economy which will harm Republicans election bid
- Issue agenda: Healthcare is top on the domestic list with cost being main focus along with universal coverage---candidates must have plan for these issues to be taken seriously
- Most individuals like their own, current healthcare coverage and want to maintain their own coverage even under a national system of healthcare coverage
- Plans for healthcare from candidates need to be simple and understandable
- Essential to say that all are covered and explain how plan saves money
 - Health IT can help in reaching this goal
 - Must consider privacy and security concerns of public

Health Policy Advisors to Democratic Campaigns

**Moderator: Blackford Middleton, MD, MPH, Harvard University and Partners
Healthcare Center for Information Technology Leadership**

**Panelists: Clinton Campaign: Andrea Palm, Health Policy Advisor
Dodd Campaign: Barbara Markham Smith, JD, Health Policy Chair
Obama Campaign: Dora Hughes, MD, MPH, Health Policy Advisor**

Andrea Palm- Clinton Campaign

- Healthcare is Clinton's top priority: First candidate to put out plan
 - Universal healthcare proposal is uniquely American solution
- Major areas
 - Costs- speaks to insured, underinsured, and uninsured
 - Bulk of HIT issues here involve chronic care, preventive care, and quality of care
 - Quality
 - Provider training
 - Nurse workforce improvements
 - More affordable for businesses and families
- Website has 12 page document on plan: the upfront costs of providing the universal coverage gets paid back in savings over the long term by improvements in quality of care and prevention
 - Allows for those who like the coverage they currently have to keep it
 - Can choose from variety of private plans available to members of Congress
 - Can choose from federal plans that compete with private plans
 - Everyone part of the system, contributes to the system
 - Payers: Do business better and put profits back into system
 - Does not harm businesses, particularly small business
 - Provides tax credit incentives instead of mandates for small business
 - Large business will be mandated to provide coverage or some other contributions to the system
 - Health IT is part of a reformed healthcare system
 - Impacts quality and allows for measurement of metrics for what works and does not work in the reforms
 - \$3 billion annually for physicians to improve their HIT systems

- No way to separate quality, cost containment, and HIT efficiency

Barbara Markham Smith- Dodd Campaign

- Universal right for universal coverage with same benefits as Congressional coverage
- Subsidize based on ability to pay
- Implement within 2-4 yrs of taking office with phased-in plan based on age
- Savings from HIT is critical for paying for plans across campaigns
- Widely disseminated HIT will enable all to have better care, particularly chronically ill and coordination of their care
- Savings in the \$160 billion range
- Federal investment will be in \$8 billion range
- Save \$23 billion from Medicare savings alone (great ROI)
- EMR will be centerpiece: interoperable and works on PPO model of care for portability and coordination of care from primary care provider to specialists and back
- Needs assured market larger than the current 8% of HIT users
- Universal coverage guarantees stable financing, standards, and cooperation
- Dodd looking for accelerated public-private collaboration to have data standards set and interoperable through grants and loans that encourage this development
- Promote pay-for-performance

Dora Hughes- Obama Campaign

- Obama's personal and professional experiences with healthcare has shaped his plan for universal care that he plans to enact within first year of Presidency
- Plan to decrease costs, improve quality and efficiency
 - HIT is the lynch-pin in this---enables
- Promote prevention and public health infrastructure
- HIT improves patient safety and coordination through personal health record (PHR)
 - Improves efficiency by reducing paperwork and redundancy
 - Expect \$77 billion in savings
- Expects to bypass current hurdles to adoption of HIT
 - \$10 billion in funding over 5 years to get broadbased adoption of HIT
 - Establish interoperable system with certified products
 - Have safe and secure information exchange in broadly used system: plan to offset price for rural users in order to encourage adoption
 - Full implementation by building on the current efforts and successes of Bush administration and HIMSS

Health Policy Advisors to Republican Campaigns:

**Moderator: Blackford Middleton, MD, MPH, Harvard University and Partners
Healthcare Center for Information Technology Leadership**

**Panelists: McCain Campaign- Douglas Holtz-Eakin, PhD, Policy Director
Romney Campaign- Lanhee Chen, JD, AB, AM, Domestic Policy Director**

Douglas Holtz-Eakin- McCain Campaign

- Sees problems in healthcare are high costs and poor quality
- Affects everyone
 - Insured and uninsured
 - Corporations: inhibits ability to compete for workers
 - Unions: less to bargain with/for
 - Families
 - Small business

- Public not in favor of government system, but not happy with current system
- Keys to solution
 - Improve cost and quality by improving coordination of care
 - Problem is not that not all have health insurance: does not address spiraling costs issues
 - Don't take out on consumers or business by raising taxes
 - Plan from McCain to come out Oct 11, 2007 which will take into account
 - Tort reforms
 - Insurance reforms
 - Changing care markets (example would be retail based clinics)
 - Pay for outcomes, not services rendered
 - Incentives for all to be interconnected through coordinated HIT system
 - Promote pay-for-performance

Lanhee Chen- Romney Campaign

- Stressed that Romney's plan will take into account successes from the measures he supported/instituted in Massachusetts
 - Overhauled Medicaid system so that enrollment was integrated to decrease uncompensated care
 - Promoted private sector innovation through \$50 million for development of EMR, development of e-prescribing system, and establishing healthcare cost and quality website for consumers
- -National plan takes a Federalist approach
 - Improve role of States in working with Federal government to decrease number of uninsured
 - HIT crucial to controlling costs and ensuring portability of healthcare, coordination of complex care
 - Action steps
 - Deregulate and reform state health insurance markets
 - Tax reform
 - Reform medical liability
 - Bring market dynamics to healthcare
 - Increase HIT adoption and use through incentives for public-private partnerships
 - Interoperable system that is secure, but transparent for costs and quality of care

Reaction Panel: Can Current Initiatives Fit With Candidate Plans?

Moderator: Fred Hannett, The Capitol Alliance Chairman of the HIMSS Government Relations Roundtable

Panelists: RHIO Representative: A. John Blair, III, MD, President and CEO, Taconic IPA

CIO Representative- Doug Abel, Vice President and CIO, Anne Arundel Health System

CCHIT Representative- Alisa Ray, Executive Director, CCHIT

John Blair- RHIO Representative

- Notable which campaigns were not at the HIMSS Public Policy Forum (Moderator Hannett remarked that all campaigns were invited to the forum)
 - HIT is more on the awareness nationally

- Does not think that efforts to get HIT widely adopted is a strong focus
 - No real commitment from speakers to support the certification process
 - Political issue but needs focus
- Clinton campaign
 - Spoke well to medical home and coordination of care, quality, and portability
 - Will mandate these issues through government programs
- Dodd campaign
 - Leverage purchasing power of government to push HIT along in PPO model
 - Lack of market penetration mentioned, but no details offered
- Obama campaign
 - \$50 billion over 5 years offered, but need \$150 billion for full HIT implementation nationally
 - No commitment to CCHIT or Office of National Coordinator (ONC)
- McCain campaign
 - Incentives important but no details until October 11 rollout of plan by McCain
- Romney campaign
 - Federalist approach with understanding that reform needs to involve whole country at State government level
- RHIO panel is looking how best to use proposed funding from candidate plans for HIT
- Stressed that HIMSS advocate the need to codify the ONC position
- Feels that Clinton has best HIT in her proposal
- Important that 110th Congress not destroy progress that has been made in HIT legislation to date

Doug Abel- CIO Representative

- Little said that impacts the CIO
- At least HIT is part of the dialogue today which is an improvement from the past
- Anne Arundel Hospital has a good profit margin at 4-5% and dedicates about 2% of budget toward HIT (salary, equipment, and current system support takes about 75% of this budget)
- Healthcare is still local as is its problems
 - Local initiatives should take priority over national
- Cultural limitations in healthcare industry which are not present in other industries that adopt HIT (like banking industry for example)
- Important to center HIT around patient to make it easier for care and improve cost
- Encouraged that large budget for HIT being considered in the candidate plans
- Need to consider how it will touch each hospital and physician practice individually
- Liked McCain's concept best

Alisa Ray- CCHIT Representative

- Strategy for government HIT adoption will likely change with change in administration
- CCHIT is positioned to interact with marketplace and help with HIT adoption
 - Open and transparent
 - Works on consensus basis
 - Can be useful in the proposed qualifying mechanisms for the grants and loans, tax credits, etc., put forth by candidate reps in deciding best use of monies
 - Provides a level playing field for small and large vendors
 - Some pay-for-performance systems are providing financial incentive for CCHIT
 - Health information exchange being formed needs to look at CCHIT to make sure interoperable
 - Make sure all States can use HIT products with CCHIT involvement
 - Private sector roots, non-profit, and self-sustaining
 - Favors Obama campaign for including certification as a need for HIT products

Closing Keynote Address: A View on Calendar Year 2008

The Honorable Gail Wilensky, PhD, Senior Fellow Project Hope and former HCFA Administrator

- DoD and VA HIT systems are on track to be interoperable by 2010-2011
- Challenges for funding-how to bridge funding chiasm?
 - President can provide important leadership, but direction is from Congress who sets what can actually be done
- Unlikely that there will be direct payment for HIT from Medicare, etc.
- Need to totally change how Medicare is reimbursing (bundling)
 - Need to recognize quality in the equation: system not set-up to reward best performers and provide for good quality of care
 - HIT should be included in the solution for the correction of the system to provide incentives for quality and pay-for-performance
 - Put in business case to drive the implementation
 - Work to make sure that artificial obstacles are not in place to inhibit the implementation of HIT, such as unachievable standards
- Clinton's healthcare plan is based on increased spending up front with possible savings down the road, with plan for end result of savings on healthcare: unclear if these savings will be realized. Expenditures upfront for HIT will take time to realize.
- 20% of physicians are in primary care, 80% are in specialties, 75% are in small groups
 - Incentives to small groups for adopting HIT is difficult and not adequately addressed in current candidates healthcare plans