



Healthcare Information and Management Systems Society

September 2011

Recommendation to Congress

2011 HIMSS Policy Summit Ask #2:

Congress should preserve the investment being made in the Medicare and Medicaid Electronic Health Records Incentive Program as an essential tool that is critical to the healthcare transformation process.

Problem

The Medicare and Medicaid Electronic Health Records (EHR) Incentive Program is essential in moving our nation towards achieving system-wide adoption and Meaningful Use of EHRs. This program serves a critical role in the nation's healthcare transformation efforts started by President George W. Bush and continued by President Barack Obama, enabling investment in health information technologies (IT) that are an essential and foundational element in any foreseeable approaches to transformation of our healthcare delivery system, including rewards for quality and efficiency of care and payment reform. Many bipartisan leaders agree that this foundational program merits continued congressional support and must be preserved.

Background

In 2009, building on years of bipartisan work in the U.S. House and Senate, landmark Federal legislation created financial incentives for eligible healthcare professionals and hospitals to adopt, implement and demonstrate meaningful use of certified EHR technology. The program's goal is to encourage and support the nationwide adoption and meaningful use of interoperable EHRs by eligible providers and eligible hospitals. Once the positive incentive phase is completed, this same federal legislation includes financial disincentives, via reduced Medicare reimbursement rates starting in 2015 (and escalating in years afterward), for providers not adopting and engaging in meaningful use of HHS-certified EHR technology.

Investment in an EHR system that can meet federally established certification criteria represents a major capital investment for any provider, provider group, or hospital. These investments are well beyond the resources of many providers and smaller hospitals.

For many of the nation's healthcare providers, the Medicare and Medicaid EHR Incentive Program provides vital incentives to adopt and implement EHR systems that comply with Meaningful Use criteria. As of July 2011, a total of 77,549 eligible providers and eligible hospitals had registered to meet meaningful use standards, and EHR Incentive Program payouts totaled \$397,366,554.¹ The Congressional Budget Office estimates that 90 percent of physicians and 70 percent of hospitals will use comprehensive EHRs by 2020 and benefit from this program.

EHRs and Health Information Exchange (HIE) hold enormous potential for enhancing patient outcomes, controlling healthcare costs and improving the quality of healthcare in America. The modern healthcare team delivery model is patient-centric and includes primary care providers, medical specialists, nurses, pharmacists, ancillary care specialists, and even alternative care providers. EHRs and HIE capabilities

are essential to integrate the modern healthcare team, allowing for better care coordination and ensuring enhancement of patient care and patient safety.

National efforts to transform healthcare delivery systems and to bend the cost curve, including implementation of improved quality measures and reporting systems, are entirely dependent on the widest possible adoption of EHRs and HIE. Meaningful Use of EHRs supports quality reporting that helps providers analyze and continually improve the quality of care they provide. Healthcare data that can support quality reporting enabled by EHRs also helps to improve care and eliminate health disparities in underserved communities, minority populations, and rural areas. In addition, electronic information provided by the meaningful use of EHRs allows for value-based purchasing and other payment reforms to improve quality, reduce healthcare costs, support broader implementation of evidence-based medicine, and reduce unjustified variations in care.

Achieving significant savings across our Nation's healthcare delivery system also depends on rapid and accurate use of other modernization efforts such as ICD-10 diagnosis coding systems, value-based payment systems, and ultimately accountable care, a type of payment and delivery reform model that seeks to tie provider payments to quality and efficiency metrics while reducing total cost of care for an assigned population of patients. Implementation of accountable care is fully dependent on the use of EHRs and HIE capabilities. Electronic health records are essential to achieving the cost savings and safety improvements that these payment reforms seek.

Fundamentally, significant healthcare delivery transformation is impossible without meaningful, system-wide adoption of EHRs and health information exchange. Without the health IT incentive funding program, providers and hospitals across the country--including many small healthcare practices and rural healthcare facilities--would find it difficult to make the transitions needed to support such system changes. In addition, any reversal of the current program would send a negative signal on health IT investment that would reverberate far beyond EHR implementation, hindering or reversing plans for a broad range of health IT investments and associated job growth. This program has already been set in motion, reflecting statute-based, multi-year commitments of the federal government; many healthcare providers and hospitals across the country have already mobilized and made substantial investments and hiring decisions based on anticipation of receipt of the incentives. Any scaling back of the EHR incentive funding program as a result of ongoing federal budget deliberations would be a sharp and lasting setback to the progress already made in health information technology, creating dangerous uncertainty within the healthcare system.

As our nation moves forward with greater urgency toward the system-wide adoption of EHRs and broader implementation of innovative solutions, the Medicare and Medicaid EHR Incentive Program remains an essential component to ensure the success of the initiative's goal of lowering healthcare costs, improving patient safety, and enhancing the quality of care. None of these other healthcare system initiatives are possible without the nationwide adoption of interoperable EHRs and health information exchange.

Solution

HIMSS recommends that:

Congress should preserve the investment being made in the Medicare and Medicaid Electronic Health Records Incentive Program as an essential tool that is critical to the healthcare transformation process.

ⁱ Centers for Medicare and Medicaid Services, July 2011.