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HITECH REVISITED: Achieving HITECH's Goals for a High-Performing Health IT-Enabled Healthcare System

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Manatt Health Solutions was recently commissioned by the California HealthCare Foundation, the Colorado Health Foundation, and the United Hospital Fund to provide a candid evaluation of where implementation of the historic Health Information Technology for Economic and Clinical Health Act ("HITECH") stands, what challenges it faces, and what specific actions Congress and the Administration should take to achieve its goals.

HITECH, enacted over a year ago as part of the federal stimulus package, was designed to improve the quality, efficiency, and coordination of health care through financial incentives for providers to adopt and meaningfully use electronic health records ("EHRs").

To inform its analysis, Manatt interviewed 24 health information technology ("health IT") leaders representing a wide range of stakeholder groups. A number of those interviewed have been actively engaged in the development of federal policy for many years, with some playing important advisory roles in the current Administration. Other interviewees included state leaders who are at the forefront of implementing HITECH through the development of state health information exchange ("HIE") networks and the administration of the Medicaid EHR incentive program, and individuals with experience implementing EHR systems in a wide range of provider settings, such as hospitals, small physician practices, and community health centers, including those in rural areas.

To assess the trajectory in which HITECH is headed, Manatt analyzed the following questions, among others:

Are the policies and programs being implemented likely to result in a health care system that is networked, interoperable, and focused on coordination of care, as has been so thoughtfully articulated by National Coordinator Dr. David Blumenthal?

Are the financial incentives, infrastructure-building activities,

workforce training, and EHR adoption support efforts that are underway leading toward significant levels of provider EHR adoption? Will the policies being implemented improve clinical decision-making at the point of care?

Since enactment, the two federal agencies charged with overseeing HITECH's implementation - the Office of the National Coordinator for Health Information Technology ("ONC") and the Centers for Medicare and Medicaid Services ("CMS") - have been diligently implementing the new law's various provisions, seeking to reshape the way health information is documented, exchanged, and used in the hope of creating a foundation for an improved health care system. It has been – and will continue to be – no small task.

The report suggests that HITECH is a major step forward, and expresses optimism that HITECH's investments will lead to measurable improvements in the health care system, especially when complemented by the types of payment reforms included in the recently-enacted health reform package. However, the report also suggests that absent course correction in certain areas, the transformative potential of health IT that HITECH envisioned may not be realized.

The report's key findings and recommendations are set forth below. The report can be accessed in full by clicking here.

HITECH Revisited Key Findings and Recommendations

1. Eligible health care providers, especially small and rural practices and certain community health centers, may have difficulty meeting the proposed meaningful use criteria in the Meaningful Use Notice of Proposed Rulemaking ("NPRM"), which may result in EHR adoption rates that are less than anticipated and/or hoped for. CMS should revise the proposed meaningful use criteria so they are more achievable and reflect the ability of current systems to support providers as they seek to integrate ambitious new EHR capabilities into their clinical routines and daily work flows.

2. Eligible health care providers may have difficulty meeting the proposed timetable for meaningful use. Also, the development of meaningful use criteria in three stages, only the first of which has been released, means health care providers do not know what requirements they will have to meet in future years, handicapping their ability to choose a health IT strategy that effectively suits their needs. CMS should release a full meaningful use roadmap by the end of calendar year 2010, and adopt an incremental approach to achieving meaningful use over a longer time period.

3. The Administration's approach to advancing interoperability relies too heavily on simple point-to-point connections and on faith in the private market, which is unlikely to yield the type of multi-point

interoperability necessary for high value quality improvement and cost efficiency gains. CMS should ensure that the final meaningful use regulation includes provisions directly tying meaningful use to participation in HIE networks being developed by states using federal grant funds authorized by HITECH.

4. Stronger policies to encourage clinical practices that are consistent with evidence-based treatment guidelines are necessary to ensure improvements in patient health outcomes. CMS should ensure that the final meaningful use regulation more strongly encourages health care providers to utilize robust clinical decision support at the point of care.

5. It is important to allow states to use meaningful use as a policy lever by which to drive improvements in the care provided under their Medicaid programs. CMS's proposal to deem any Medicare hospital that is a meaningful user under the Medicare EHR incentive program (and is also eligible for Medicaid EHR incentive payments) a meaningful user under the Medicaid EHR incentive program would inhibit states' ability to do so. CMS should abandon the hospital meaningful use deeming proposal, thus enabling state-specific meaningful use objectives (which must be approved by CMS) to apply to all eligible hospitals and professionals receiving Medicaid EHR incentive payments, provided such objectives advance Medicaid interoperability and quality improvement goals.

6. Expanding eligibility for health IT adoption incentives to long-term care facilities and many behavioral health providers will help to enable truly coordinated care across all care settings. Congress should pass legislation either making currently excluded health care providers eligible for the Medicare and Medicaid EHR incentive programs or authorizing separate funding to support EHR adoption and ongoing use by such providers.

7. The services to be provided by HITECH's Health IT Extension Program's Regional Extension Centers will be essential to successful EHR adoption and meaningful use, but Regional Extension Centers may face sustainability and operational challenges. ONC should closely evaluate the effectiveness of the Regional Extension Centers and, where sustainability and/or operational challenges exist, develop alternative approaches to ensure the provision of EHR adoption and implementation support services on an ongoing basis.

8. HITECH is a necessary but not sufficient step to achieve greater quality and efficiency in health care. While the recently-passed health reform package includes a number of important provisions to test new health care delivery and payment models, broad-scale payment and delivery reform will be a necessary complement to HITECH's considerable investment. Congress and CMS should continue to implement policies, targeted especially toward Medicaid and the commercial health insurance market, that encourage physicians and

hospitals to organize into systems of care that deliver high performance through the use of health IT.

According to the report, the nation is at the beginning of an exciting journey that could lead to the dramatic transformation of the health care delivery and payment system, anchored by new ways to exchange information to support better, more timely decision-making by providers and patients alike. Success will depend on the ability of everyone involved to learn from each other and to adapt and change policies and strategic direction to meet shared objectives.

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