



KEY PROVIDER ISSUES IN HEALTH CARE REFORM

May 2010 HEALTH INFORMATION TECHNOLOGY PROVISIONS

Health information technology and electronic health records are emphasized in many of the provisions health care reform, particularly with focus on improving quality of care and reducing fraud. In the American Recovery and Reinvestment Act of 2009 (ARRA) almost \$20 billion in funding was provided for Health IT including electronic health records (EHR), health information exchange (HIE), and comparative effectiveness research. The new health care reform law builds upon the groundwork laid out in ARRA with a federal goal for Americans to have electronic health records (EHRs) by 2014; the U.S. government wants to implement a nationwide network, where health may be accessed online from anywhere.

Creating a National Strategy for Health IT (SEC. 3001) Not later than 2 years after the date of enactment of the Patient Protection and Affordable Care Act (PPACA), the Secretary, in consultation with experts in health care quality and stakeholders, shall develop reporting requirements for use by a group health plan, and a health insurance issuer offering group or individual health insurance coverage, with respect to plan or coverage benefits and health care provider reimbursement structures that implement activities to improve patient safety and reduce medical errors through the appropriate use of best clinical practices, evidence based medicine, and health information technology under the plan or coverage The secretary ensures that the priorities enhance the use of health care data to improve quality, efficiency, transparency, and outcomes.

HIT in Payment Reform (SEC. 3004) PPACA mandates that a variety of existing and new programs (Accountable Care Organization (ACOs), Hospital and Post Acute bundling, the Independence at Home Demo, Medicare and Medicaid Medical Homes, Comparative Effectiveness Research, etc.) surrounding payment reform require that HIT/EHR be included in their implementation.

Ensuring the quality of care (SEC. 3002) Quality reporting by doctors and hospitals will be performed electronically, utilizing electronic records and health information exchange systems and networks. The goal is to collect data on providers and treatments that are improving outcomes, and to eventually link care payments to those outcomes.

CMS Innovation Center (SEC. 3021) As part of the reform package, the Centers for Medicare and Medicaid Services (CMS) will establish a new center to test and evaluate solutions and a Coordinated Care Office to manage overlaps between Medicare and Medicaid. New anti-fraud measures systems will be developed as well. Under reform law, the IRS will also provide detailed information to consumers on taxes associated with the health law. Studies show the IRS is expected to spend \$1.65 billion to \$2.5 billion on activities related to health care reform over the next 10 years.

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HIT Enrollment Standards and Protocols (SEC. 1561) Requires, within 180 days after enactment, the Secretary to develop standards and protocols, in consultation with the HIT Policy and Standards Committees, to promote the interoperability of systems for enrollment of individuals in Federal and State health and human services programs.

State Comparison Portals (SEC. 1103) PPACA requires that in 2010 states must establish a web-based portal that will allow patients to compare health coverage options for individual, small group, Medicaid/CHIP, and high risk pools. Standards for these portals will be established by HHS. Beginning in 2014, states must incorporate into these portals the American Health Benefit Exchange that will assist in the purchase of qualified health plans and the small business health plan exchange.

EHR Grants to Long Term Care Facilities (SEC. 2041) Beginning in FY2011, \$52.5 million (over 3 years) in grants will be available for long term care facilities to assist in the purchase, lease, development and implementation of certified EHR. The funds may be used for purchasing new systems, upgrading existing and also for education and training for staff on such systems. Facilities receiving these grants must participate in state based HIEs and the Secretary of HHS is required to develop standards for these exchanges.

Administrative Simplification (SEC. 1104) PPACA requires that new uniform operating rules to eliminate variation in interpretation and implementation of standards are established by HHS.

By Jan. 1, 2014, Medicare A & B payments must be made by electronic transfer only to facilities.

Also by Jan. 1, 2014, a review committee established by the Secretary of HHS will review and evaluate the HIPAA adopted transactions standards and operating standards. Beginning 6 months after, and twice a year subsequently, this committee will provide recommendations to improve and update the standards and rules. Within 90 days of recommendation to adopt, a revised rule must be adopted and made effective no later than 25 months after adoption. Changes in standards must be coordinated through the Office of the National Coordinator.