Peg Meadow, Director, Government & Industry Affairs, Siemens
Delaware Valley HIMSS Board President

Legislative Update
Association of Medical Directors of Information Systems
June 18, 2014

Answers for life.

What Congress Cares About

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1. Accelerating the movement away from fee for service to pay for performance….
2. Better coordinated care for chronic care…
3. Price transparency utilizing data

And to make this happen, we need health information technology…

Understanding Meaningful Use

- A bit of history
- Payment Reform
- Coordinated Care
- HIT
- Questions

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A Bit of History

- President Obama's goal in 2009

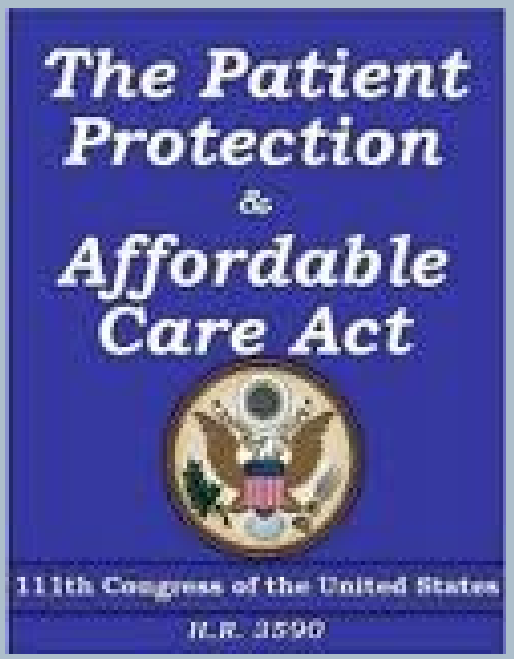
"To lower health care cost, cut medical errors, and improve care, we'll computerize the nation's health records in five years, saving billions of dollars in health care costs and countless lives."

- First Weekly Address
Jan. 24, 2009

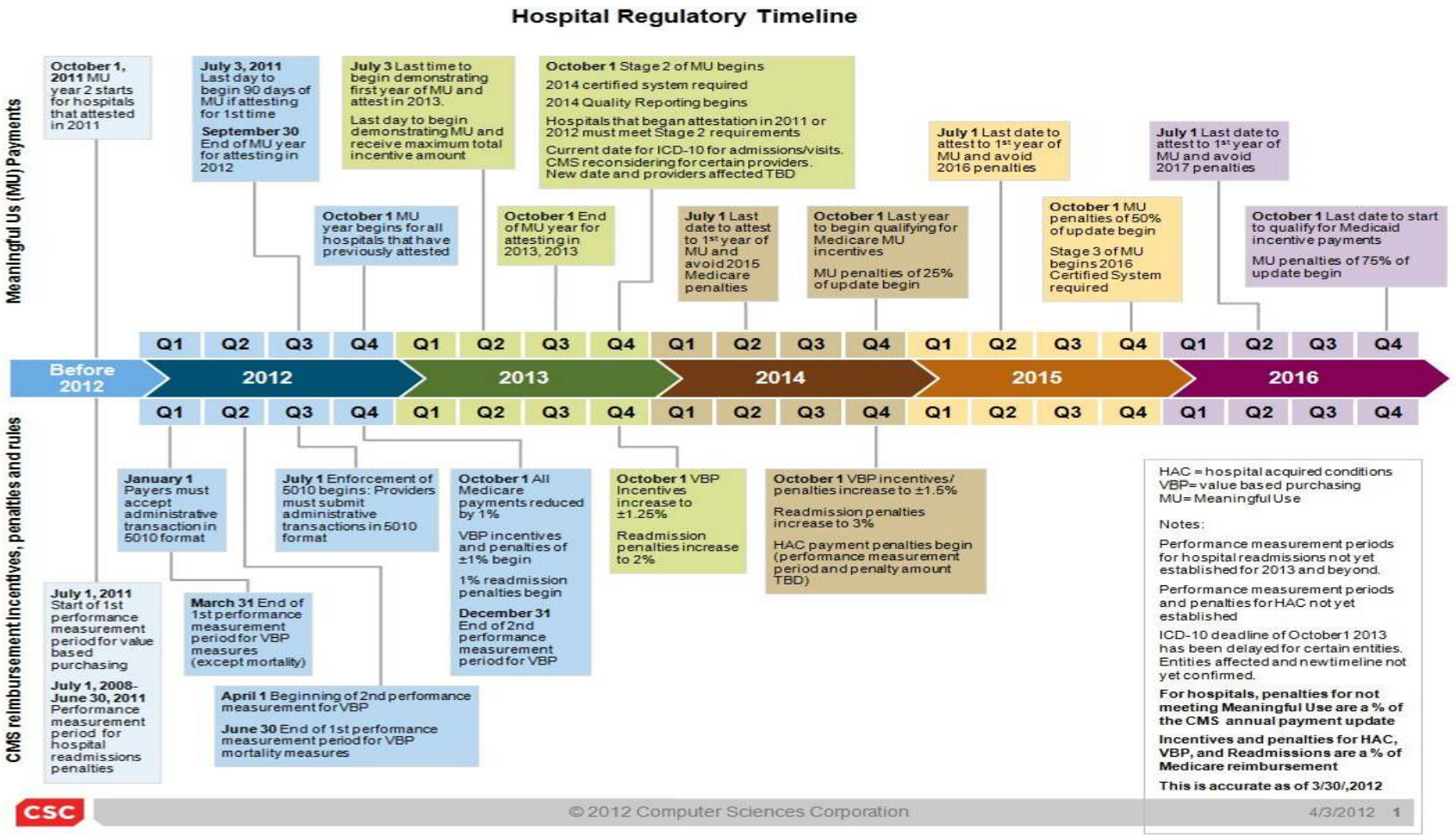
- February 17, 2009 – the American Reinvestment and Recovery Act (ARRA) stimulus bill is signed into law
  - ***HITECH component of ARRA provides an incentive program to stimulate the adoption and use of HIT, especially EHRs***
  - ***Dr. David Blumenthal appointed the new National Coordinator***

Patient Protection Affordability Act

- Signed into Law – March 2010
- Aka – Health Reform Act
- Effective FY 2010 to 2019
- 906 Pages
- Table of Contents:
  - Title I – Quality, Affordable Health Care for all Americans
  - Title II – Role of Public Programs
  - Title III – Improving the Quality and Efficiency of Health Care
    - Part III – Encouraging Development of New Patient Care Models
      - Section 3022 – Medicare shared savings program
  - Title IV – Prevention of Chronic Diseases and Improving Public Health
  - Title V – Healthcare Workforce
  - Title VI – Transparency and Program Integrity
  - Title VII – Improving Access to Innovative Medical Therapies
  - Title VIII – Class Act
  - Title IX – Revenue Provisions
  - Title X – Strengthening Quality, Affordable Health Care for All Americans
- 450+ Provisions



Affordable Care Act
Roll-out is Well Underway



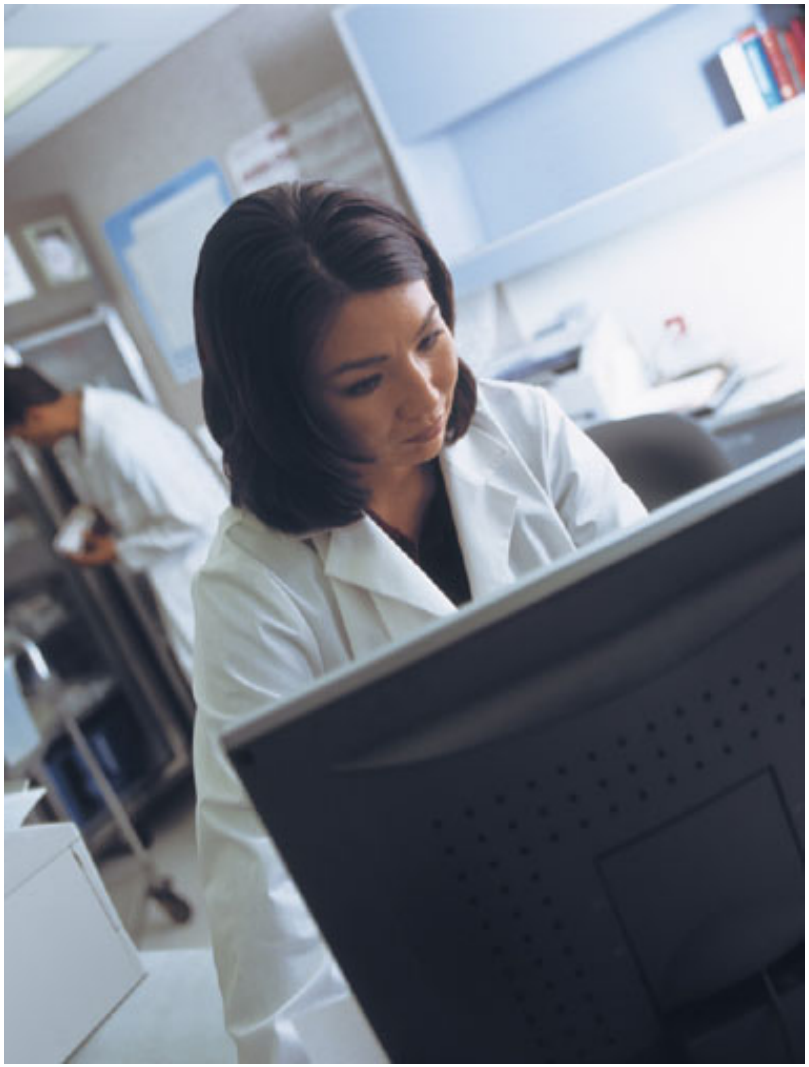
Key ACA Provisions

Mandatory:

1. Hospital Value-based Purchasing Program – Inpatient Final Rule
   - Establishes VBP for hospitals where a percentage of payment would be tied to performance on Quality Measures
2. Readmissions
   - Hospitals with higher than expected readmission rates will get decreased reimbursement for all Medicare discharges.
3. Hospital-acquired Conditions - Inpatient
   - More penalties and expansion to Medicaid (was effective 7/1/2011)

Voluntary:

4. Accountable Care Organizations
   - Shared Savings Program awarded ACOs as well as CMMI's Pioneer Program
5. Payment Bundling
   - CMMI offering multiple options



Question

Which of these Programs will have the biggest impact on lowering cost while maintaining or improving quality?

- VBP
- Readmission
- HAC
- ACOs
- Bundled Payments

Transform Health Care Delivery

- **Better Care:**
  - Improve the overall quality, by making health care more patient-centered, reliable, accessible, and safe.
- **Healthy People and Communities:**
  - Improve the health of the U.S. population by supporting proven interventions to address behavioral, social, and environmental determinants of health.
- **Affordable Care:**
  - Reduce the cost of quality health care.

Understanding Meaningful Use

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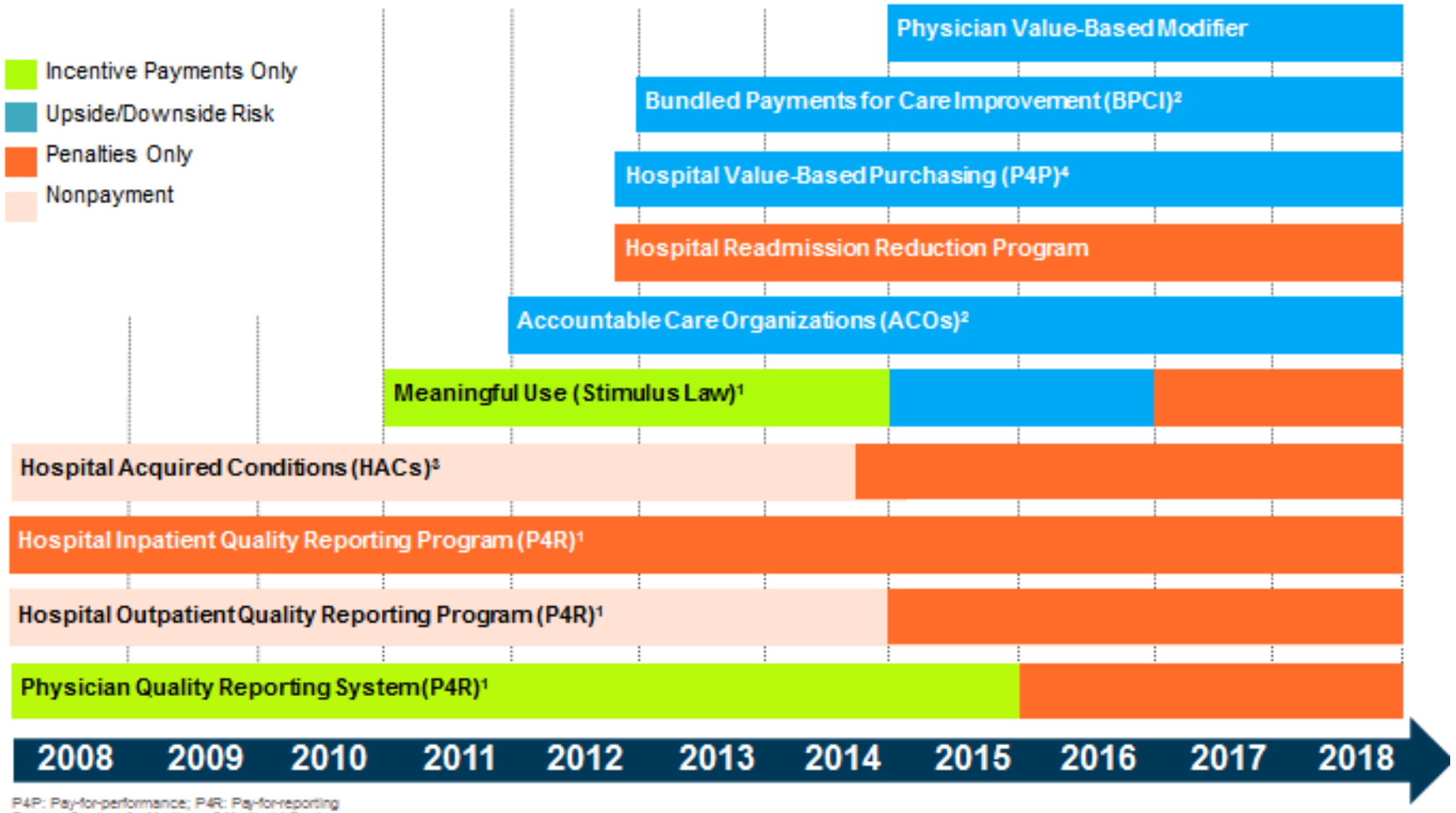
ACA Initiatives Are Rapidly Shifting Risk to Providers



P4P: Pay-for-performance; P4R: Pay-for-reporting
Source: Centers for Medicare & Medicaid Services
1. Program is voluntary, but penalties are/will be in place for nonparticipants; 2. Program is voluntary; 3. Nonpayment for Hospital Acquired Conditions (HACs) began in 2008; HAC penalties of up to 1% of inpatient payments begin in Fiscal Year (FY)2015; 4. The Hospital Value-Based Purchasing Program (VBP) began FY2013 by affecting payments for discharges occurring on or after October 1, 2012. The Baseline period for the program was from July 1, 2009 to March 31, 2010; the Performance period for the FY2013 program payment determination is from July 1, 2011 to March 31, 2012. The Affordable Care Act mandates that the Secretary develop VBP plans for skilled nursing facilities, home health agencies, and ambulatory surgical centers.

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Continued Financial Pressure From Pay for Reporting to Penalties

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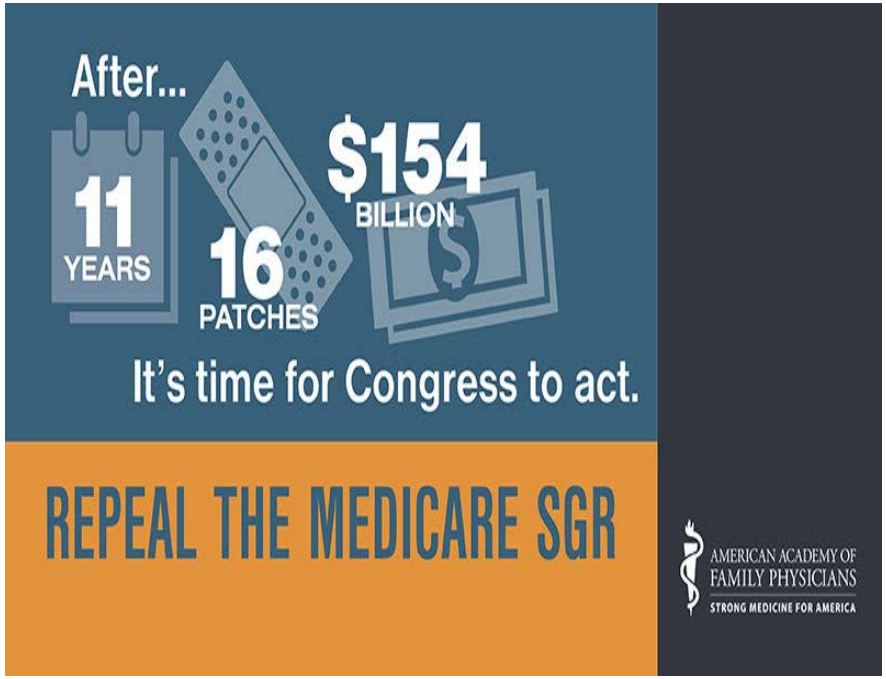
CMS Regulations Requiring Quality Measures	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Prospective Payment Program - Quality Reporting Program Pay for Reporting					
Ambulatory Surgical Center (ASC)	-2%	-2%	-2%	-2%	-2%
End-Stage Renal Disease (ESRD) Quality Initiative	-2%	-2%	-2%	-2%	-2%
Home Health Prospective Payment System (HH PPS)	-2%	-2%	-2%	-2%	-2%
Hospice Quality Reporting Program (HQRP)	-2%	-2%	-2%	-2%	-2%
Hospital *Inpatient* Quality Reporting (IQR)	-2%	-2%	0.25%	TBD	TBD
Hospital *Outpatient* Quality Reporting (HOQR)	-2%	-2%	-2%	-2%	-2%
Inpatient Rehabilitation Facilities (IRF)	-2%	-2%	-2%	-2%	-2%
Inpatient Psychiatric Facility Quality Reporting (IPFQR)		-2%	-2%	-2%	-2%
Long-term Care Hospitals (LTCHs)	-2%	-2%	-2%	-2%	-2%
Nursing Home Quality Initiative (NHQI). (SNFs)	-2%	-2%	-2%	-2%	-2%
Physician Quality Reporting System (PQRS)	0.5%	0.5%	-1.5%	-2%	-2%
CMS EHR Incentive Program - non participation					
EH Payment reduction applicable to the % increase to the IPPS rate			0.25%	0.5%	0.75%
EP payment reduction for Medicare Part B claims			-1%	-2%	-3%
Penalty Programs Penalty based on benchmarks					
Hospital Readmission Reduction Program	-1%	-2%	-3%	-3%	-3%
Hospital-Acquired Condition (HAC) Reduction Program			-1%	TBD	TBD
Penalty/Bonus Program Can earn back money					
Hospital Value-based Purchasing (VBP) Program	-1%	-1.25%	-1.50%	-1.75%	-2%
Physician Value-Based Modifier Program (VBM)			-1.50%	-2%	-2%
TBD					
Medicaid Quality Measurement Program: Medicaid-Eligible Adults			TBD	TBD	TBD
Nursing Home Value Based Purchasing (NHVBP) demonstration project (2009-2013)			TBD	TBD	TBD
Ambulatory Surgical Center Value Based Purchasing			TBD	TBD	TBD
Home Health Value Based Purchasing			TBD	TBD	TBD
End-Stage Renal Disease (ESRD) VBP Program			TBD	TBD	TBD

Payment Reform – IPPS NPRM

- IPPS NPRM Published in April - P4P Update: COMMENT (Due June 30th)
  - Finalized Measures for the FY 2016 Hospital Inpatient Value Based Purchasing Program: New outcome measures, reweight of domains in FY 2017, adding Safety Domain, change in performance periods
  - Hospital Readmission Reduction Program (HRRP) - Max. penalty increased to 3% reduction in FY 2015, CABG tabled until FY2017, new ICD-9 codes and exclusions and algorithm expansion
  - Hospital Acquired Conditions (HAC): Proposed revised Domain Weights for the FY 2016: 1. Patient Safety 35% to 25% 2. CDC/NHSN Surveillance 65% to 75% (Combined SSI Scores and added MRSA and C. difficile)
  - Changes to IQR Measures Pay for Performance
    - Quarterly based CQM Reports in 2015
    - 7 Process Measures proposed, new readmission and mortality measures for CABG (future), and new payment per episode of care measures for PN & HF
    - Makes annual reporting for IQR & MU mandatory 2017

Sustainable Growth Rate Legislation
Delays transition to fee for value



SGR one year fix – expires April 1, 2015

- Delays the switch to ICD-10 until Oct. 1, 2015; waiting for CMS interim rule
- Provides a 0.5% Medicare pay bump over that 12-month period
- Revalues certain physician payment codes
- Creates a program designed to promote proper use of diagnostic tests & treatments & discourage overuse (appropriate use criteria)
- Delays cuts in Disproportionate Share payments
- Authorizes pilot program to raise standards for mental health services & improve care integration

SGR Repeal – not passed

- New Merit Based Incentive Payment System (MIPS) to replace existing programs for physicians
- Promotes participation in Alternative Payment Models
- Additional focus on meaningful use, interoperability, appropriate use of imaging that will be integrated into EHRs, data transparency

OPPS Final Rule: Trends in Evaluation and Management Codes

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Outpatient Perspective Payment System final rule (November 27, 2013)

- Eliminates the existing five levels of hospital outpatient clinic visit and replaces them with a new HCPCS code
- Collapsing codes in line with CMS's goal to bundle payments
- CMS did not finalize its proposal to replace the current five levels of codes for emergency department visits

Question

What is the likelihood of an SGR repeal passing during the lame duck session?

- High
- Medium
- Low

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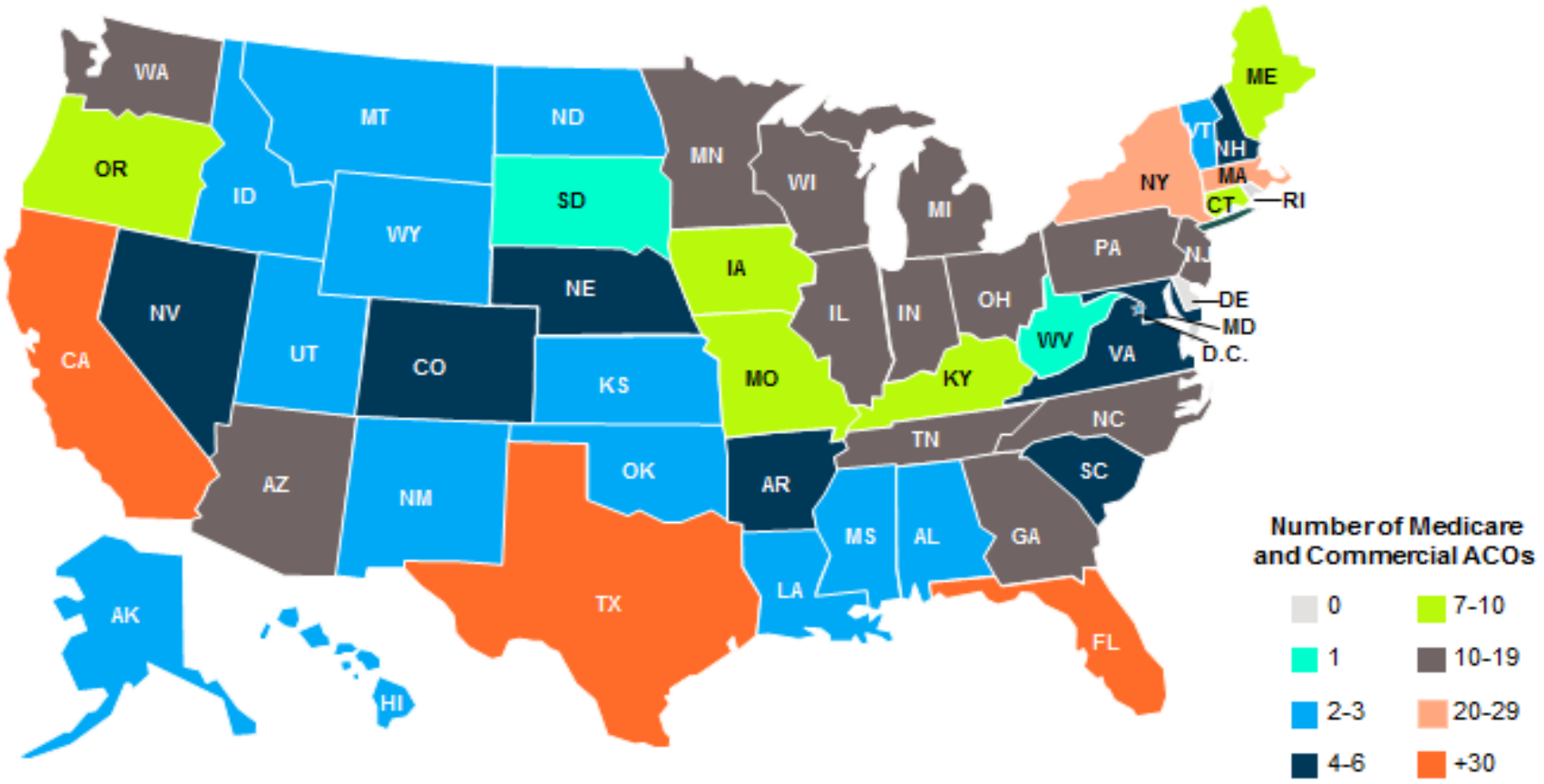
Wyden/Isakson bill: Better Care, lower cost S1932, January 15, 2014

Senator Ron Wyden

Senator Johnny Isakson

- Provides Critical Support for Providers
- Focuses on the Unique Needs of Medicare Enrollees
- Ends Geographic Disparities in Integrated Care
- Pays for a Medicare Program Taxpayers Want and Beneficiaries Need

ACOs Rapidly Expanding Nationwide



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Coordinated Care and Interoperability

1. ONC 10 Interoperability Concept Paper – A 10 Year Vision to Achieve an Interoperable Health IT Infrastructure – June 2014 – 3 Year (Send, Receive, Find and Use Health Information to Improve Health Care Quality), 6 Year (Use information to improve Health Care Quality and Lower Cost) and 10 Year (The Learning Health System)
2. JASON Report issued by AHRQ on April 9, 2014 – Managed by MITRE
   - Defines a set of principles and HIT architecture to support healthcare moving forward.
   - Represents a progression of the PCAST report to create more open, accessible HIT.
   - Promotes the sunset of legacy EHRs to be replaced by a federated data set that is accessible through multiple user interfaces developed by varied software developers.
3. Updated PCAST (President's Council of Advisors on Science and Technology) Report "Better Health Care and Lower Costs "Accelerating Improvement through Systems Engineering" – 7 Recommendations – FFS an obstacle – June 2014

ePrescribing of Controlled Substances (EPCS)

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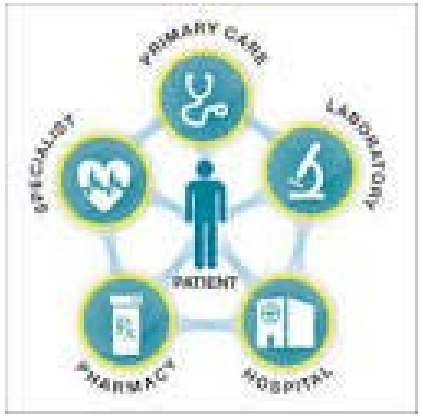
- In general, EPCS is now legal in all 49 states.
  - The New York State Department of Health has legislation - effective March 27, 2015.
- ePrescribing (eScripting) of controlled substances requires integration with a third-party two-factor authentication vendor that is compliant with the Drug Enforcement Agency (DEA) Interim Final Ruling on ePrescribing of controlled substances.
  - Imprivata is a recommended vendor for DEA compliant two-factor authentication for ePrescribing of controlled substances.

eCQM Experience

- Concept first introduced with Meaningful Use Stage 1
  - Stakeholder support - Essential to progess in improving care
- eMeasure development and implementation is a learning process
- CMS published annual updates: April 1st EHs, June 2nd for EPs
  - Follow up to Feb. Kaizen event - June 16th w/CMS and ONC



- Physician Fee Schedule (Dec. 2013) was the first to introduce annual certifications for eCQMs used for PQRS Reporting
  - EPs who seek to report CQMs electronically under the Medicare EHR Incentive Program must use the most recent version of the electronic specification for the CQMs and have CEHRT that is tested and certified to the most recent version of the electronic specifications for the CQMs.
- April 30th IPPS NPRM – eCQMs CY2015 Reporting on 16 CQMs either via attestation or electronic submission. Also the next reference to support on CEHRT of annually updated eCQMs

Stage 2 eCQM Experience

- Some of the challenges-
  - eCQMs were retooled from existing manual measures, not developed de novo (new), leading to significant new workflows and data requirements
  - Nearly 100% of the Stage 2 eMeasure specifications contained errors
  - The 2014 edition eCQM certification process is much more complex than Stage 1
  - The certification tools and process have had significant software and data changes and issues
- Today we live in both manual and electronic environments which adds another level of complexity

Current eMeasure Implementation Feedback

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- What we are hearing from those implementing 2014 edition eCQMs:
  - Impression is the measures don't fit the normal patient flow in many of the timing concepts of "starts before ends" and "end before starts" where the electronic time of the computer and the way data is assigned to an episode/encounter it doesn't always fit the actual care processes.
    - This is seen in the transitions of care and systems such as ED to IP…IP to OR…etc.
  - Impression is this is not ready for data comparative analysis like the abstracted measures due to the data discrepancies.
  - Measures are immature and not tested with enough vigor across the industry and alignment across EP and EH.

CQM EHR Certification vs Attestation

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- Annual certification and testing under consideration by HHS. Providers would be required to upgrade annually as well.
- Moving from manual abstracted to eCQMs derived from HIT introduces many more change management challenges
- Certain eCQM updates require more time to develop and introduce while other eCQM updates require less time
- Annual updates of “substantive changes “ is not sustainable.
- We need to investigate a testing/attestation approach rather than a testing/certification approach.

The Center for Medicare & Medicaid Innovation Center - CMMI Update

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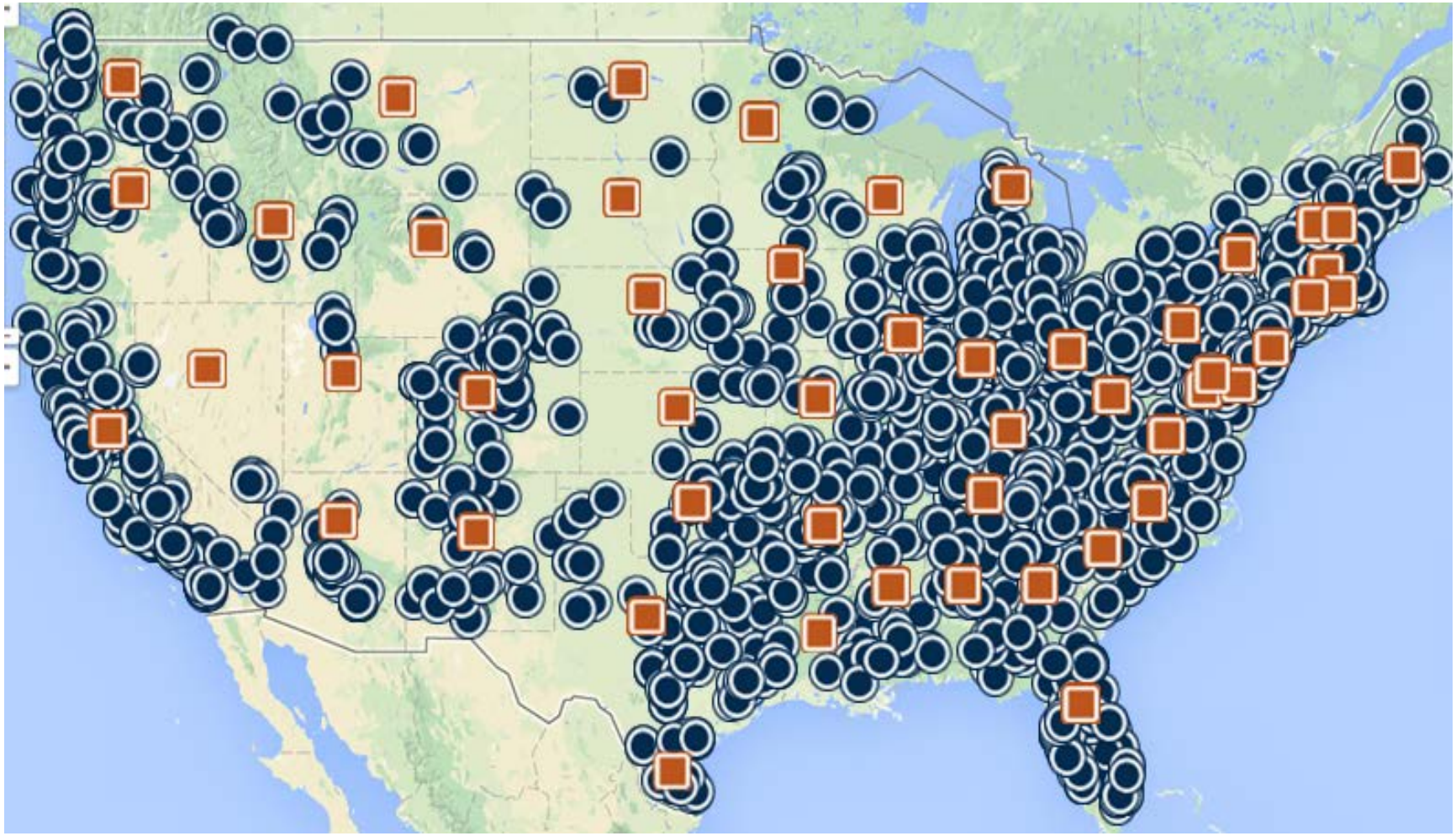

Question

Should EHR Certification continue beyond MU?

- Yes
- No
- Maybe

Understanding Meaningful Use

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EHR Incentive Programs –

May 2014 Total Payments

Incentive Programs :Source - CMS

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INCENTIVE PAYMENT PROGRAM	PROGRAM	PROVIDER TYPE	MAY 2014		PROGRAM TOTALS	
			PAYMENT COUNT	PAYMENT AMOUNT	PAYMENT COUNT	PAYMENT AMOUNT
MEDICARE	Medicare	EP	43,643	$397,650,538.64	471,209	$6,361,762,050.80
		Hospital	7	$3,639,679.32	452	$565,219,619.21
		Total	**43,650**	**$401,290,217.96**	**471,661**	**$6,926,981,670.01**
	Medicare/ Medicaid	Hospital	182	$63,467,980.02	6,456	$8,945,251,038.59
		Total	**182**	**$63,467,980.02**	**6,456**	**$8,945,251,038.59**
		Total Hospitals	**189**	**$67,107,659.34**	**6,908**	**$9,510,470,657.80**
	Total		**43,832**	**$464,758,197.98**	**478,117**	**$15,872,232,708.60**
MEDICAID	Medicaid	EP	6,793	$92,911,814.99	174,340	$3,041,975,282.48
		Hospital	0	$0.00	214	$339,606,300.23
		Total	**6,793**	**$92,911,814.99**	**174,554**	**$3,381,581,582.71**
	Medicare/ Medicaid	Hospital	81	$26,487,103.25	7,529	$4,754,131,838.27
		Total	**81**	**$26,487,103.25**	**7,529**	**$4,754,131,838.27**
		Total Hospitals	**81**	**$26,487,103.25**	**7,743**	**$5,093,738,138.50**
	Total		**6,874**	**$119,398,918.24**	**182,083**	**$8,135,713,420.98**
Grand Total			**50,706**	**$584,157,116.22**	**660,200**	**$24,007,946,129.58**

ARRA- HITECH
Update the last few months….

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1. CMS Press Release for additional, third year for Stage 2 – Dec. 2013
2. February 21st – ONC released the *Patient Identification and Matching Final Report* on Feb. 21st on findings of their environmental scans to inform HITSC
3. ONC "Voluntary" 2015 Edition EHR Certification NPRM - Published February 26th
4. New MU hardship exceptions introduced on March 10th for MU1, Year 1. This was done to offset the industries "ask" for a delay in MU2 for 2014. Applications were due April 1st to avoid penalty.
5. AHRQ funding 12 new projects on MU aimed at rapid-cycle research evaluation Stage 3 objectives - Results due in June
6. HITPC voted to approve MU3 recommendations on March 11th – Sent to CMS and ONC - Expecting proposed rules for Stage 3 and 2017 Edition in Fall 2014
7. FDA, ONC and FCC released the FDASIA Report on April 3rd – Comments due July 7th

ARRA- HITECH - Update the last few months…. Continued….

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8. **Health IT Safety Center – public-private entity with ONC, FDA, FCC and AHRQ**
9. **CMS NPRM Medicare and Medicaid Programs; Modifications to the Medicare and Medicaid EHR Incentive Programs for 2014: and Health Information Technology: Revisions to the Certified EHR Technology Definition – Published May – Comments due July 21st**
10. **Market Implications as number of certifying vendors shrinking (as of 3/27/14)**

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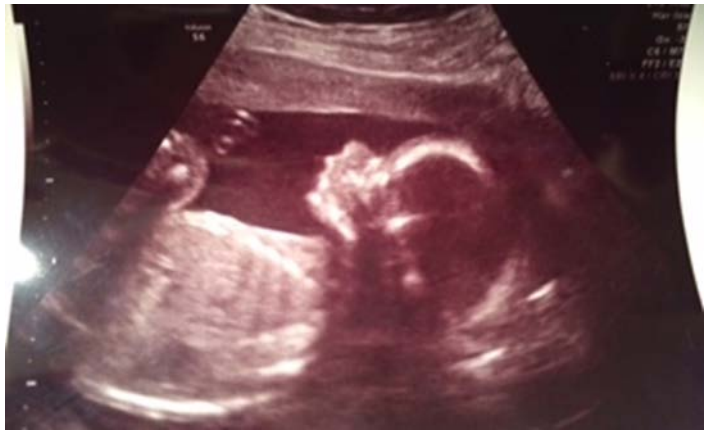
What next ?



Patient Engagement Transformation…
Patient Generated Health Data
Back in the day…

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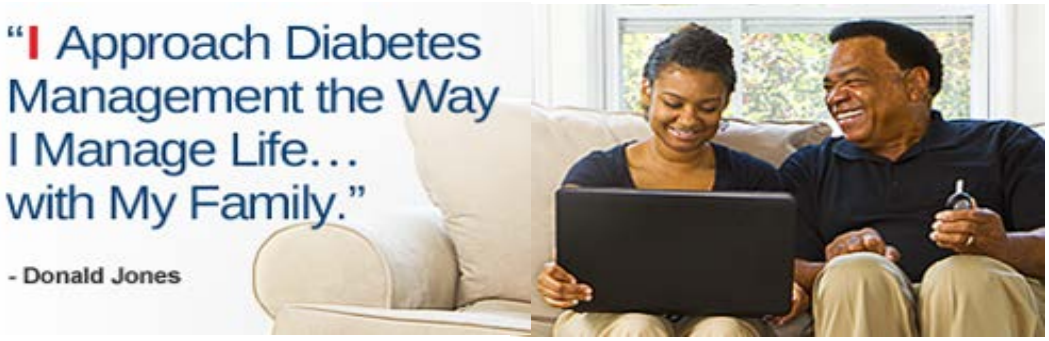
The obedience of a patient to the prescriptions of his physician should be prompt and implicit. [The patient] should never permit his own crude opinions as to their fitness to influence his attention to them."

- AMA's Code of Medical Ethics (1847)

And Now…

"Patients share the responsibility for their own health care…."

- AMA's Code of Medical Ethics (current)



"Patients can help. We can be a second set of eyes on our medical records. I corrected the mistakes in my health record, but many patients don't understand how important it will be to have correct medical information, until the crisis hits. Better to clean it up now, not when there's time pressure."

– Dave deBronkart (ePatient Dave)

Source: AMA

HIT - Political Future….

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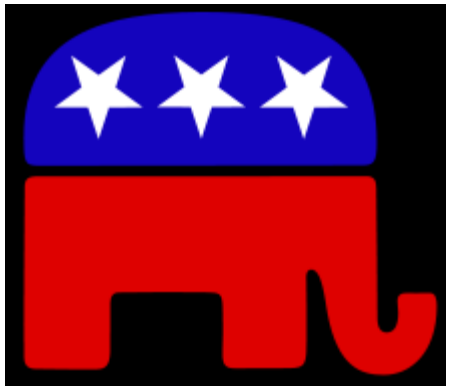
November Elections…..

If Republicans take over the Senate…..

Obamacare challenged again…



Let your voice be heard….

Senate Finance Committee Hearing – July 24, 2013

John Glaser with
Senator Tom Carper (DE)

John Glaser with
Mark Esherick
(Siemens)

Questions ?