



eRECORDS, Inc.'s HITECH Meaningful News is a medium to share the latest news, updates and analysis in the world of ARRA, HITECH Act and "meaningful use". eRECORDS advisors collate, review and assess mountain of data down to the most relevant information so that you can focus your time in delivering the highest quality of healthcare.

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## ***eRECORDS Perspectives***

### **eRECORDS Myth Buster - Ongoing look at the Meaningful Use related myths:**

**Myth #15: EHR vendor is telling me to sign a contract and pay no upfront cost as long as I sign over my first Meaningful Use incentive payments check to them. Sounds good, right?**

Definitely not. We are not aware of any respected EHR vendor offering such a deal. For practices wanting to adopt an EHR and participate in the EHR Incentive Program, this kind offer could sound great. But buyers beware. If you don't make the EHR selection based on YOUR NEEDS, you can easily get into a situation of adopting an EHR that is not right for you and waste your valuable time/money. Chances are, you will go through the pain of switching to an EHR you should have selected the first time around. Whether you use outside help (e.g. Regional Extension Centers) or do your own homework, the EHR you select should be a match to what you need. You might be surprised that you have several choices. Then determine which one makes the best financial sense.

**Dr. Farzad Mostashari Named New Head of ONC.** Earlier this month, Health and Human Services secretary Kathleen Sebelius announced Dr. Farzad Mostashari as the new national coordinator for health information technology. He replaces David Blumenthal, who announced he would leave office earlier this spring. As expected, not everyone is excited about Dr. Mostashari's appointment. eRECORDS is on the camp of favoring this appointment. During Dr. Blumenthal's tenure, it was important to have a leader who can guide ONC through essentially a start-up phase that included establishing rules and regulations and staffing up its operations to support the goals of the ONC. Although ONC has been far from perfect, we believe ONC should get a pretty good grade for what they have achieved so far. Given ONC's past performance, they should be given some credit for selecting the right person to lead the next phase of ONC. Ultimately, ONC needs someone who not only knows how ONC works (Dr. Mostashari has been part of the ONC team since 2009) but also carry them through the next 2 stages of Meaningful Use and establish the foundation required to achieve the key long term goal of the HITECH Act – Improve population health. Prior to joining ONC in 2009, Dr. Mostashari's past roles in NY included being a key player in driving EHR adoption, Public Health Informatics and Quality Improvements -- all the ingredients for not only Stage 1 but the next two stages of Meaningful Use.

**Latest report on EHR shows more positive outlook to EHR adoption and the benefits of EHR use.**

Medical Group Management Association's (MGMA) report (covering October 1, 2010 to November 9) included data from 4,588 healthcare organizations. Key highlights of the report are:

- Expected productivity loss during paper to EHR transition is still the main barrier to EHR adoption and implementation.
- Cost related to EHR adoption and implementation remains an important barrier.
- Even though productivity loss is a factor for many providers, 72% of respondents with EHR said they were satisfied with the overall results of their EHRs. In addition, 26.5% of respondents reported increased in productivity with their EHR.
- Setting aside sufficient time for training is one of the key to successful EHR implementation.
- 80.1% of the respondents are or planning to participate in the EHR Incentive Program.

Based on the report, cost of EHR implementation is still a big negative but EHR Incentives seem to be a true “incentive” and motivation for many providers and organizations to move from paper to EHR. In addition, 72% of the respondents reported satisfaction with their EHR even though only 25.6% reported increase in productivity. The report’s conclusion, which eRECORDS supports, is that EHR is starting to make both financial and business sense for more and more providers and healthcare organizations. To access the full report from MGMA, click [here](#).

**Good perspective on why waiting for 2012 to apply for Meaningful Use may not be the best option for all providers.** At eRECORDS, we have always supported the strategy of participating in the EHR Incentive Program as soon as possible. It is true that the providers can access the full incentive payments as long as participation starts by 2012. However, there are definitive advantages and added risks for any delay. Here’s a [perspective](#) that we think does a pretty good job of outlining why waiting till 2012 may not be the best course of action.

**Getting to know the “workforce”.** In March, we had a great opportunity to present to HIT Workforce program graduates at Cypress College. Our presentation was called “Seizing the Meaningful Use Opportunity”. We shared our perspective on the healthcare landscape, opportunities and specifically how eRECORDS was founded to address a gap we saw in the Enterprise Meaningful Use management through a product called Worry Free™ Dashboard. Both graduating students and teachers were engaging, thoughtful and asked meaningful questions that showed the high level of quality Cypress College is teaching to their students. We want to thank Rosalie Majid and Barbara Pinkowitz for the invitation and the great work they’ve done with these students. **Editor’s Note:** Unfortunately, Cypress College will not be participating in future HIT Workforce program. eRECORDS feel fortunate to have had the opportunity to present to the first and the only graduating class of the HIT Workforce program at Cypress College.

### ***Interesting Facts and Figures***

**20%.** According to a KLAS [study](#), percentage of Community Hospitals who believe they will need to switch to a new EHR vendor to meet the Meaningful Use requirements by 2013.

**56%.** According to a Medical Group Management Association (MGMA) [survey](#), percentage of physician practices who have NOT scheduled internal testing of new HIPAA 5010 transaction set. HHS has set a deadline of January 1, 2012 for using the HIPAA 5010 transaction sets.

**275 and 118.** As April 2011, the number of complete and modular ONC certified EHRs in the Ambulatory side.

**50,000+.** As of March 2011, number of providers enrolled in the Regional Extension Center program across the nation.

**\$37.6 million, 13.** As of March 2011, amount of Medicaid EHR Incentive payments made and the number of States who have successfully open Medicaid EHR Incentive program registration.

## ***Latest Meaningful News***

### ***National***

**The Attestation System for Medicare EHR Incentive Program will open on April 18, 2011.** For the 2011 incentive year, eligible professionals, eligible hospitals, and critical access hospitals must attest numerator, denominator, and exclusion results for the meaningful use objectives to receive incentive payments. CMS will make available a web-based attestation system beginning on April 18. For additional details and preview of attestation system screen shots, click [here](#).

**ONC releases update to the Federal Health IT Strategic Plan for 2011 to 2015.** As mandated by the stimulus package, this plan must describe how health officials and other entities will coordinate on health IT policy development and demonstrate how health IT initiatives will address special needs, boost care quality, improve public health and reduce medical errors. The revised plan outlined five goals to;

- Foster business models that facilitate health information exchange;
- Drive home the importance of health IT as part of the National Health Care Quality Strategy and Plan, which is mandated by the federal health reform law;
- Boost efforts to ensure the privacy and security of health information and to educate consumers and health care providers about electronic medical data;
- Empower individuals with access to their health care information; and
- Establish a "learning health system" that leverages information to improve population health knowledge

ONC is seeking public comments on this revised draft plan until April 22. Interestingly, ONC will accept public comments via its "[Health IT Buzz](#)" blog. That means all comments are publicly viewable right on the blog page.

**Meaningful Use Stage 2 Update.** Health IT Policy Committee's meaningful use work group is discussing the recommendations and timelines for Stage 2 of the meaningful use program. The work group is considering the following recommendations:

- Delaying the deadline for meeting certain Stage 1 requirements;
- Raising the threshold for data measures required under Stage 2, without adding new functionalities; and
- Required health care providers to collect data for only three months, instead of one year.

This work group is expected to deliver its formal recommendations on Stage 2 to the Health IT Policy Committee later this spring. For more details, click [here](#).

**13 States have launched Medicaid EHR Incentive Program.** As of April 4, 13 states have opened its registration for the Medicaid EHR Incentive Program. Six states have already issues incentive payments totaling \$37.6 million. For the list of participating states and their program launch status, click [here](#) (PDF).

**HHS has issues its proposed regulation on Accountable Care Organizations (ACOs).** On March 31,

HHS released its proposed regulation for ACOs. ACO is a group of providers and suppliers of healthcare services who work together to coordinate care for the patients they serve with “original” Medicare or those who are not in Medicare Advantage private plans. Under this plan, provider and suppliers will get paid as it does now from CMS but also receive additional payments for shared savings or be accountable for losses. To participate, ACO must enter into a 3 year agreement, have a formal structure that would allow organization to receive and distribute shared savings payments, have at least 5,000 beneficiaries assigned to it, include primary care physicians and at least 50% of the physicians meeting MU by certain timeline. It is estimated that the ACOs could serve up 5 million Medicare beneficiaries and save Medicare program as much as \$960 million over three years. For the proposed ACO regulation, click [here](#). For additional ACO resource materials, we also recommend Kaiser Health News’ ACO resource [page](#).

**3,000 students set to graduate from health IT training program.** In April 2011, 3,000 individuals will graduate from the 82 community college consortia health IT training program. Funded by ONC as part of its Health IT Workforce Development Program, it is designed to help students develop health IT skills to support the increasing demand for health IT professionals. The program was launched in 2010 with \$36 million in funding and additional \$32 million in funding were added in January 2011.

## **California**

**California Human and Health Services (CA HHS) held its monthly webinar on April 14, 2011.** This is a monthly webinar held by CA HHS to provide updates related Health IT related activities in California. Key highlights of the webinar are listed below. eRECORDS is also supplementing CA REC updates in this section with updates provided directly by the RECs:

- **Federal update given by Linette Scott, Deputy Director of HIT for California.**
  - Shared the news about the appointment of the new National Coordinator for HIT, Dr. Farzad Mostashari.
  - Revised Federal Health IT Strategic Plan has been released for public comment. Comment period ends on April 22. For more information about this Plan, please see the article written under the National section above.
  - CalOHII update.
    - As authorized by AB 279, CalOHII is to establish and administer demonstration projects funded by federal grants and other source.
    - Two awardees have been selected. These are San Diego Beacon eHealth Community and Western Health Information Network (WHIN).
  - EHR Incentive Program Update.
    - Continuing reminder that registration is open and all participants should register as soon as possible.
- **Medi-Cal update.** Key highlights are:
  - Registration for Medi-Cal EHR Incentive Program is expected to launch in May 2011.
  - Eligible Hospitals can attest after the registration launch.
  - Eligible Professionals attestation availability is planned for summer 2011.
  - Medi-Cal Incentive payments are expected to be paid starting June 2011.
- **Cal eConnect update.** Key highlights are:
  - As shared last month, 4 expansion awards were made to:
    - OCPRHIO
    - LANES
    - Redwood MedNet
    - NCHIN
  - Excita proposal is still under review.
  - CSRHA proposal was not funded due to inability to meet core funding requirements.
  - Planning Stakeholder Summit and Outreach activities in the fall of 2011 to update the

- o community about Cal eConnect's activities and get provider feedback.
  - o Working on a "one stop" informational eHealth website with CHHS.
- **CalHIPSO (Regional Extension Center for all of California except Orange and Los Angeles counties) update given by Speranza Avram.**
  - o Over 4,100 providers enrolled. 3,100 are eligible to receive REC subsidized assistance.
  - o 9 hospitals are enrolled in the rural hospital supplemental program.
  - o Outreach partners actively engaging small practices and have enrolled 700 providers.
  - o 517 providers are live on EHR with 300 using certified EHRs.
  - o CalHIPSO has selected eClinicalWorks, NextGen, McKesson, Athena and GE Centricity. Additional EHR vendors are scheduled to join this list next week.
  - o Will provide an interim site for Community College HIT Certificate program students to post availability for internships.
  - o Hired new Chief Strategy Officer, Dr. Priti Sarai.
- **COREC (CalOptima Regional Extension Center, REC for Orange County) update given by Karynsue Frank.**
  - o Over 200 providers are enrolled.
  - o COREC website and Physician Education Portal are being built.
  - o 2<sup>nd</sup> evaluation phase for Service Partner RFP is in process.
  - o RFP for Closed Network Service Partner to be released soon. Closed Network Service Partners are organizations who have existing contractual relationships with a network of PPCPs.
  - o Meaningful Use Dashboard RFP is also planned to be released.
- **HITEC-LA (Regional Extension Center for Los Angeles County) update given by Mary Franz.**

Some key updates are:

  - o Five service partners have been selected. Combined, 75+ FTE in the field. These are:
    - All Medical Solutions
    - Health Services Advisory Group of California
    - MTS Healthcare
    - ObjectHealth LLC
  - o Over 2,000 providers are enrolled (50 clinics, 500+ practices).
    - 63% Medi-Cal, 19% Medicare, 18% Other
  - o Over 1,200 practice assessments completed. 91% are ready to move to the next phase.
  - o Service Partners are hiring workforce graduates.
  - o Negotiating/contracting with selected EHR vendors.
- **Public Health update given by Linette Scott.**
  - o CDC has made available Message Quality Framework (MQF) to perform first level testing of Immunization and Lab Reporting. This does not satisfy Meaningful Use requirements but a great way to test the reporting. For additional information, go to <https://phinmqf.cdc.gov/>.
- **Community College Health IT Workforce Training Program update.**
  - o Actively seeking employers to sign up to the HIT fellowship program.
    - Designed to provide assistance on priority short-term HIT projects while making connection between employers and trainees of the workforce program.

## **Other News**

**Athenahealth appoints new Chief Medical and Information Officer.** In a press [release](#), athenahealth announced the appointment of Dr. Todd Rothenhaus to a newly created position of CMIO. This is interesting in two ways. First, this is a great commitment and insights on athenahealth's part that data and quality driven reimbursement and performance management is the future. Second, this position reports into COO instead of directly to CEO which may or may not speak to the "degree" of commitment.

**Practice Fusion, a well known provider of “free” EHR solution, closes \$23 million Series B round financing.** Practice Fusion announced closing a \$23 million Series B round of financing led by Founders Fund, with participation from Artis Capital Management and Glynn Capital Management, as well as returning investors Morgenthaler Ventures and Felicis Ventures. The round brings the company’s total funding to \$30 million.

**VA to modernize its EHR system based on open-source software.** VA has released its draft [request for proposal](#) to find contractors to build and manage group of software developers that will oversee an update to the agency’s 28-year-old VistA EHR system. In somewhat related event, ICSA Labs [announced](#) the certification of first three products. The most interesting thing about this is that OpenEMR, an open source product, received modular certification. We believe this is the first certification of any open source product.

**Run to your local Costco for EHR!** Costco starts to offer Allscripts Myway through eTransmedia. To see how the EHR is being offered, click [here](#) to get to Costco web site, and then click on Electronic Health Records link under Business Services. Of course, we cannot forget the partnership announcement from Walmart last year with eClinicalWorks and Dell in offering a EHR bundle. See for yourself [here](#) on Sam’s Club.

**ADP acquires EHR vendor.** Yes, that “ADP”. This [news](#) is a bit old but very interesting and possibly a new trend in the consolidations in the EHR market place.

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For additional resources, visit eRECORDS [resources page](#).

For questions or comments, please [email us](#).

Sincerely yours,

eRECORDS HITECH Advisors

**About eRECORDS, Inc.**

eRECORDS was founded with the vision to power innovations in access, efficiency and quality of healthcare delivery through connected technologies and intelligence. Our Mission is to be the trusted expert, guide and partner in achieving meaningful use.

Worry Free™ Dashboard, eRECORDS’ flagship product, is the leading solution for Meaningful Use administration, planning and performance management.

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