



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.

eRECORDS Perspectives

In this section, we share what's been the most exciting, scary or intriguing for us in the areas of HITECH Act, Meaningful Use and Health IT.

Happy Holidays!

To all of our readers, we like to wish a happy and safe holiday season.

With the end of the year soon upon us, it is a great time to reflect on the successes and challenges of this year as we look towards 2012.

In 2011, stakeholders (providers, CMS, ONC, States, and health organizations) began in earnest the difficult task of executing on the HITECH Act. Even with the challenges of execution, 2011 continued to be a year of many achievements. During the year, over 150,000 providers and hospitals registered for the EHR Incentive Program while CMS paid out over \$1.8B in EHR Incentive payments. HITECH Act is making a difference in EHR adoption (basic level adoption went from 21.8% to 33.8% between 2009 and 2011) and the key driver to getting to a tipping point. With this solid foundation, we believe the HITECH Act's goals can and will be achieved.

Looking ahead to 2012 and based on what 2011 has brought, we expect several key things to occur in the coming year.

- EHR and mHealth adoptions will continue toward the tipping point while few more lessons to be learned on data breaches. *Privacy, Security & Risk Management must become part of the business practices, including small/solo practices, before it's too late.*
- Reimbursement and cost savings model will shift from quantity based to value based. Whether the value is for patients, providers or health organizations, more and more financial reimbursements and cost savings will be tied to value and performance. *Get educated and involved in PCMH, ACO or any other coordinated care conversations.*
- Social media in healthcare will greatly increase with many bumps along the way. *Social Media will be no longer optional for practices/businesses but a must. Approach this carefully since there are only few ways to succeed with many different ways to falter.*
- Evolution of Regional Extension Centers and HIEs will continue with only those organizations that provide real value to its customers left standing. *Easy part is over, now the real work begins.*
- Health IT vendor market will enter into failure / consolidation phase while new and creative partnerships will form across all players to meet the changing demands and market conditions. *Did you pick the right vendor? Look out for trends and opportunities from the partnerships being formed.*
- Power shift from provider/health plans to patients will be apparent as consumerism take a stronger hold and patients gain more and more power over their healthcare decisions. *Employers will*

demand more power while consumers need to be reminded that they must be accountable for their own health.

eRECORDS' founding vision is to power innovations in healthcare delivery through connected technologies and intelligence. We greatly look forward to continuing that journey in 2012 with more insights and solutions for you.

Interesting Facts and Figures

For more interesting facts and figures, follow us on twitter @HITstats - www.twitter.com/HITstats.

52% & 10%. e-Prescribing rate in 2010 vs. 2007 for office-based docs as released by [Surescripts](#).

10x & Walmart. Growth in retail clinic usage between 2007 and 2009 and the retailer who [released](#) the RFI to be one.

60% & 92%. Percentage of CIOs saying state HIE are a mess & percentage of CIOs who think state, regional and local HIEs are duplicating efforts. This according to a recent [survey](#).

21.8% & 33.8%. EHR adoption rate in 2009 & 2011, according to a brief [released](#) by National Center for Health Statistics. Starting to see hockey stick growth driven by the HITECH Act and meaningful use.

\$1.8B, 21425 & 1177. EHR incentives paid by CMS thru 11/30, Number of EPs and EEs who received the incentive payments, as [reported](#) in an article.

17% & 6.5B. Percentage of [survey](#) respondents who say they are fully prepared for OCR audit & estimated annual cost of data breach.

138,670 & \$1.238B. Number of enrollees in EHR incentive program and how much has been [paid](#) by CMS.

634 and 363. Number of Complete and Modular certified Ambulatory EHRs as of December 15, 2011 at [CHPL](#).

6 & 41. Number of States that went live on Medicaid meaningful use program in November (Arkansas, Delaware, Montana, New Jersey, New York and North Dakota) and the total number of States that are live on Medicaid meaningful use program as of November 7, 2011.

Latest Meaningful News

National

HHS announces change in stage 2 meaningful use timeline. HHS secretary Kathleen Sebelius [announced](#) HHS's intent to delay the stage 2 requirements for providers and hospitals achieving meaningful use this year (2011) from 2013 to 2014 to "encourage faster adoption". We're not sure this announcement has anything to do with faster adoption but it definitely helps the vendors preparing for Stage 2.

2011 ONC Annual Grantee and Stakeholder Summit. Held between November 16-18 in Washington, DC, ONC held its annual meeting. November 17th sessions were open to the public and covered variety of topics

in Health IT and EHR adoption. During the opening remarks, speakers focused on the move and the importance of patients controlling their own medical information. Of course, many of the successes of the HITECH Act related programs were discussed including over 100,000 providers being members of Regional Extension Centers. Aneesh Chopra, U.S. CTO and Dr. Farzad Mostashari, head of ONC shared in their closing remarks several key messages including applauding the stakeholders for taking essentially concepts from 18 months ago to real successes supporting the goals of the HITECH Act. Dr. Mostashari issued a challenge for the States to see which state will have the highest level of successes for meaningful use. For additional coverages for the ONC Summit, use the link provided ([Healthcare IT News](#), [iHealthBeat](#), [Government Health It](#)). You can also view the recording [here](#).

Don Berwick to step down as the CMS Chief. CMS Administrator Don Berwick will resign his post as of December 2. White House has announced that it intends to appoint Marilyn Tavenner, current deputy administrator, as Berwick's replacement. For more information, click [here](#).

CMS delays HIPAA enforcement (deadline is still 1/1/2012). CMS announced that the agency will delay enforcement of the HIPAA 5010 transition requirement until March 31, 2012. This decision was partly based on industry's feedback of low compliance. Original enforcement start date was January 1, 2012. For additional information, click [here](#).

Most organizations not prepared for HIPAA Audit. According to a recent study conducted by HCPro, only 17% of the respondents said they were fully prepared for HIPAA audit. This lack of readiness is further supported by a [story](#) outlining the data breach report released by Ponemon Institute. According to this report, data breaches have increased by 32% since 2010. For more information, click [here](#).

EHR adoption in Community Hospitals strong but still room for significant growth. While the adoption of EHRs in Community Hospitals is strong, there are still 300-500 U.S hospitals without an EHR system, according to a [report](#) released by KLAS. For information, click [here](#).

CMS releases a web-based resource to assist in Medicare EHR Incentive Program. CMS released a beginner's guide online resource tool for the EHR Incentive Program. The information includes how to register, achieve meaningful use and attest to receive incentive payments. The resource provides a fairly good overview of the EHR Incentive Program and the process a provider must take to receive his/her incentive payment. For the online tool, click [here](#).

HHS awards \$220 million insurance exchange grants to 13 states. 13 states that have shown significant progress in planning and creating health insurance exchanges were awarded nearly \$220 million additional insurance exchange grants to help them move to the next level. Other states have till June 29, 2012 to apply for additional health insurance exchange funding. For the full article, click [here](#).

CMS suggests not using NQF 0084 for CQM selection. CMS has announced that eligible professionals should not select Heart Failure: Warfarin Therapy Patients with Atrial Fibrillation (NQF # 0084) as one of their CQM selections. For the announcement, click [here](#).

CMS announces final rule allowing organizations access to claims data. CMS released the final rule that allows qualified organization to access the claims data to create public ratings reports on physicians, hospitals and other health care providers. Previously, access to the database has been prohibited due to court decision protecting the privacy of physicians. This is a giant leap forward in giving patients information to make an informed choice about physicians. For additional detail and a link to the final rule, click [here](#).

Bill aims to help Rural Health Clinics get access to EHR Incentive Program. Congressman Aaron Schock introduced a bill on November 17 ([HR 3458](#)) that would allow Rural Health Clinics (RHCs) to qualify for and receive EHR Incentive payment. Under the current law, Medicare EHR Incentive payment is calculated against the Medicare Part B billings. Because the cost-base billing for RHCs goes through Medicare Part A, most RHCs do not qualify to receive incentive payments. For more information, click [here](#).

CMS releases list of Medicare EHR Incentive payment recipients. The Centers for Medicare and Medicaid (CMS) have published the list of [Eligible Hospitals](#) (EHs) and [Eligible Providers](#) (EPs) that have received a Medicare EHR Incentive payment. As of September 2011, 147 EHs and 3724 EPs have received payments through the Medicare program.

HHS launches \$1B innovation initiative. Named Health Care Innovation Challenge, the initiative will award up to \$1B to fund innovative projects across the country that test creative ways to deliver high quality care and save money. Awards are expected to be from \$1M to \$30M in size and are open to providers, payers, local government, community-based organizations, and public/private partnerships. For more information about this initiative, click [here](#).

Another study points to EHRs lowering health care costs. According to a 3 year pilot conducted by Blue Cross & Blue Shield of Rhode Island (BCBS), primary care practices who used EHRs lowered not only per patient costs (17% to 33%) but also showed meaningful improvements in level of care. BCBS supported this study by providing financial subsidy in purchasing the EHRs, stipends during the first and second year of EHR use and performance based bonus. For the full story, click [here](#).

California

L.A Care will not pass Medi-Cal rate reduction to providers. L.A. Care, the nation's largest public health plan, announced that it will not pass the Medi-Cal rate reduction to providers. Instead, L.A. Care will absorb the cuts. For the official announcement, click [here](#).

Data breach announcements in California. Contra Costa County [notified](#) 4,700 patients of a data breach after their names were listed for more than a year in an online report. Much larger data breach notification was [released](#) by Sutter Health that affected 4.2 million patients. This was caused by a stolen unencrypted computer at Sutter Medical Foundation.

California Human and Health Services (CA HHS) held its monthly webinar on December 8, 2011. This is a monthly webinar held by CA HHS to provide updates related to Health IT activities in California. This month's webinar was a big departure from previous webinars. General California updates were given but none of the stake holders were present to share their updates. Additional updates have been gathered by eRECORDS' staff.

- **California update.**
 - Total Medicare EHR Incentive Payments received by CA (as of November 2011)
 - Hospital – \$2.80M (1 hospital)
 - Providers - \$6.78M (382 providers)
 - No Medicaid EHR Incentives payments have been paid yet.
 - Total EHR Incentive Payments in the U.S.
 - \$1.239B
 - Future CA HIE plans include:

- A grant program to develop statewide HIE infrastructure.
 - Provide technical assistance to HIOs.
 - Coordinate and manage the implementation of HIE services.
 - Develop a process for tracking and updating progress of HIOs and data exchange initiatives.
 - Develop operational privacy and security policies.
 - Develop core services to enable HIEs.
 - Engage patients, families, consumers of healthcare.
 - Establish a public campaign to ensure that consumer and patients are aware of HIE activities.
- **ONC Annual Grantee Meeting Highlights (November 16-18)**
 - Blue Button Initiative – put patient’s health information in the hands of the patients.
 - Security – Encrypt your data to protect your patients.
 - Putting the “I” in Health IT – What are you doing to implement Health IT in mobile devices, electronic boarding pass world?
 - Improving Quality – EHRs and HIT are transforming care.
 - National Goals – 35,000 providers attesting to MU by 6/2012 and 100% of all eligible Medicaid providers receiving AIU payment by 6/2012.
 - CA Goals - \$500M in EHR Incentive Payments distributed to CA EPs and EHs and 10,000 EPs receive incentive payments from Medi-cal for AIU by 6/2012.
- **San Diego Beacon Community Update**
 - 3 sites moving patient health information.
 - Data types are admissions, discharge, transfer, labs, transcriptions, radiology reports, immunizations
 - Next steps are to exchange more data types including public health information and direct messaging for solo and small practice environments.
- **Medi-Cal update.**
 - Eligible Professional registration for the Medi-Cal EHR Incentive Program has been delayed from 12/15 to 12/20.
- **CalHIPSO update.**
 - Enrolled 6,857 providers. Only 879 subsidized slots left.
- **HITEC-LA update.**
 - Enrolled 3,040 providers. 2,534 are PPCPs and qualify for subsidized services.
 - Provided on-site assistance to 2,217 providers.
 - 989 providers at EHR go live. 940 EHR go live are PPCPs.

Other News

Booz Allen releases report listing top nine ways IT is transforming health care. Consulting firm Booz Allen released a [report](#) detailing the top nine ways IT is transforming health care industry. The list ranges from known items such as reduction of medical errors to less obvious ones such as enabling discovery in new medical breakthroughs.

More doctors using social media for patient engagement. Doctors are slowly increasing their use of social media for patient interactions, according to a recent [article](#) in US News. For the most part, the interactions are mostly about the doctors sharing information rather than real one on one patient engagement. As one doctor states in the article “It’s the evolution of how we communicate with each other.”

Top 11 mHealth Innovators announced. Based on an online nomination process through the 2011 Innovators Challenge, top 11 innovators were announced by mHealth Alliance and Rockefeller Foundation. Innovators selected work around the globe and include innovations from text messaging to nanoscopy. For the top list of innovators, click [here](#).

Privacy and Security regulation lacking for healthcare mobile apps. Privacy advocates are concerned about medical mobile apps not being covered by the HIPAA privacy and security rules. That means the vendors who offer these apps have few restrictions on what they can do with the user's data. For additional information, click [here](#).

Voice driven mobile apps the next trend? For the most part, mobile applications in healthcare today are driven through the "touch screen" user interface. However, touch screen method is cumbersome for many healthcare professionals. What could help are mobile health applications that can be used via voice. Nuance, maker of the popular Dragon software, believes that the next trend in mobile health applications is using voice as a primary form of input into the mobile devices. For more detail about Nuance's prediction, click [here](#).

Medical Transcription field dying out? Mid-State Technical College (MSTC) recently announced that it may discontinue three degree programs including Medical Transcription. MSTC has been offering Medical Transcription program since 1979 but has seen dramatic drop in students graduating from this program. MSTC officials point to changes in healthcare landscape including advancement in voice recognition technology that's reducing the need for Medical Transcription professionals. For the full article, click [here](#).

JAMA jumps on the QR code. The Journal of the American Medical Association (JAMA) began using the QR (Quick Response) Code in their materials. QR Codes can hold up to 14 different types of media that can quickly direct people to websites, videos, music and other places. For additional information, click [here](#).

Community Service to cover Medicaid co-pays and premiums? Interesting program is being considered in Utah to help Medicaid qualified recipients to cover their co-pays and premiums. Essentially, for certain Medicaid recipients, they can perform community services rather than pay co-pays and premiums for Medicaid insurance. This program needs approval by CMS and would only help 100 Utahns but is a creative way to help recipients who may otherwise not get the insurance due to cost of co-pays and premiums. For additional information, click [here](#).

Costco to sell Allscripts EHR. Costco announced that it will sell Allscripts MyWay EHR and PM solutions nationwide. This is a continuing trend of EHRs being offered through retail channels. For the full announcement, click [here](#).

Microsoft and GE announce healthcare joint venture. The 50-50 venture, which will launch in the first half of 2012 pending regulatory approval, will offer an open-source platform and develop applications focused on interoperability of health data and analytics. This venture does not include Microsoft's HealthVault or GE's Centricity EHR, though they may be leveraged by the newly created joint venture. For the full story, click [here](#).

Qualcomm launches mobile health company. Qualcomm announced the creation of a new mobile health company called Qualcomm Life. As part of the announcement, Qualcomm Life unveiled its product called 2Net that is designed to plug into a wall socket at home and provide connectivity to a wide range of medical devices. Qualcomm also announced a \$100M healthcare venture fund that will invest in health companies. For the full article, click [here](#).

Greenway partners with Dell. Greenway Medical has selected Dell to host its PrimeSUITE 2011 EHR on Dell's cloud. For additional information about this partnership, click [here](#).

Study shows significant growth in patients visiting retail clinics. A study published by the Rand Corporation showed that the use of retail clinics rose 10x between 2007 and 2009. The study also showed that the users of the retail clinics tend to be younger, wealthier and in overall better health than patients who sent to a physicians' office. In a related [story](#), Walmart seems like they are trying to become the nation's largest Primary Care Provider. For more information, click [here](#).

Emory Healthcare and MinuteClinic enter into affiliation. A trend that may grow in the near future, MinuteClinic (retail healthcare company owned by CVS Caremark) and Emory Healthcare created an affiliation that includes physicians from the Emory Healthcare serving as MinuteClinic Medical Directors and MinuteClinic referring patients to Emory Healthcare for services that cannot be performed by MinuteClinic retail locations. This kind of affiliation could improve the perception that retail healthcare offers lower quality of healthcare services than physician's office. For the full story, click [here](#).

Using Facebook to help users at risk. Facebook launched a new initiative to help users who may be at risk of suicide to connect with counselors. At risk individual's network of friends can report their concerns to Facebook and Facebook would send an encouraging email to the individual to contact a counselor. Given that Facebook for many is a medium to share their thoughts and emotions, this initiative could work. For additional information, click [here](#).

Dell signs up resellers to sell EHRs to small practices. Dell, who already hosts number of ambulatory care EHRs in their cloud, has signed up resellers to sell these EHRs to small practices. Dell's value add to small providers is that it can remove much of the complexity of getting EHR software and hardware to work together. For the full story, click [here](#).

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Sincerely yours,

eRECORDS HITECH Advisors

About eRECORDS, Inc.

eRECORDS was founded with the vision to power innovations in healthcare delivery through connected technologies and intelligence. We support this vision through Health IT consulting services and our web-based product called Worry Free™ Dashboard. Worry Free™ Dashboard provides Meaningful Use administration, planning and performance management solutions to organizations including Regional Extension Centers, IPAs and medical groups.

Our Mission is to be the trusted expert, guide and partner in achieving meaningful use to make healthcare better, cheaper and measureable.

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