



## **Health Information Technology (HIT)**

### **Background**

Congress established the Medicare and Medicaid Electronic Health Record (EHR) Incentive Programs in the American Recovery and Reinvestment Act (ARRA) to provide much-needed funds to support the rapid and widespread adoption of electronic health records. Under ARRA, these funds are to be made available to hospitals and physicians demonstrating “meaningful use” of a “certified” EHR system.

However, ARRA left it to the Department of Health and Human Services (DHHS) to define “meaningful use” and implement the incentive program in rulemaking. Unfortunately, the Wisconsin Hospital Association is concerned that the rules proposed by DHHS set an inflexible all-or-nothing approach that will make Congress’ goal of supporting rapid, widespread electronic health record use unachievable.

### **Wisconsin’s Hospitals & HIT**

Wisconsin’s hospitals are appreciative of the opportunity presented under ARRA and share the Administration’s and Congress’ vision of a health care system where widespread use of interoperable EHRs supports improved clinical care, better coordination of care, fully informed and engaged patients, and improved public health. **However, WHA has serious concerns that DHHS’s “meaningful use” rules set an inflexible all-or-nothing approach that will not significantly enable the widespread adoption of electronic health records in Wisconsin as was intended by Congress.**

As an alternative to the all-or-nothing approach proposed by DHHS, WHA strongly supports the American Hospital Association’s (AHA) proposed phased approach to “meaningful use” that creates additional requirements to qualify for incentive payments but would give hospitals and other medical providers two more years to fully achieve them. Both WHA and AHA proposed this phased approach in comments to DHHS.

### **WHA “Meaningful Use” Survey (see attachment)**

To better understand the impact of ARRA’s HIT programs, the Wisconsin Hospital Association created a multi-disciplinary HIT Task Force to analyze the impacts and opportunities of the programs on Wisconsin hospitals. One of the actions of the Task Force was to survey Wisconsin hospitals’ abilities to meet DHHS’s proposed meaningful use standard.

A total of 66 out of 127 Wisconsin general medical hospitals responded (52.0%) to the February 2010 survey. Twenty-six of those responding were one of Wisconsin’s 59 Critical Access Hospitals (44.1%). With vendors like Epic and GE Systems as well as a culture for proactive advancements in quality and efficiency, one would think Wisconsin hospitals would be easily able to reach meaningful use. However, the survey found that under the DHHS proposed rule, at least half of the responding hospitals do not expect to be in a position to receive an EHR incentive payment, and instead are facing cuts in 2015 under the EHR “incentive” program. The survey also found that the smallest hospitals would have the most difficulty in meeting the DHHS proposed requirements. Other striking survey results follow:

- *None of the responding Wisconsin hospitals indicated that they could currently meet even 80% of the meaningful use functions proposed under the rule.*
- **Only half** of responding Wisconsin hospitals expect to be capable of performing all 23 Stage 1 meaningful use functions by 2015.

(over)

- 83.3 percent of responding Wisconsin hospitals with **more than 200 beds** have already implemented **at least 40 percent** of CMS's proposed Stage 1 meaningful use objectives.
- 30.8 percent of responding Wisconsin critical access hospitals (CAHs) – hospitals with 25 or fewer beds - have already implemented **at least 40 percent** of the MU objectives.
- 33.3 percent of responding Wisconsin hospitals with **more than 200 beds** do not expect to meet all 23 Stage 1 measures by 2015, and thus would receive Medicare payment penalties.
- 58.7 percent of responding Wisconsin CAHs do not expect to meet all 23 Stage 1 measures by 2015, and thus would receive Medicare payment penalties.
- Thus, under CMS's current Stage 1 meaningful use requirements and without any increased requirements from Stage 2 or 3, **half of Wisconsin hospitals surveyed expect to face cuts** in their Medicare payments due to the penalties imposed under the EHR "incentive" program created by ARRA.

Based on our survey, Wisconsin hospitals needing the most financial help to complete implementation of a comprehensive EHR will be the least likely to qualify for stimulus incentive funding under CMS's proposed standards, and also will be the most likely to face penalties beginning in fiscal year 2015 for not meeting the meaningful use standards. This is the opposite of Congress' and the President's goal of using stimulus funds to enable **widespread** adoption of EHRs.

### WHA Meaningful Use Comments

In March, WHA submitted comments on CMS's proposed meaningful use rule, which included:

- **Too Much; Too Fast (Definition of Meaningful Use):** WHA expressed concern that CMS's all-or-nothing approach and the very short timeframes set in the proposed rule are unrealistic and would have unintended negative consequences on patient safety and quality. We urged CMS to consider an alternate approach proposed by the American Hospital Association and supported by the hospital field that better meets the shared goals of moving hospitals/physicians forward with EHRs.
- **Excluded Physicians (Definition of a Hospital-Based Eligible Professional):** WHA expressed concern with the broad definition of a hospital-based professional. The proposed definition would have made many Wisconsin physicians ineligible for physician EHR incentive payments because their practices would be assumed to be part of a hospital EHR system. This ignores the fact that inpatient and ambulatory EHR systems are not the same thing as well as severely disadvantaging Wisconsin physicians because Wisconsin has a high degree of integration between hospitals and clinics. **WHA thanks Congress for passing language in April under HR 4851 that corrects this definition.**
- **Definition of a Hospital:** WHA expressed concern over how hospitals are identified for the EHR incentive programs and that each hospital within a system that has a single CMS certification number be evaluated individually for meeting the meaningful use definition and be eligible individually for incentive payments.
- **Critical Access Hospitals (CAHs):** WHA expressed concern that CMS has proposed to exclude CAHs from the Medicaid EHR incentive program. We urge CMS to reverse this decision. WHA also expressed concerns with the aggressive nature of the proposed rule and its potential to increase the digital divide between our smaller, rural hospitals and their counterparts.

### Key Points:

- WHA hospitals support moving forward with EHR adoption and implementation but in the right and appropriate manner. To do so, WHA fully supports an alternative approach proposed by the AHA, which includes an incremental transition approach, adjustment of definitions and more flexibility.
- Responding to a February 2010 survey, no responding hospitals indicated they could currently meet the proposed meaningful use standard. A full 50% still did not expect to meet meaningful use by 2015, the year Medicare penalties kick in for failure to do so.