HIIAC RECOMMENDATIONS TO THE OREGON HEALTH FUND BOARD

<u>Objective 1</u>: Stimulate, coordinate, and support as a priority statewide efforts to increase the utilization of interoperable health information technology.

<u>Strategy A:</u> Bring public and private stakeholders together to develop a strategic health information technology plan, provide oversight for the implementation of this plan, and maximize the impact of resources being spent on health information technology across the state.

ACTION STEP:

1.A.1 Authorize a health information technology oversight council charged with focusing state, federal and private sector resources and activities to accelerate the adoption of personal health records (PHR), electronic health records (EHR), and electronic data interchange among healthcare providers[1], patients and consumers. The council membership must reflect the geographic diversity of Oregon and must include consumers, providers, and privacy and technology experts.

Rather than create a new council, the Governor could expand the authority of HIIAC to work in this capacity and in conjunction with the Oregon Health Fund Board to carry out a health information technology strategic plan for Oregon.

The council will:

- Be comprised of members from the private and public sector who are knowledgeable in the areas of HIT, health care delivery, public policy, and research;
- Serve as the oversight council for a purchasing collaborative designed to help providers obtain affordable rates for EHR, PHR, and interoperability infrastructure;
- Identify and select the industry standards required for all subsidized HIT promotion based, where available, on existing national standards and the current Certification Commission for Healthcare Information Technology certification requirements;
- Select, support, and monitor HIT vendors contracting with the state purchasing pool for the provision of HIT hardware, software and support services;
- Enlist and leverage community resources to advance HIT adoption;

[1] The term providers, as used throughout the HIIAC recommendations, refers to both behavioral and physical health providers.

- Educate the public and providers on the benefits and risks of IT infrastructure investment;
- Educate providers and assist with pre-selection and implementation planning to assist in ensuring the value (cost savings and quality) is realized following EHR installation and EHRs remain interoperable so as to support the exchange of health information in Oregon;
- Coordinate healthcare sector activities that move HIT adoption forward and achieve HIT interoperability;
- Define, catalog and disseminate incentive-based participation strategies to be funded by the state and other payers;
- Guide resource use;
- Reasonably ensure that any endorsed vendors' applications include appropriate privacy and security controls and the data cannot be used for other than patient authorized health care activity as allowed by law;
- Support current state efforts to implement a personal health records bank for Oregon Health Plan enrollees;
- Develop a strategic plan for the development of a statewide health information exchange and closely monitor its implementation; and
- Incorporate the responsibilities as recommended by HIIAC for privacy and security (Objective 4 of this report).

<u>Strategy B:</u> Set specific goals for the adoption of electronic health records (EHRs), personal health records (PHRs), decision support tools, e-prescribing and other health information technology as well as the establishment of a system for state health information exchange.

The state must set ambitious goals for Oregon in all areas of health information technology that align with the statewide health information technology strategic plan and must monitor progress toward these goals.

ACTION STEPS:

1.B.1. Set health information technology goals for Oregon.

The health information technology oversight council, acting in conjunction with the Health Fund Board should set ambitious goals for Oregon in all areas of health information technology, including: electronic health record and personal health record adoption; use of clinical decision making, evidence based practice support, and population management tools; and e-prescribing. While Oregon providers have adopted health information technology more readily than providers across the nation, there are still over 40% of providers who do not utilize electronic health records (EHRs). The state should set ambitious goals to lead to full adoption of EHR systems and monitor progress toward these goals. In addition, incentives

should be put in place to reward providers who are using EHRs in their practice to improve health outcomes and provide decision support consistent with the state's need to set goals for more widespread utilization of electronic prescribing, evidence based guidelines, and other decision support tools.

In addition, every Oregonian should have the opportunity to have a personal health record and the state should set and monitor goals to make personal health records available to and used by people across the state.

The state should also set ambitious goals for interoperability and health information exchange that would ensure the right information is available to the right people at the right time.

The goals should include, but not be limited to:

- Increase percent of Oregon practices with EHRs by 10% every year.
- All Oregonians have access to a personal health record by 2013.
- By 2013, 50% of Oregonians' health information will be included in systems that allow for electronic exchange. By 2014, 85% of Oregonians' health information will be in systems that allow for electronic exchange.

1.B.2 Evaluate progress toward these goals.

The health information technology oversight council, working in conjunction with the Health Fund Board and other state agencies, should monitor progress toward these goals. The Office for Oregon Health Policy and Research currently conducts a survey of Oregon's physicians to determine the rate of adoption of EHRs. This effort should be expanded to allow the survey to capture more detailed information about the utilization of HIT and health information exchange across a wider range of providers. In addition to measuring statewide adoption of health information technology, the council should analyze the impacts of health information technology on population health and quality of care, including: reduction in medical errors, increased consumer participation in their care, decreased costs, and the availability of appropriate information when and where it is needed.

<u>Objective 2:</u> Accelerate widespread, effective use of health information technology (HIT) by health care providers and patients/consumers to improve health outcomes and health care quality.

<u>Strategy A</u>: Restructure reimbursement systems to provide adequate incentives and compensate providers for utilizing health information technology to improve health outcomes.

The infrastructure and on-going maintenance costs associated with the use of health information technology is an enormous barrier to building an interoperable network of providers throughout Oregon. This barrier is felt at all levels of the delivery system but seems to have a profound effect on small practices and providers serving vulnerable populations, such as safety net and rural providers. Organizations that utilize health information technology to improve patient outcomes deserve the opportunity to recoup some of the added burden of these systems as many of the greater cost benefits are realized by other parts of the delivery system.

ACTION STEP:
2.A.1. Determine a fair and appropriate way to reimburse providers for their use of electronic health records (EHRs), starting with providers who serve a large percentage of Medicaid patients.

The health information technology oversight council, in conjunction with the Health Fund Board, will make recommendations on how to fairly and appropriately compensate providers for costs associated with using health information technology to improve patient care. Options that are considered should include, but not necessarily be limited to: setting aside money to fund increased fee-for-service rate adjustments in Medicaid; requiring Medicaid MCO contracts to reimburse higher rates for health information technology adoption; and building pay for performance into the Medicaid reimbursement methodology and similar options to be used by other payers across the state. The possibility of the state using its bonding authority to support the acceleration and adoption of health information technology should also be explored, especially with respect necessary capital for infrastructure development. Without these types of policy and administrative changes, organizations will continue to delay adoption, discontinue technology use, and/or carry the misaligned burden of these costs.

<u>Strategy B</u>: Create a public-private purchasing collaborative or another mechanism to help solo providers, primary care providers, small and rural practices, and those providers who serve a large percentage of Medicaid patients, obtain affordable rates for high-quality electronic health records (EHR) hardware, software and supporting services. Set quality, performance,

and service standards for the technology vendors that will contract with this collaborative.

A recent study conducted by the New England Journal of Medicine revealed that major barriers to adoption of EHRs include capitol costs, difficulties identifying a system that meets practice needs, uncertainty about the return on investment, and concern that a system would become obsolete.[2]

Capital cost is the barrier to EHR and other health information technology adoption most commonly cited by providers, especially those in small practices, rural settings or underserved areas. Small practices do not have the same purchasing power as large hospitals and health systems and thus are not able to negotiate with vendors for reduced prices. Even if they are able to pay for initial installation of an EHR system, many of these practices cannot pay to maintain systems or provide ongoing support to staff to effectively use the products to improve patient care.

There are a wide range of products on the market and it is often difficult for providers to determine the EHR functionalities that are needed to support improved patient care and which vendors will be able to provide them with a high-quality product and continued high-quality support and service. In addition, it is difficult for these practices to identify EHR service companies that will be able to provide ongoing support and technical assistance to practices as they integrate the use of EHR into their practice infrastructure. Where providers are using health information technology, different systems are often not interoperable, which limits opportunities to improve care coordination and ensure that complete health information is available to the patient when they want it and to the provider at the time of care.

The state can help practices overcome these barriers by leveraging the knowledge of the health information technology oversight council in identifying a small number of EHR vendors and service companies who meet quality, performance, and service standards set out by the state. In addition, the state could create a purchasing collaborative or participate in a public-private purchasing pool that utilizes bulk purchasing power to negotiate more affordable rates. In order to maximize the utility of these systems for providers and patients, it is important for the state to select systems which are interoperable with one another following implementation and with other systems used around the state.

[2] DesRoches C. 2008. Electronic Health Records in Ambulatory Care – A National Survey of Physicians. The New England Journal of Medicine. 359: 50-60.

<u>Strategy C</u>: Encourage and support providers in utilizing technology that supports clinical decision making (CDM), evidence-based practice (EBP), population-based management and quality improvement.
It is vital for providers to have access to health information technology that will maximize their ability to measure and report on quality metrics and take advantage of interoperable EHR chart information, clinical guidelines and other evidence that can improve the quality of care patients receive. In addition, while some of these tools have been developed, there is more work that needs to be done to ensure that the tools are easily integrated into practice workflow. In addition, electronic health records and other technology utilized by providers must allow for easy reporting of important quality and outcomes information so that it can be used for regional, statewide and practice-based improvement efforts. When providers, health plans, and other stakeholder groups invest in the installation and utilization of health information technology systems, it is vital that these systems include useful CDM, EBP and population-based management components to support high-quality patient care.

ACTION STEP:
2.C.1. Create a purchasing collaborative to help small practices afford a small number of state-supported electronic health record (EHR) vendors and service companies that meet quality, performance, privacy and service standards and offer the most aggressive price.
The health information technology oversight council, acting in conjunction with the Health Fund Board, should establish a public purchasing collaborative or collaborate with private partners to create a public-private purchasing pool. The collaborative should use the contracting process to select a small number of EHR vendors and a small number of EHR service companies able to support providers using the selected EHR products that will be offered through the collaborative. The contracting process should be built on quality, performance, privacy, and service criteria, as well as cost and value, and selected vendors must have a proven track record of providing good products and services to customers. In addition, the contracting process must establish a mechanism for monitoring vendors' performance and remedying noncompliance with contract specifications.

Standards to be considered for inclusion in the contracting for *electronic health record vendors* should include, but not be limited to:

- Meeting or exceeding current Certification Commission for Healthcare Information Technology standards
- Valuable clinical decision support, evidence-based medicine, population management and quality improvement tools to be used by providers at the point of care and the ability to report on key quality metrics

- Interoperable data exchange with other EHRs, personal health records, and the Oregon Health Records Bank
- Adherence to HIIAC privacy and security principles (Objective 4 of this report)
- Ability to record, store, and report quality of care and health outcomes measures
- Ability to be utilized in a range of care settings
- Other standards as determined by HIIAC in conjunction with the Health Fund Board

Requirements to be considered for state contracting with electronic health record *service companies* should include, but not be limited to:

- Ongoing support of the EHR systems selected by the EHR *vendor* contracting process
- Implementation support
- Conversion from paper records or another EHR to one of the state-selected EHRs
- Interface support
- Support practices in optimizing use of EHR
- Support quality reporting
- Support participation in health information exchange
- Adherence to HIIAC privacy and security principles (Objective 4 of this report)
- Other standards as determined by HIIAC and through public forums

The contracting RFP process should be completed by January 1, 2010.

<u>Strategy D</u>: Subsidize installation and ongoing management of health information technology in small and rural practices.

Even with reduced prices negotiated by the state or a purchasing collaborative, many practices need financial support to purchase and/or maintain an EHR system. The state should first focus financial assistance on primary care solo and small practices serving underserved and Medicaid populations. The state should only provide support for the adoption of EHR vendors and service companies that meet quality, performance, privacy, and service standards as determined by the state and should be careful not to undermine related community efforts. Grants to support the purchase and installation should be matched by community foundations and other private partners to leverage public dollars.

ACTION STEP:

2.D.1. Establish a program to subsidize provider use of state-selected electronic health record (EHR) vendors and service companies.

Establish a program through legislation to provide subsidies, in the form of grants or low-interest loans, for providers who cannot afford to purchase and/or maintain an EHR system. Priority should be given to small, rural and/or primary care practices and providers serving a large percentage of Medicaid patients. The health information technology oversight council, acting in conjunction with the Health Fund Board, should be responsible for designing the subsidy programs and the program will be administered by the Department for Human Services. Subsidies must be used to purchase EHRs from state-selected EHR vendors or support services from state-selected EHR service companies available through the purchasing collaborative. Amounts of subsidies will be determined on a sliding scale, based on service to underserved populations and service to Oregon's Medicaid population, as well as other factors such as size of practice and practice location. The subsidy program should be designed to maximize federal match, community matching funds, and other private funds. The technology oversight committee should also explore opportunities to use the state's bond authority to finance the subsidy program.

<u>Objective 3</u>: Have by 2012 a statewide system for electronic exchange of health information.

<u>Strategy A:</u> Support the use of DMAP's (Division of Medical Assistance, Department of Human Services) Health Record Bank (HRB) as a fundamental building block for a statewide system for health information exchange which ensures that patients' health information is available and accessible when and where they need it.

Health information exchange facilitates the electronic movement of health-related information among patients and authorized providers and organizations.

DMAP's Health Record Bank project provides an opportunity for the state to build upon the investment and work that is already being done in the area of health information exchange. The HRB is Oregon's Medicaid Transformation grant project funded through a $5.5 million grant from the Centers for Medicare and Medicaid Services. The HRB project is currently in the planning stage, but will eventually store Medicaid clients' health information electronically and make it available on a secure web site. Goals of HRB Oregon are to: assemble existing patient information from multiple sources and provide one place for patients and their providers to share that information; provide a reliable and trusted repository of patient-specific health information; improve quality and coordination of care by providing patient-specific historical health information and decision support tools and resource information to enhance patient participation in their health and health care; and protect patient privacy.

The input of the private sector will be a key to ensuring the HRB will be interoperable with those outside Medicaid. Ensuring the DMAP Health Record Bank is built to be interoperable with the electronic health records used by providers serving enrollees in health plans through the Public Employees' Benefits Board, Oregon Educators' Benefits Board, and the Department of Corrections will lay the ground work for eventual health information exchange throughout the state.

The HRB should also encompass strong privacy and security protections and resolve the issues of patients' rights with respect to the use and ownership of their personal health information. A public education program targeted at both providers and patients will be necessary to allow patients and providers to have trust and confidence in the system, thereby increasing participation.

ACTION STEP:

3.A.1. The health information technology oversight council ensures support of the Health Record Bank project and requires that the system be built with interoperability as a main focus.

The health information technology oversight council works with DMAP to ensure that the Health Record Bank is developed in line with the overall

strategic goals for statewide health information exchange and that will allow it to interoperate with other systems used across the state.

<u>Strategy B</u>: Facilitate ongoing planning for the development of a statewide system for exchange of health information.

The Health Record Bank is only the first step in creating a system that allows for health information to be effectively, efficiently, and securely exchanged between patients and their providers. The state should coordinate efforts across the public and private sectors to build capacity for health information exchange, promote the development of interoperable technology, and leverage available resources to support a system for statewide exchange. Over time, the state should consider opportunities to partner with private sector and other partners to develop a self-sustaining model for health information exchange.

ACTION STEPS:

3.B.1. The state designates the health information technology oversight council as the oversight entity for promoting a statewide system for exchange of health information technology.

The health information technology oversight council should develop a strategic plan for the development of a statewide system for the exchange of health information technology. This includes setting the goal of having a statewide system for health information exchange in place by 2012 and monitoring progress toward this goal. By 2013, 50% of Oregonians' health information should be able to be exchanged through this system and by 2014, 85% of Oregonians should be included.

3.B.2. The state allocates the appropriate funding to create a statewide system for health information exchange.

Over time, the state should consider working with private and other partners to develop a self-sustaining model for health information exchange.

<u>Objective 4</u>: Ensure the highest level of privacy and security protections for Oregonians' personal health information in an electronic exchange environment to promote widespread participation by providers and patients in these systems.

<u>Strategy A</u>: Any policy developed related to health information exchange must reasonably ensure that systems are in place that protect people's security and privacy and provide for meaningful remedy if these policies are violated. The federal Health Information Portability and Accountability Act (HIPAA) and current Oregon law offer strong protections for the security and privacy of people's health information. While additional safeguards will be needed over time, strict enforcement of current policies and the existence of penalties for the misuse – including negligent misuse – of information will result in more secure systems being adopted and more privacy and security safeguards being instituted from the beginning.

<u>Strategy B</u>: Utilize an opt-in policy for health information exchange to give individuals' control over their information and who has access to it. Ensuring clear law and rules for patients and providers involved in electronic health information exchange will increase the use and effectiveness of these systems. Requiring that consumers actively opt-in to a health exchange system will ensure that they know their information will be exchanged electronically.

<u>Strategy C</u>: Ensure that required administrative, physical, and technical safeguards are in place to protect individuals' health information that is specially protected under federal and Oregon state law . Require patients to provide authorization for every instance of exchange of health information that falls within these specially protected categories.

ACTION STEPS:

4.1.The health information technology oversight council will analyze the policies and programs it develops to ensure that the privacy and security of health information is maintained, especially as health information exchange systems are established and expanded.

4.2.The HIIAC will continue to work on privacy and security issues and identify opportunities for Oregon to strengthen state law to protect the privacy and security of Oregonians' health information.