

The HITECH Act – Promise or Peril for Providers?

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Introduction



The California Association of Physician Groups

- 150 Multispecialty Medical Groups & IPAs
- Physician groups are the members
- Practicing “Coordinated Patient Care”
- Serving 15 million patients in California
- A network of over 59,000 physicians in our groups
- High adoption rates of HIT – 70 groups at present

Presentation

- *First:* Let's cover the landscape of physician groups in California – and the status of HIT adoption prior to HITECH
- *Second:* Examine the premise of HITECH and its mechanisms to stimulate use of HIT – are they valid?
- *Third:* What are the technical/legal issues that HITECH addresses or does not address adequately?
- *Last:* What strategies can be adopted to make HITECH work best for California physician groups?

Calif. Physician Group Landscape

- The groups include 60,000 doctors or two-thirds of all licensed doctors in the state
- The groups serve $\frac{1}{2}$ of the insured population of Californians
- 75% of the lives are concentrated in the top 35 physician groups
- 70 groups have deployed HIT to over 11 million patients

Health IT Adoption in California

- Physician groups are the leading early adopters of HIT
- This includes EMRs, EPrescribing, Clinical registries, online appointments and secure email communications and claims data
- Medical groups lead in adoption, but some IPAs are also successfully deploying among their contracted physicians

Impetus for HIT Adoption

- Prior to HITECH, why did groups adopt HIT systems?
 - Integrated Healthcare Association's P-4-P initiative paid 46 cents on the dollar
 - Medicine is competitively driven to adopt the latest and greatest gadgetry – and HIT is a gadget
 - Doctors really believe that HIT is the “Holy Grail” that leads to better quality outcomes

Is it True that HIT Saves Money?

- The Administration believes that HIT is necessary to save money in the healthcare system
- How? Medicare will require increased reporting and transparency in pricing and quality – employers will follow suit
- But there is no valid model that produces ROI for the adopter – the provider

Lessons in Effective HIT Adoption

- The more integrated the group, the more effective HIT adoption
 - Easier to capitalize – one group versus thousands of doctors
 - Easier to manage – centralized HIT department to train and maintain
 - Easier to standardize platforms – one EMR instead of dozens makes for easier upgrades down the road

Barriers to HIT Adoption

- Funding sources for HIT acquisition are drying up
- Cumbersome regulatory oversight in the Knox Keene Act and under the FTC prevent innovative business models
- Individual doctors & patients distrust the Government and rightly see the “Big Brother” mechanism behind HITECH

Does HITECH Address the Barriers?

- The combination of both acquisition funds and “meaningful user” payments is significant – it *could* actually work
- HITECH may create more regulatory barriers – it all depends on CMS
- The stick may be as small as the carrot – the 2015 “Ding” on non-meaningful users may incent less participation in Medicare

Weaknesses of the HITECH Act

- The Act missed the point of building a 21st century HIT system by using the 19th century “cottage industry” platform
- Physician response: “Damn it Jim, I’m a doctor, not a programmer!”
- It’s like making GM apply for the stimulus one employee at a time

Strategies for Physician Groups

- The groups provide a “low hanging fruit” solution to the most rapid deployment of HIT – empower them to do the job
- CMS can jump start the application process for incentive funds by allowing groups to collectively apply
- Recognize that IPAs already collect and report user data anticipated by HITECH

Potential “Best Case” Scenario

- Physician groups deploy HIT to another 30,000 doctors and California becomes the “most wired” state – *HIT speaking*
- More doctors are drawn into integrated group practices – so that HIT is used in a more meaningful way and quality increases
- The urban infrastructure is expanded to the rural areas via telemedicine

What's Next?



- The Accountable Care Organization concept is becoming the focus of federal health reform, with an eye toward:
 - Providing better, faster, easier access to care
 - Demonstrating better clinical outcomes
 - Demonstrating more systematic use of HIT

And Last But Not Least...

- The privacy provisions of the HITECH Act will start to work their way through California later this year:
 - California Privacy and Security Advisory Board standards effort
 - Potential legislation on privacy matters
 - Continuing implementation of 2008 AB 211

Thank You

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