

"Chance favors the prepared mind."

- LOUIS PASTEUR

Cavanaugh Consulting Group (CCG)

CCG provides strategic information technology management consulting services to the health care industry. Two former PricewaterhouseCoopers consulting partners and a long-time colleague formed CCG.

Our clients benefit from the extraordinary knowledge and know-how of the CCG team, thereby reducing the risk inherent in major IT projects and enjoying a rewarding consulting experience.

CCG attributes include:

- Collectively we have worked for over 1,000 health care organizations.
- Among us, we have consulted with all of the hospitals listed on the US News and World Report Best Hospital Honor Role.
- We are organized on a knowledge model, not a leverage model; therefore, we have no junior staff. CCG's Principals are our consultants and they average 35 or more years of healthcare experience.
- Many of us have been partners or senior managers with Big-4 consulting firms and/or senior executives of hospital groups or academic medical centers.
- We are very client focused; we are a private self-funded firm; and we are not growth motivated. In fact, we neither solicit nor accept employment applications.
- We do not sell large-scale implementation projects and do not have revenue sharing relationships with vendors; nor do we sell or resell software or hardware products. Therefore, we can be completely objective in our analysis and recommendations.

"We cannot solve problems by using the same kind of thinking we used when we created them."

- Albert Einstein

CCG Services

- Unified Communications Services
- Network and Infrastructure Planning
- CPOE and EHR System Consulting
- Creation and Updating of IT Strategic Plans
- Management Retreats and IT Trends Presentations
- Vendor Selection Assistance
- Contract Negotiation Support
- IT Executive Project Management Services
- IT Operational Assessments and Benchmarking
- IT Outsourcing Evaluation and Oversight
- Decision Support System Services
- Behavioral Health System Consulting
- Operations Improvement Services
- Strategic Market Analyses
- Business Planning Services
- Acquisition/Investment Due Diligence

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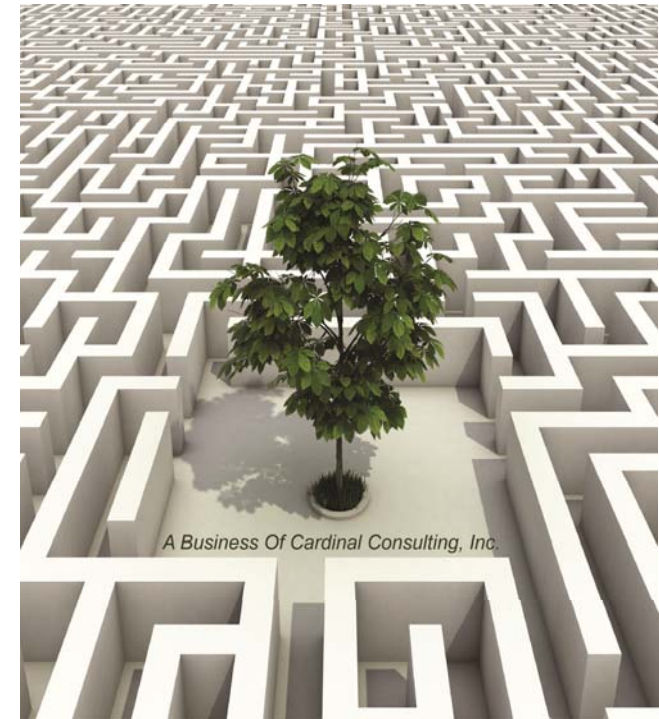
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Cavanaugh Consulting Group

A Healthcare Management Consulting Firm



**Experienced and Knowledgeable Navigators
to guide you through the maze**

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ARRA/HITECH Services



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OUR SERVICES

Overview

Over one-quarter of the economic stimulus spending authorized by the **American Recovery and Reinvestment Act of 2009 (ARRA)** will be earmarked for health care – primarily to incentivize providers to adopt electronic health records (EHR). Much of this is detailed in the section entitled the Health Information Technology for Economic and Clinical Health act (**HITECH**). Incentive payments, estimated by the Congressional Budget Office to total as much as \$36 billion by fiscal year 2015, will be made to providers to adopt EHRs. The goal is to have an EHR in place for every American by 2014.

Key provisions include:

- Significant Medicare and Medicaid financial incentives to hospitals and physician achieving “**meaningful use**” of a “**certified**” EHR product. These start in 2011, and continue for up to 5 years for Medicare and 6 years for Medicaid.
- Penalties if “meaningful use” of a “certified” EHR product is not achieved by 2016.
- Significant changes to HIPAA rules
- Collection of more and better data on quality of care measures
- Improvement of interoperability and the sharing of clinical information across health care organizations at the local and regional level
- Formally establishing and funding (\$2 billion) the Office of the National Coordinator (ONC) to carry out the provisions of the act.
- Providing over \$10 billion in funds for various agencies/ programs, much of which will be made available to health care organizations via grants at the federal, state and local levels.

Strategic Impact

This “carrot and stick” legislation is clearly aimed at motivating health care providers to move more quickly to adopt and use EHRs. Providers will need to understand the meaningful use objectives and metrics, and determine whether they’re on an EHR adoption path that will lead to meaningful use. Medicare and Medicare incentives for “Meaningful Use” are significant. Each eligible provider could receive up to \$44,000 from Medicare or \$63,750 from Medicaid. Hospitals could receive \$2 million plus an amount per discharge. A 440 bed hospital for example, could receive over \$8,000,000. Providers will need to understand which incentives (Medicare, Medicaid, or both) they qualify for, and how the timing of implementations may affect their incentive value. Hence, you need to have a practical and achievable plan of action.

Move decisively and appropriately

Health care providers began receiving “meaningful use” incentive payments in early 2011. To do so providers must register and demonstrate meaningful use of a certified electronic health record system for 90 consecutive days. While incentive payments will continue for up to 5 years, they will gradually decline. The later you qualify, the less you will receive. You must allow ample time to implement and fine tune use of the system. The final Stage 1 rules require that hospitals meet a “core” set of 14 objectives, along with a selection of 5 objectives from a “menu” of 10 objectives. Eligible Providers must meet a core set of 15 objectives, along with the 5 of 10 menu objectives. There is an ability to claim that an objective is inapplicable. Both also need to meet a variety of quality reporting requirements.

Stage 1 priorities are to:

- Improve quality, safety, efficiency, and reduce health disparities
- Improve health care coordination
- Improve population and public health
- Ensure adequate privacy and security protections for personal health information

Stages 2 and 3 will “raise the bar” by emphasizing advanced clinical processes and improved health outcomes.

How CCG Can Help

CCG is committed to providing strategic information technology consulting services to the health care industry. Our core competencies are ideally aligned with the work you have ahead of you to benefit from the ARRA. Specific ways in which we can help include:

- **Management Awareness:** Help you more fully understand the complexities of ARRA/HITECH and develop a plan of action
- **Strategy:** Update or create your strategy: either specifically for EHR, or an institution wide IT plan incorporating EHR (and ARRA) into the context of your overall business and clinical needs
- **Assessment:** Conduct an objective assessment of whether you are on the right path to achieve “meaningful use”, and develop a plan to optimize use of the system
- **HIPAA:** Assist with updating your HIPAA privacy and security program to incorporate the new rules; and reinforce the old
- **Vendor selection and implementation:** If you need to go to market for an EHR, or for other systems/technologies surrounding it, we can help you make and implement good decision
 - Guide you through an objective vendor selection process
 - Negotiate a winning contract
 - Develop a strong implementation plan
 - Assist in implementation management

Further Information

For more information contact:

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- Frank Cavanaugh at 708-267-8584,
- Everett Hines at 201-788-1631

Or your local CCG Principal