



The CCIgroup.org

# CARDINAL THOUGHTS

## The CCI Group

(Formerly, Cardinal Consulting, Inc.)

Spring 2009

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Volume 5, Number 1

"... We're taking the most meaningful steps in years towards modernizing our health care system. It's an investment that will take the long overdue step of computerizing America's medical records to reduce the duplication and waste that costs billions of health care dollars, and medical errors that cost thousands of lives each year."

**President Barack**

**Obama**, remarks at the signing of the ARRA, February 17, 2009



**Frank Cavanaugh**



**Everett Hines**



**Sam Schultz II Ph.D.**



**Jean Joslyn**

## Are you stimulated yet?

**By Michael R. Cohen, Principal, MHA, CPHIT, CPEHR, FHIMSS**

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. Incentive payments, estimated by the Congressional Budget Office to total as much as \$36 billion by fiscal year 2015, will be made to providers who demonstrate that they have achieved a meaningful use of approved EHR technology. The goal is to have an EHR in place for every American by 2014. The CBO has projected that \$15.6 billion in savings will be realized by fiscal year 2019 from widespread adoption of EHRs<sup>1</sup>.

How can you position your health care organization to benefit from the stimulus plan? Although the details remain to be worked out, certain strategic implications are clear:

- You need a strategy for getting productive use from an EHR by 2011 in order to maximize incentive payments – and by 2016 to avoid penalties.
- You need to get ready to provide expanded quality of care reporting.
- You need to update your HIPAA practices.

### What everybody needs to do

Do you have an EHR in place? Not yet? Whether or not your organization has implemented the technology, you will need to take these steps.

#### **Assign responsibility for monitoring the law and regulations.**

The ARRA and the section of it known as the Health Information Technology for Economic and Clinical Health (HITECH) Act are lengthy and complex<sup>2</sup>. We recommend that you

assign responsibility to internal staff or engage outside experts to monitor the regulations that will be promulgated to implement the law and also the activities of newly-established committees such as the HIT Policy Committee and the HIT Standards Committee. The HIT Policy Committee will make recommendations about the establishment of the health care IT infrastructure. While the HIT Policy Committee will consider the *need for* standards, certification criteria, and implementation specifications, it will be the mission of the HIT Standards Committee to

**Whether or not your organization already has an EHR, you will need to take these steps...**

<sup>1</sup> Healthcare reform update: this week's view from Washington, D.C. *HIMSS Advocacy News*, March 6, 2009. Full text free here:

<http://www.himss.org/advocacy/ContentRedirector.asp?ContentId=69003>; and, HIMSS: *The American Recovery and Reinvestment Act of 2009: Summary of Key Health Information Technology Provisions*, March 6, 2009. Full text is free here: <http://www.himss.org/content/files/HIMSSSummaryOfARRA.pdf>

<sup>2</sup> The full text of ARRA is free here: [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_bills&docid=f:h1enr.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf)



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**Bill MacFarlane**



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**Jim Cusick**



**Gary Johnson**



**Arne Elias**



**Mike Glickman**

make specific recommendations about those standards, criteria, and specifications.

**Get started on a strategy – and do it soon.** ARRA is aggressive in terms of economic incentives, availability of grant funds, and the timing to accomplish meaningful use of an EHR. Time is especially short if you do not already have an EHR.

Be certain that your strategy:

- Addresses “meaningful use” of EHR. Although as yet undefined, this will most likely include e-prescribing, physician documentation, CPOE and clinical decision support.
- Recognizes that the bar for determining meaningful use of EHR is likely to be raised higher each year.
- Ties to overall business and clinical strategies.
- Exploits incentives where it makes sense. A major word of caution here – acquiring and implementing an EHR for the primary purpose of getting incentive funds could be a bad idea. Putting an EHR in place will be an expensive, time-consuming process. If not done correctly, and if no organizational improvements are made, it will cost you far more than you will earn in incentives. It may end up cheaper to pay the penalties that start in 2016. Worse yet, if you do not implement in the manner required to achieve “meaningful use” you will miss out on the incentives, too.
- Recognizes that the early bird gets the most worms. The biggest incentives begin in 2011; and, the longer you wait, the less you get – on both an annual and cumulative basis.

**Implementing an EHR just to get incentive funds could be a bad idea...**

**Update your HIPAA policies, procedures and practices.** There are significant HIPAA changes in the areas of Security Breach Notification, HIPAA Business Associate requirements, patient right to request an accounting of disclosures, sale/marketing of protected health information (PHI), individual rights to access certain information, and enforcement. Your HIPAA security official and HIPAA privacy official should get thoroughly familiar with these changes, assess how they will affect you and determine how to incorporate them into your current HIPAA policies, procedures and practices. We have observed that many covered entities have started paying less attention to HIPAA over the last few years, possibly creating a false sense of security that they are in full compliance. This would be an excellent time to reassess the status of your HIPAA compliance program.

**Monitor community and regional efforts for sharing clinical information.** One of the major motives behind the HITECH Act is to improve interoperability and the sharing of clinical information across health care organizations at the local and regional level. While the vision encompasses interconnecting at the state and national levels too, the importance of sharing locally first is recognized. We suggest keeping track of local Regional Health Information Networks and Health Information Exchanges. Determine if and when to participate in a program to make Personal Health Records available to your patients. Monitor the status of standards and clarifications as they are developed.



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**Get ready for an era of expanded clinical reporting.** The HITECH Act specifically states that a meaningful use of EHR must include submitting information “in a form and manner specified by the Secretary, on such clinical quality measures and such other measures as selected by the Secretary.” This has yet to be defined, but will most likely include standards for capturing, codifying and reporting data. Given the government’s growing appetite for clinical data, this is likely to be a key element. We suggest reviewing your policies, procedures and practices for capturing such data, determining where you have gaps, and developing a strategy to fill those gaps. Even though this is still a moving target, it should be incorporated into any plans and systems evaluation that you may undertake.

## **What to do if you have an EHR**

Congratulations on having the foresight to implement your EHR. This will allow you to maximize incentive payments and will give you an edge in terms of meeting other requirements. However, it may be a bit early to celebrate too much. There are several critical requirements that you must meet before becoming eligible for incentive payments.

**Celebrate ... and then make sure your EHR is certified.**

First, you must ensure that your EHR is implemented in such a way as to achieve meaningful use. We recommend performing an assessment of your current systems to determine how well you meet the definition, what the gaps are, and what the long term growth path of your system is likely to be – because the government may raise the bar for defining this. Ideally, your assessment would involve expanding or fine-tuning your current implementation and adoption of the EHR. In a worst case scenario, it could involve replacing all or part of your system. The results of your assessment should be tied into other business, clinical and IT strategies. This may also be a good time to create or update your overall IT plan.

The second key requirement is that your EHR product must be “certified.” The HITECH Act does not specify what the certification standards are, nor does it identify an acceptable certification body. In the near term, our best guess is that the certification body will continue to be the Certification Commission for Healthcare Information Technology (CCHIT), which has already certified over 100 ambulatory EHR products and 15 inpatient EHR products. An important detail to remember is that the EHR product must be certified for each year that the HITECH program incentives, and later the penalties, apply.

Here’s what you need to do regarding certification:

- Monitor rules regarding the certification standards and certification body.
- Check to see if your product is currently CCHIT-certified. Note that CCHIT certifies for a 3-year period, so some products are coming up for renewal soon.
- If your EHR is not certified, ask your vendor about plans to get certification. Based on the answer, be prepared to seek alternative solutions, but defer making a final decision until the new standards are clear.
- If your EHR is certified, meet with your vendor to establish their plans for continually renewing the certification. If you have the leverage to do so, amend your contracts to make it an ongoing requirement.

## What to do if you don't have an EHR



**Robert DeMarco**



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**Sheldon Chizever**



**Larry Sharrott**



**Walter Wieners**



**David Hellerstein,  
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**William Wellman**

Estimates of EHR use range wildly, depending on how strict a definition is used. Based on such estimates roughly 80-95% of physicians, and 40-90% of hospitals **do not have** an EHR. While 2011 may seem far away, you have a lot to do by then. You may also find that the longer you wait, the more competition you will have for resources from software vendors, supporting technology suppliers and consultants.

The steps in adopting major new systems, such as EHR, are:

- Developing or updating your strategic IT plan
- Vetting and selecting vendors
- Completing contract negotiations and implementation planning
- Implementing the system.

To qualify for the maximum incentives, this process must be completed by 2011. While the language is a bit ambiguous, this has been interpreted as getting meaningful use from an EHR by October 1, 2010 for hospitals, and by January 1, 2011 for physicians. These dates are clearly intended to promote aggressive adoption of EHR.

For hospitals, completing this process typically takes 18 to 24 months, if everything goes smoothly. If you have current vendors that you are happy with and that you believe will meet your needs, the strategy and vendor

selection process can be greatly reduced or eliminated, and efficiencies in contract negotiations and implementation can cut that total time in half. If you opt for such shortcuts, it is still essential to make sure the system meets your needs, has the support of clinicians who will be using it, and has the strong support of executive management to make sure plans are properly executed. Failure to do things right can be more costly in the long run than forgoing incentive payments or incurring penalties. For physician practices, the process is typically faster than for hospitals, with many smaller practices skipping the strategy phase altogether. However, the selection, contracting and implementation process can easily take up to a year or longer to complete.

**Selecting and implementing an EHR typically takes 18 to 24 months for hospitals and about a year for physician practices.**

We recommend getting started in your EHR selection and implementation. While shortcuts may be attractive, starting early will give you the best opportunity to do it correctly, get the support that is needed from clinicians and management, and allow some contingency for unplanned delays and problems.

In this uncertain environment, you face the dilemma of *how* to move forward aggressively when so many details of the HITECH Act have yet to be decided. This is why we recommend that you rigorously monitor developments and be flexible in your planning and selection efforts. Do not make a final decision on a vendor without a high degree of confidence that the vendor will help you achieve meaningful use in the desired timeframe. Negotiate contractual protection to assure that the product you buy will be certified, be updated to stay current with certification requirements and standards, and provide the tools needed to meet new HIPAA requirements.



***Tony Duminski***



***Steve Clark Ph.D.***

## Ball's in your court now

The ARRA, including the HITECH Act, is carrot-and-stick legislation. It provides needed financial incentives for health care providers to make rapid advances in their productive use of IT, specifically EHRs. Failure to achieve this by 2016 can result in financial penalties. The ARRA also promotes improvements in systems security and privacy, promotes sharing of information across the continuum of care, and requires additional reporting of clinical quality measures. It establishes committees/governmental units that will in turn develop new standards for healthcare IT.

**Get started in a well-planned and executed manner...**

The stimulus is intended to be aggressive, and requires prompt action in order to reap the maximum benefits. This must be balanced with the need to take action in a well planned and executed manner. The best way to do both is to start sooner, rather than later.

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## New principals join **CCI** Group

The CCI Group is pleased to welcome new principals to our firm. They include:

**Anthony Duminski** rejoins the firm as a Principal after several years with IBM. Mr. Duminski has over 30 years experience in the development and utilization of information systems in the health care industry. Mr. Duminski was previously a Principal Consultant (Senior Manager) in PwC's Integrated Healthcare Consulting Practice and President of The Norris Group, Inc. - a public sector IT consulting firm which he founded. He has consulted to healthcare provider, provider association, healthcare payer, and pharmaceutical organizations. Mr. Duminski has also served as Vice-President and CIO for two major healthcare providers, and been Corporate Director of the Healthcare Industry at a Fortune 100 computer system vendor.

**Steve Clark Ph.D.** is a principal of the CCI Group. Dr. Clark has 27 years of experience in healthcare information technology. He has extensive experience in academic medical centers: for 16 years he was VP & CIO at the University of Colorado Hospital (UCH); served for 6 years on the faculty at the University of Utah School of Medicine in departments of Medical Informatics and Pathology; and, led IT strategic planning studies at the University of Tennessee Medical Center at Knoxville, University of Utah Hospital and Clinics, and UCH. Worked for CompuCare/Baxter Travenol and Montgomery Ryland, Inc. for 8 years providing IT management and consulting services to 16 hospitals and three regional multi-hospital corporations representing 16 hospitals. Founded Stephen J Clark & Associates providing healthcare IT interim management and consulting services for 5 years for academic medical centers, multi-hospital systems, community hospitals and regional national reference laboratories. Dr. Clark received his training in healthcare informatics under internationally recognized Dr. Homer Warner at the University of Utah School of Medicine, Department of Medical Informatics.

For more detailed information about these principals, or to contact any of us, click on the links under our photos in this newsletter.

## Blumenthal picked as HIT leader

David Blumenthal, MD, has been named the new National Coordinator for Health Information Technology, which will make him a key player in the Obama administration's efforts to implement a nationwide health information technology infrastructure. Most recently the director of the Institute for Health Policy at Partners HealthCare in Boston, Dr. Blumenthal has also been a professor at Harvard Medical School and an executive at the Brigham and Women's Hospital. He has conducted extensive research on topics including the dissemination of HIT, quality, physician behavior, and access to care, among others.

Sources: HHS names David Blumenthal as National Coordinator for Health Information Technology. *News Release*, March 20, 2009. Full text free here:  
<http://www.hhs.gov/news/press/2009pres/03/20090320b.html>

## Colorado statewide EHR goes live

Three hospitals and Kaiser Permanente Colorado, a health plan, are the initial partners of a statewide health information exchange that went live in December 2008. The Colorado Regional Health Information Organization is said to be one of the first projects to have a statewide scope – covering over 1 million residents. Lab results, imaging reports, medication history, and problem lists are among the patient information shared. Patient participation is, however, voluntary.

Source: Colorado RHIO goes live. *HIMSS News*, January 5, 2009. Full text free here:  
<http://www.himss.org/ASP/ContentRedirector.asp?ContentId=68737&type=HIMSSNewsItem>

## Industry-leading systems profiled

Three provider systems with track records in implementing electronic health records are profiled in this lengthy article. Trinity Health System (Novi, MI), has implemented a common data repository covering 6 million patients across 32 hospitals. An electronic health record is part of the vision, which also includes initiatives to reduce variation in the delivery of care. The University of Pittsburgh Medical Center has spent over \$1 billion in HIT projects since 2004. This investment has resulted in the progress of two UPMC hospitals to the advanced level of "Stage 6" in EHR implementation, with other hospitals in the system expected to achieve this same level by the end of this year. Bassett Healthcare (Cooperstown, NY) considered complete replacement of existing systems, but opted instead for software that integrates legacy systems. The system is now working on creating standardized documentation templates.

Source: Baldwin G: All systems go. *Health Data Management*, March 1, 2009. Full text free here:  
[http://www.healthdatamanagement.com/issues/2009\\_62/27768-1.html?type=printer\\_friendly](http://www.healthdatamanagement.com/issues/2009_62/27768-1.html?type=printer_friendly)

## Helping wire small practices

Because many practices are relatively small, the adoption rate of EHR is relatively low among physicians. How the stimulus legislation has set incentives for physicians to make meaningful use of EHR is discussed in this article.

Source: Lohr, S: How to make electronic medical records a reality. *The New York Times*, February 28, 2009 (online). Full text free here:  
[http://www.nytimes.com/2009/03/01/business/01unbox.html?\\_r=2&emc=eta1](http://www.nytimes.com/2009/03/01/business/01unbox.html?_r=2&emc=eta1)

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