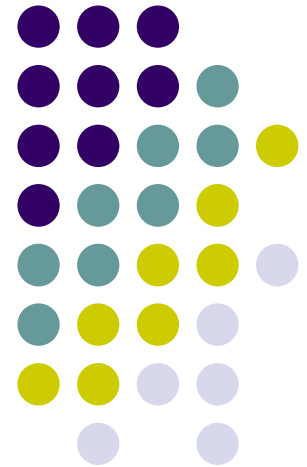


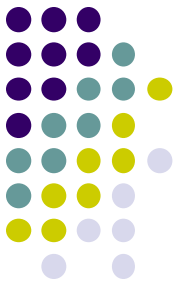
# Update on ARRA funding for EHR

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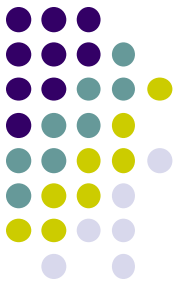
Presented by  
Marshall Wright  
DeckerWright Corporation  
May 13, 2010



# DeckerWright Corporation

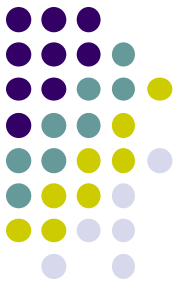


- Serving New Jersey since 1984
- Currently providing IT Consulting services to many healthcare practices in Monmouth and Ocean counties
- Multiple certifications from Microsoft, Citrix, SonicWall, Cisco, and VMWare
- Specialized expertise in software selection



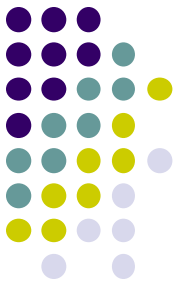
What impact will Obama-Care have on medical practices?

# Medical Practice will change



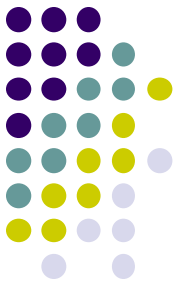
- Combination of Obama-care, Medicare and Medicaid will mandate lower unit prices.
- Costs for providing services, employees, rent, insurance and other costs will go up
- Options:
  - Retire
  - Drop Government programs
  - Tech up to increase volume

# Making money in five years . . .



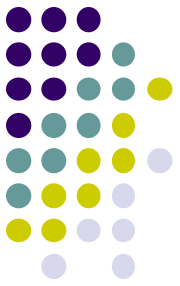
- Must increase revenue
  - Improve Charge Capture
  - Increase volume
- Reduce expenses
  - Maintain or reduce head count while increasing volume
- Consolidate to improve efficiencies

# Centers for Medicare & Medicaid Services



Organization that will be administering the payment of funds under the American Recovery and Reinvestment Act (ARRA)

# HHS Health IT Coordinator



*Dr. David Blumenthal*

Dr. David Blumenthal was named the National Coordinator for the Health IT initiative.

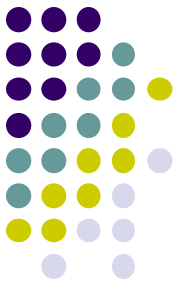
*"I AM HUMBLD AND HONORED TO HAVE THE OPPORTUNITY TO SERVE PRESIDENT OBAMA AND THE AMERICAN PEOPLE IN THE EFFORT TO HARNESS THE POWER OF HEALTH INFORMATION TECHNOLOGY TO MODERNIZE OUR HEALTH CARE SYSTEM,"*

The Office of the National Coordinator (ONC) for Health Information Technology



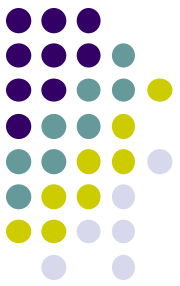
# Nearly \$3 Billion Spent

- Nothing to Eligible Professionals
- Summary of Spending to date:
  - State Health Information Exchange - \$564 Million
  - Beacon Community Cooperative - \$220 Million
  - Curriculum Development Centers - \$10 Million
  - Health Information Tech Extension - \$598 Million
  - Community College Consortia - \$72 Million



# ARRA covered entities

- Eligible Professionals receiving Medicare payments
- Eligible Professionals receiving Medicaid
- Hospitals
- Critical Access Hospitals



# Recent Key Dates

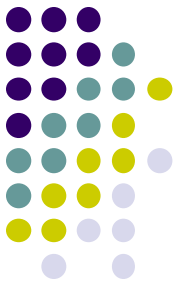
- Draft regulations for Electronic Healthcare Systems Certification, issued 1/13/2010
- Draft regulations for Meaningful Use, issued 1/13/2010
- Draft regulations for the EHR Certification Program, issued 3/10/2010
- CMS presentation on 2/23/2010 recapping current status



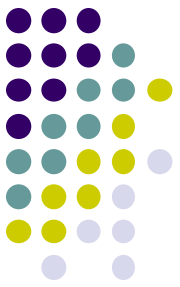
# Regulatory Process

- Congress passes laws
- Health and Human Services (HHS) is responsible for the administration of the law
- Draft regulations issues for review – 60 day comment period.
- Comments received and reviewed.
- Revised, preliminary final rule, issued 60 to 90 days after comment period ends.
- 30 day comment period on proposed final rule

# CMS Payment Requirements

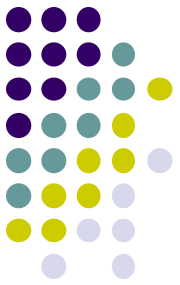


- Payments will be from CMS – method TBD
- Application for funds can be anytime after 1/1/2011, but:
  - Must have at least \$24,000 in Medicare charges
  - Application by provider
  - Must be using “certified” EHR software
  - Must provide specialty specific quality reports
  - Must have “Meaningful Use” for 90 days in year
  - Must apply annually for funds



# Eligible Professionals (EPs)

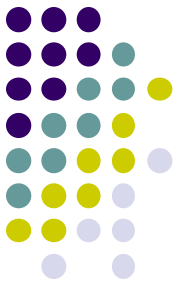
- Cardiology, Pulmonology (10, 8)
- Endocrinology (9)
- Oncology (6)
- Proceduralist/Surgery (6)
- Primary Care (29)
- Obstetrics and Gynecology (9)
- Neurology (5)
- Psychiatry (6)



# EP's continued

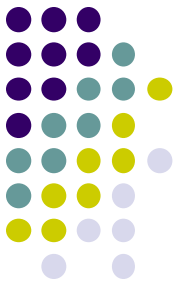
- Ophthalmology (3)
- Podiatry (3)
- Radiology (7)
- Gastroenterology (6)
- Nephrology (6)
- Pediatrics (9)

# Government Payments - Medicare



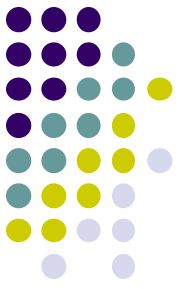
EHR Yr.	2011	2012	2013	2014	2015	2016	Total
2011	\$18	\$12	\$8	\$4	\$2	\$0	\$44
2012	\$0	\$18	\$12	\$8	\$4	\$2	\$44
2013	\$0	\$0	\$15	\$12	\$8	\$4	\$39
2014	\$0	\$0	\$0	\$12	\$8	\$4	\$24
2015 +	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Dollars are in Thousands  
EHR must be in operation prior to year in left column  
Payment method is yet undefined



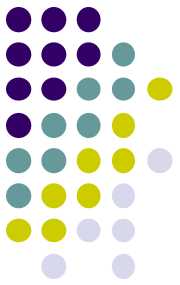
# Penalties for no EHR

- Starting in 2015, providers who do not have an EHR with demonstrated “meaningful use” will have their Medicare reimbursement reduced by 1%.
- Each successive year the penalty will increase an additional 1% to a maximum of only 95% reimbursement



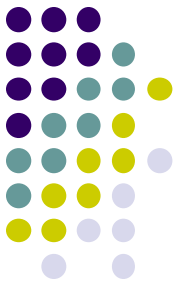
# Meaningful Use Phase 1

- Capturing of health information in a coded format
- Uses electronic information for clinical tracking
- Ability to communicate the electronic information for coordination of care
- Implementation of clinical support tools included electronic prescriptions, and disease reporting
- The ability to report clinical quality measures
- Meaningful Use Phase 1 definitions effective with software in use between 1/1/2011 and 12/31/2012



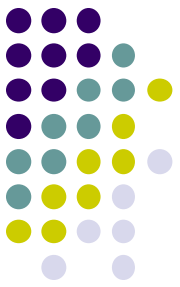
# Meaningful Use Phase 2

- All of Phase 1 requirements
- Computerized Provider Order Entry (CPOE) for labs tests
- The receipt of lab results electronically
- The usage of data for the continuous improvement of quality at the point of care
- Rules to be finalized in future regulations
- Effective 1/1/2013 to 12/31/2014



# Meaningful Use Phase 3

- Patient self management tools
- Ability to share health information with other providers
- Rules to be finalized in future regulations
- Effective 1/1/2015 and beyond



# EHR Applications Software

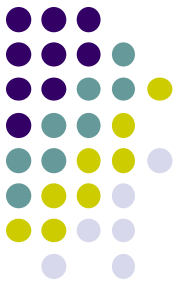
- Software must be “certified”. Current certification authority is CCHIT.
- Over 40 software programs to date including:





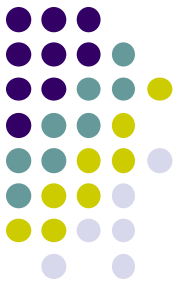
How many EHR systems are certified  
for ARRA funding today?

**NONE!**



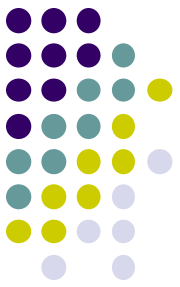
# EHR Software Certification

- Certification criteria not finalized in regulatory process (1/13/10)
  - EHR Software Certification regulation and Meaningful Use have to be completed.
- ONC will NOT be the certification entity (3/10/10)
- ONC will certify the certifiers.
- Abbreviated application to be a certifier.



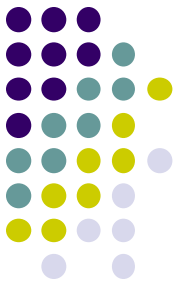
# EHR Technology

- EHR Application Software
- Hardware
  - Servers, client PCs, scanners, printers, lab equipment interfaces and more.
- Foundation Software
  - Microsoft Server 2008, Microsoft SQL, Microsoft Exchange, and Microsoft Desktop software
- Networking
  - Routers, switches and firewalls



# “Hosted” solutions

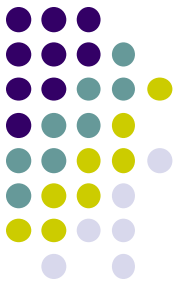
- Internet based “server” houses the data
- Requires high speed Internet
- Should have second Internet connection for redundancy
- Lower up front costs, but higher annual fees
- Will still require PCs, scanners, printers and other peripherals
- Not available from every vendor



# Question #1

How do you choose an EHR?

1. Pick the one that matches the firms Practice Management system.
2. You like the sales person
3. Cheapest option
4. Evaluate several EHR's features and functions and pick the one that is the best fit for the practice.



## Question #2

Which answer from Question #1 do you think will have the best outcome for the practice?

# EHR Selection Methodology

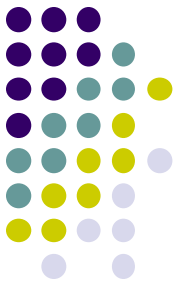


- Identify and document practice objectives for EHR
- Identify clinical and/or business issues that the EHR may address
- Document clinical and business requirements
- Identify possible EHR solutions
- Evaluate the EHR solutions against the requirements including site visits



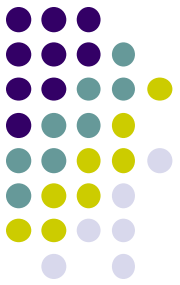
# EHR Methodology (con't)

- Select the EHR with the best fit
- Finalize contracts, purchase hardware, foundation software, networking equipment and application software.
- Develop data migration and system interface requirements and software
- Install and setup the EHR
- Staff Training
- Go “live”



# Timeline to EHR

- Decision to move forward
- Software selection process takes from 6 to 9 months
- Implementation after contracts with EHR vendor is 3 to 6 months
- It may already be too late to order and have an EHR installed in 2010



# Conclusion

- If the practice has a significant Medicare or Medicaid business, EHR is going to happen
- Firms that move the fastest will receive the most financial benefit
- There will be a list of “certified” EHR systems by the end of the year.
- **NONE** of the current versions of software are or will be certified.