Statement of

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before

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, ORGANIZAITON AND PROCUREMENT

on

"Too Many Cooks? Coordinating Federal and State Health IT"

November 1, 2007

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Chairman Towns, distinguished Subcommittee members, thank you for inviting me today to discuss health information technology (health IT), and specifically: (1) New York's Healthcare Efficiency and Affordability Law (HEAL) health IT investment program to support improvements in quality, affordability and outcomes for all New Yorkers; (2) the role of health it in improving health outcomes and decreasing disparities; and (3) the interplay between the Federal and State health IT agendas, including the impact of federal resources and standards on the State's health IT programs.

BACKGROUND

As you know, the U.S. health care system has a long and distinguished history of innovation. At the same time, health care faces major challenges. Health care spending continues to rise and concerns persist about preventable errors, uneven health care quality, uncoordinated care and poor communications among providers. These problems - high costs, medical errors, variable quality, administrative inefficiencies and lack of coordination - are closely connected to inadequate use of health information technology (health IT) as an integral part of the medical care delivery system. Health IT plays a significant role in our progress to improve the quality, safety and efficiency of healthcare.

The most important aspect of health IT is not software and computers - it is clinicians being able to make better treatment decisions and coordination of care, nurses and pharmacists delivering safer therapies and consumers making better choices from their options.

It is the way people connect together across a fragmented delivery system - from community health centers to physician offices; hospitals to skilled nursing facilities and even to the consumer's home. It is the way information is retrieved and used to realize the expected value from health IT and support prevention and quality-based reimbursement reform including new models of care delivery.

Over the past few years, the federal and state governments and the health care community leadership have made progress in setting the stage for supporting the transformation of health care delivery through the use of health IT. Much work remains.

Currently, the Office of the National Coordinator for Health Information Technology is managing multi-year landmark health IT initiatives that, together, provide a foundation for the development of a nationwide health information network (NHIN). Multiple federal agencies are also undertaking initiatives to support health information exchange and adoption. Quality and population health tools required for physician performance and patient outcomes measurement and reporting to improve health care quality and reduce costs are being developed. The federal executive agencies' interest in health IT is matched by a strong and growing Congressional interest.

Increasingly, states are leading the development of health IT policy by coordinating multi-stakeholder approaches to health information exchange and quality tools, addressing patient privacy and confidentiality funding and promotion of the adoption and effective use of interoperable EHRs. At least 35 states have issued health IT gubernatorial executive orders, proposed budget appropriations, commissioned planning efforts, established executive-level offices and/or introduced legislation.

Communities across the country are also shaping the emerging health IT landscape through Regional Health Information Organizations (RHIOs) to enable interoperability, quality measurement and reporting, and population health improvement initiatives. RHIOs are providing real-world laboratories for analyzing the technology, governance, clinical, business and legal issues raised by interoperable health information exchange.

There are also well over 100 financial incentive and pay-for-performance programs underway in the private sector developing health IT quality tools. They are designing incentive payments for clinicians along with a spectrum of prevention, process and quality-based outcomes. While still in early development stages, health information exchange projects and quality improvement tools supporting pay-for-performance initiatives are providing lessons regarding the importance of the organizational, financial, technical and clinical aspects of health IT.

1. NEW YORK'S HEAL NY HEALTH IT INVESTMENT

The innovation that has made New York's medical care among the best in the world has not been applied to its health information systems. With this in mind, New York has made supporting the transformation of health care through health information technology a priority. Health IT plays a significant role in New York's progress to improve the quality, safety and efficiency of healthcare. The Department of Health (DOH) will lead the State's effort to achieve the common goal of using health IT to unlock new opportunities in the practice of medicine. We envision a health care system in New York supported by health IT where:

- The health care system is oriented around the patient, with strong privacy protections, ensuring the privacy and security of patients' individually identified health information , and supporting the right of New Yorkers to have great control over and secure access to their personal health information;
- Clinical information is in the hands of clinicians so that it guides medical decisions and care coordination;
- Medical information follows the consumer so they are at the center of their care;
- Quality initiatives requiring health IT tools result in robust accountability based on the information needed to assess patient outcomes;
- Clinical information is accurately collected in a timely manner for population health reporting, clinical trials and for other research purposes;

- Clinical research and care delivery are linked together to measure and monitor longitudinal outcomes; and,
- New Yorkers are prepared for health care emergencies through the development of the capacity to communicate with their clinicians and receive and exchange health care information, such as medications.

The newly created Office of Health Information Technology Transformation (OHITT) within the NYS Department of Health is charged with coordinating the realization of this vision in order to support improvements in health care quality, affordability and outcomes for all New Yorkers through vastly improved availability and use of health information.

This vastly improved availability and use of health information will inform and give us options to think about how to pay for and deliver health care differently - in ways that promote prevention, award good outcomes and improve patient care.

Over the past year DOH has started to advance widespread adoption of health information technology with investment from the Health Care Efficiency and Affordability Law (HEAL) NY health IT investment. The current investment of $159 million ($53M awarded and $106 in process) is setting three foundations - technical, clinical and organizational - to support our progress in improving the quality, safety and efficiency of health care. These foundations must be combined and co-evolved so they can be coordinated and addressed together in order to realize benefits from health information. It's how beneficial health information is in improving quality, reducing health care costs and improving health outcomes that will define the success of New York's health IT program.

The three foundations are:

- Technical: Technology to enable technical interoperability and the transformation of today's largely paper-based system to an electronic, interconnected system.
- Clinical: Clinician adoption to attract sufficient demand for, and supply of, health IT tools to increase the likelihood of success and delivery of benefits to patients and providers.
- Organizational: Governance that establishes trust by assuring health care professionals that most of their participation and use of health IT will succeed, provide efficiency gains and patient care improvements, and issues will be resolved reasonably.

The successful adoption of health IT must emerge from these three intertwined capabilities. For example, interoperability is as much a function of trust as technology or clinical participation, and is achieved through policy and governance.

Organizational Foundation

Regional Health Information Organizations are important in this context. RHIOs, working with other RHIOs, government and other organizations must create a collaborative, multi-stakeholder environment that assures effective interoperability and quality and population health measurement and reporting through governance, policies and standards. RHIOs are not technology organizations, do not develop software or provide technical integration services. They are not proprietary physical health information exchange networks. Rather, RHIOs partner with qualified health information service providers (HISP) or vendors competing in the marketplace for these services. They ensure clinical goals drive technical implementation and that open, or non-proprietary health information exchange protocols and services, are developed, implemented and available to all providers and payors.

Within New York State, The New York eHealth Collaborative (NYeC) also becomes an important component of the organizational foundation. As a statewide, multi-stakeholder public-private partnership to support collaboration and common technical approaches starting with the HEAL NY Health IT projects, NYeC was designed to represent and incorporate the various stakeholders involved in health IT. NYeC has formalized a governance structure and established collaborative processes designed to maximize stakeholder involvement. It supports the development of consensus on the overall health information and quality improvement strategy for NYS.

Technical Foundation

New York is advancing three key building blocks which comprise New York's health information infrastructure, as follows:

Statewide Health Information Network for New Yorkers (SHIN-NY) - a collaboration of networks to interconnect clinicians to exchange patient information regardless of where the patient receives care in order to deliver the appropriate treatment at the right time in a coordinated, patient-centered manner. The SHIN-NY will utilize the Internet and consist of specialized software protocols and services, including security tools and a suite of standards. It will be a part of the emerging Nationwide Health Information Network (NHIN).

Clinical Informatics Services (CIS) - Community-based health IT tools which aggregate, analyze, measure and report data in a standardized and valid manner for uses including quality and population health initiatives that is available to all payors, providers and public health officials.

Information Tools – EHR for clinicians and personal health tools for New Yorkers providing: (i) clinicians with information tools when and where they need them to guide

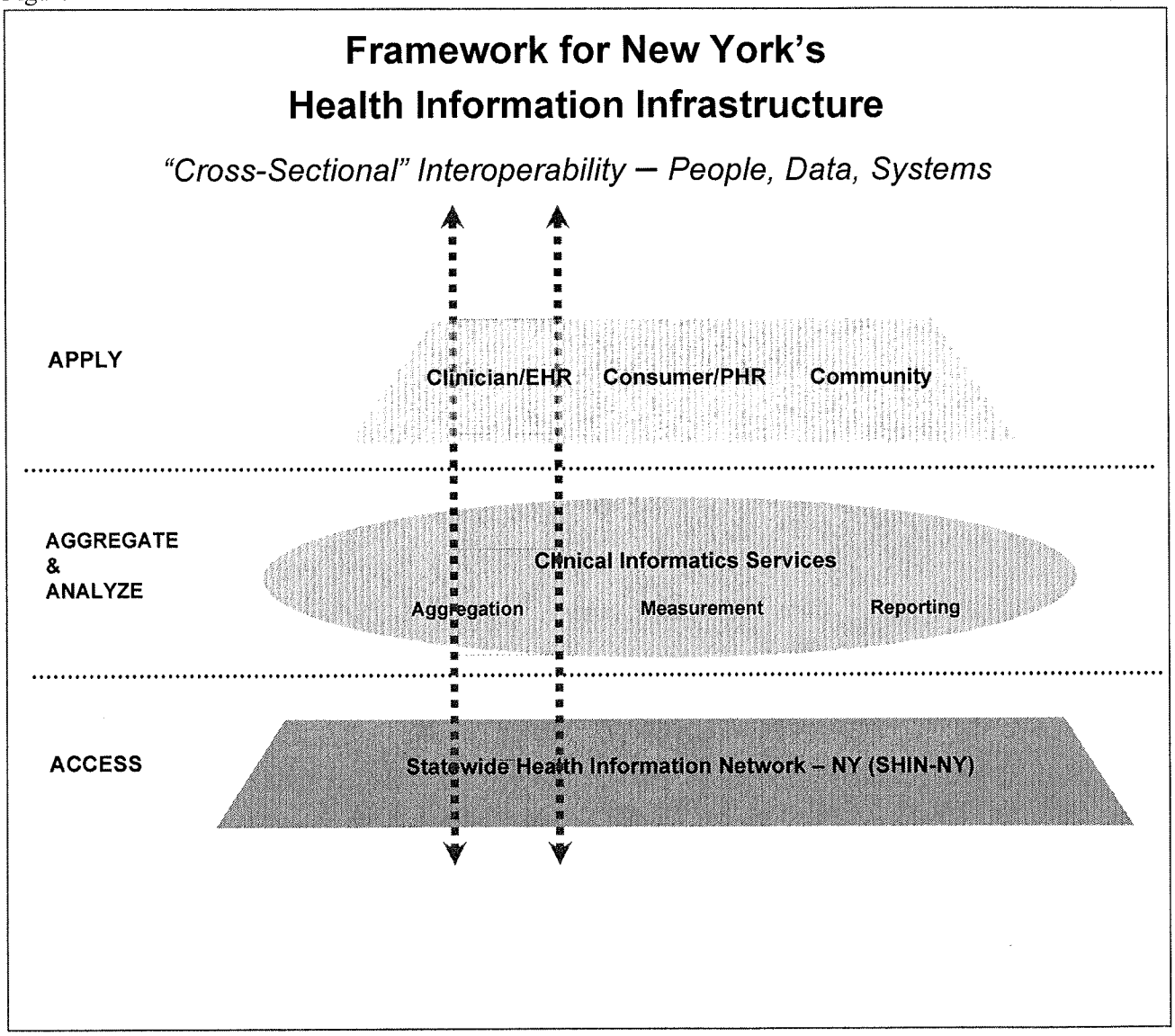
medical decisions, (ii) New Yorkers with greater control over and access to their health information, and (iii) Public Health Officials with the ability to survey, report, and respond to population health events.

The challenge of advancing these building blocks is made more difficult in that the elements of successful health IT adoption-demand, supply and the infrastructure and capacity-exist only in part or not at all.

We are therefore advancing a "cross-sectional interoperability" approach, which is implementing all three technical building blocks (SHIN-NY, CIS, information tools) in limited and incremental amounts in order to accomplish:

- Benefits right from the start for clinicians and providers
- Support community-based adoption whereby health IT tools must be readily available and integrated into the practices of a population of users to realize benefit internal to the people over time.
- Integrate demand and supply through the infrastructure so that efforts start immediately to educate providers about the benefits until there is enough experience and visibility to sustain usage.

Figure I



A complete cross section can be designed to provide real benefit quickly. In this way, a clinician can begin to derive benefits from these 'cross-sections' without having to wait for an entire health information exchange component to be completed and available via

the SHIN-NY. Like any infrastructure project, limited efforts can provide value by integrating demand and supply through early development.

Clinical Foundation

This is about clinician adoption and that electronic health records (EHRs), for example, are essential but not enough to ensure effective use of information and improved health for New Yorkers. An environment must be created and substantial efforts made to utilize the information so that clinicians learn how to recognize the benefits from the vastly improved availability of health information.

This is where CHITAs (Community Health Information Technology Adoption Collaborations) play an invaluable role. A CHITA is a community collaboration of ambulatory care clinicians and clinically affiliated providers whose mission is to advance adoption and effective use of health IT tools, especially EHRs, for clinicians at the point of care. Accomplishing a CHITA's goal (effective adoption and use of health IT) resulting in patient care improvements can be achieved through a workflow re-design and process and quality interventions and improvement.

2. HEALTH IT'S ROLE IN IMPROVING HEALTH OUTCOMES AND DECREASING DISPARITIES

Universal health insurance offers tremendous potential to reduce health disparities caused by lack of access to health care services. But, as the Kaiser Permanente Institute on Health Policy reported earlier this year, simply having health insurance is no guarantee to access of necessary or high-quality health care. So, at the same time New York is working to provide universal health insurance coverage to its residents, it is looking at ways to improve the quality of the health care being purchased.

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As Governor Spitzer has stated from the beginning, New York's healthcare system must be restructured to create a patient-centered model that emphasizes primary and preventive care to help keep New Yorkers healthy and prevent serious complications from chronic diseases. We believe these reforms must start with New York's Medicaid Program.

With over $47 billion dollars in total spending, New York's Medicaid program is the single largest payer of health care services in the state. It underwrites almost one-third of all health care costs. If we want to improve the health of New Yorkers and reduce health disparities, the state's $47 billion-dollar Medicaid reimbursement system must be removed from a system that rewards volume of services and favors inpatient care to a system that recognizes quality, improved outcomes and encourages the delivery of preventive care.

Creating this quality-based reimbursement system will require the widespread adoption of health information technology. Patient medical histories, clinical data and decision–making support tools must be available at all points of delivery. The information needs to be provided in the aggregate for determining outcomes measurement and reporting among multiple clinicians, providers, and payers.

This effort will require regional collaborations of providers who serve Medicaid patients be inter-connected by health IT for a quick information exchange regardless of where the patient receives services. The purpose is to improve the quality of care rendered.

The patient's healthcare providers would be able to promptly, electronically, access nationally recommended preventive services and guidelines so that the practitioner can compare the recommended care with the patient's electronic medical history to identify gaps.

Integrating these quality measures into the Medicaid reimbursement system offers tremendous potential in addressing and eliminating serious health disparities caused by a lack of prevention and access to the most effective health interventions.

3. INTERPLAY OF FEDERAL AND STATE GOVERNMENT AND IMPACT OF FEDERAL RESOURCES AND STANDARDS ON NY'S HEALTH IT PROGRAM

Interaction between the federal and state governments is crucial to advance the socially optimal level and type of health IT adoption in the U.S. There are crucial roles and actions at both levels which must be aligned and coordinated. It is the primary reason that the Office of the National Coordinator of Health Information Technology was established. The federal and state governments should lead and are expected to benefit from health information technology in nearly all of its mutual roles: as a purchaser and payor of care, an operator of care delivery networks, a procurer of care, a funder of health care research and as a policy-maker and regulator of the health care market.

To date, the federal role has suffered from a significant lack of funding. Notwithstanding, important advances have been made such as effecting the Certification Commission of Healthcare Information Technology and the Health Information Technology Standards Panel. These bodies have great potential, but are still in their infancy and need strategic direction and funding to fulfill their promise. As we make investments in New York, working with federal initiatives is a priority. A key question at this stage in the health IT movement is the sequencing, pace and consistency of development, not about federal control and monolithic policy. Innovation at the state and regional levels needs to be encouraged. It's not about too many cooks, but solidification and funding of a federal structure. It greatly concerns state-level innovation and implementation approaches that balance a bottom up approach based on market

conditions and state level governance and operational approaches that create a national standard harmony, product certification and policy coordination. Standards alone are insufficient to accomplish widespread interoperable EHR adoption. Two standards-compliant EHRs cannot share information without a network that is specialized to handle the detailed and open protocols needed for secure information exchange.

Integration of federal and state health IT programs

Numerous federal and state agencies are developing and deploying health data collection mechanisms to support their programs. These include, but are not limited to, data for quality monitoring, health status reporting, public health monitoring, bioterrorism surveillance, clinical trials and post adverse event and drug event reporting. Many agencies require similar information to be reported by the health care community. However, nearly all the agencies are developing stand-alone data collection silos that require physicians, hospitals, laboratories and pharmacies to report the same information to the many agencies in different formats. In addition to spreading precious government resources across redundant activities, these impose substantial burdens on the health care community and interfere with the general adoption of interoperable solutions.

The money invested by the federal and state governments should be used to develop systems that collect health information from the health care community, bringing both levels of government into leadership roles that foster interoperability using a single, interoperable infrastructure for data gathering where possible. Using a single infrastructure is particularly important to minimize the reporting burden on providers and provider systems.

Emerging health IT networks funded by different agencies and programs should be integrated to the degree possible. Health care provider experience has shown that the fewer times data are collected, the more efficient, complete, valid, timely and useable it is. It is recognized that individual programs have specialized needs that would have to be

addressed. The resulting system specific to those programs would be both more effective at data collection, more cost-effective in using government funds and less burdensome to the health care community. If done correctly, federal and state integration could be a strong catalyst for community-wide interoperability as well. Rationalizing the federal and state investment in health IT could provide significant funding for a health information exchange network that is mutually shared by both the federal government and the health care community.