



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

Progress Report on Implementation of Executive Order 13410 “Promoting Quality and Efficient Health Care in Federal Government Administered or Sponsored Health Care Programs”

The Strategic Plan for the Department of Health and Human Services (HHS) delineates a clear focus on building a system of healthcare centered on value. Accordingly, and consistent with Executive Order 13410, HHS has undertaken many actions in pursuit of this goal. The following results, while not a comprehensive listing, highlight the progress made in the 12 months since the issuance of the order.

Centers for Medicare and Medicaid (CMS)

- **Physician Quality Reporting Initiative (PQRI)**: As set out in the Tax Relief and Health Care Act of 2006, CMS will award a 1.5% bonus (subject to a cap) to physicians who voluntarily report applicable consensus-based quality measures. **Starting July 1, 2007 CMS began collecting quality information from participating physicians that will become the basis for bonus payments to be paid mid-2008. In the recently released proposed 2008 physician fee schedule rule, CMS also proposed expansion of the PQRI measure set in 2008 and electronic and registry-based channels for reporting quality data.**
- **Hospital Quality Reporting**: Since 2004, hospitals that voluntarily report specified quality measures adopted by the Hospital Quality Alliance (HQA) are entitled to receive the full payment update. Most hospitals now report on a core set of quality measures for patients with heart failure, heart disease, pneumonia, or having surgery (surgical infection prevention). **In June 2007, CMS added two mortality measures for heart attack and heart failure and plans to add measures of patient satisfaction by Spring 2008.** This information is available on the Hospital Compare website at www.medicare.gov.
- **Physician Quality Reporting**: Over the last year, CMS has worked to build a model for data aggregation, quality measurement, and public reporting through the Better Quality Information for Medicare Beneficiaries (BQI) project. Through CMS’ Quality Improvement Program, six community-based collaboratives are testing the most effective aggregation methods to aggregate private claims data with Medicare claims data to produce more accurate, comprehensive measures of quality of services at the physician level. **The results of these efforts, expected in October 2008, will be used to provide performance information to physicians to assist them in improving the quality of care they deliver and to beneficiaries to enable them to make more informed physician and treatment decisions.** This information also will provide the foundation for a Physician Compare website, similar to the other Medicare provider compare websites.

- **Price Transparency:** To complement the quality information described above, last year CMS posted price information for common and elective inpatient and outpatient hospital procedures, ambulatory surgery center procedures, and physician office procedures. **This price information will be updated on an annual basis, with the inpatient information recently being updated on June 20, 2007 and the other settings scheduled to be updated later this year.** In addition, CMS is evaluating episode of care measures that provide cost information across a series of procedures or services related to a specific diagnosis or treatment to determine how these measures may be used to provide information to physicians on their relative resource use.
- **Personal Health Records (PHRs):** CMS is working with interested Medicare Advantage plans to provide beneficiary access through MyMedicare to plan-managed PHRs containing a registration summary and a medication history.
- **Doctor's Office Quality-Information Technology Project (DOQ-IT):** Through CMS' QIO Program, the DOQ-IT provides technical assistance and coaching to small to mid-size physician practices that adopt HIT practice management systems.
- **Medicaid Transformation Grants:** **In January 2007, CMS provided 98 million dollars in Transformation Grants to 26 States to fund the adoption of innovative methods to improve efficiency and effectiveness in providing medical assistance under Medicaid, such as e-prescribing, Electronic Health Records (EHRs), and electronic health information exchange.**
- **Medicare Care Management Demonstration:** **On July 1, 2007, CMS launched this demonstration, which provides financial incentives to small-to-medium-sized physician practices based on performance on 26 clinical quality measures.** Payments are enhanced if the quality data are submitted through a Certification Commission for Healthcare Information Technology's (CCHIT) certified EHR.
- **AHIC Member:** CMS is an actively engaged member of the American Health Information Community (AHIC), a federally chartered advisory committee that provides recommendations to HHS on how to make health records digital and interoperable, and ensure that the privacy and security of those records are protected, in a smooth, market-led way. CMS also plays a leadership role on several AHIC workgroups including the Chronic Care, Consumer Empowerment, and Quality Workgroups.

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

- **Federal Health System Adoption of Health Information Technology (HIT) Interoperability Standards:** Under the auspices of the scorecard, the participating federal agencies and HHS components are creating an inventory of federal health systems that must adopt the interoperability standards accepted by the Secretary of HHS and have developed a plan to assure timely implementation.
- **Federal Contract support for Adoption of HIT Interoperability Standards.** ONC leads the effort to draft consistent language for federal contracts with respect to supporting the adoption of HIT Interoperability standards in the health care sector. A contract inventory

is being developed to ensure that, as a condition of award, federal contracts require support for the inclusion of recognized interoperability standards in all new HIT systems and in the upgrades of existing systems. **ONC will ensure that standard interoperability contract language is included in 100% of all applicable HHS contracts awarded in fiscal year 2008.**

- **HHS Plan to Implement EO:** **To ensure that progress is sustainable, ONC has completed a plan that depicts HHS' Government-wide and Department-wide activities for success in fiscal year 2008 and beyond.** The HHS plan will serve as the foundation from which other federal agencies participating in this initiative will create their own plans. The plan requires measurable progress on activities such as meeting ambulatory care certification criteria where appropriate; demonstrating collaborations and progress toward making additional price and quality measurements available to consumers on a continuous timeline; and requiring the development of transition plans, including timelines, resource identification, and identification of planned health information exchanges that will adopt the interoperability standards.
- **Creation of a National Health Information Network:** ONC also works to implement a National Health Information Network (NHIN). In fiscal year 2007, ONC completed successful piloting of models which incorporated the functions, standards, and specifications for exchange of data through a NHIN. These pilots clearly demonstrated that health information exchanges could be formed, electronic health records could be compiled and exchanged between participating entities, and security of these information exchanges could be ensured. The pilots provided a clear and unambiguous message of the feasibility of an American future in which citizens and their providers have safe and secure access to their personal health information anywhere in the nation. **In fiscal year 2008 ONC will begin trial implementations which will move from the feasibility demonstrated by the pilots to the first Health Information Exchanges (HIEs) to incorporate these basic elements to in order to begin building the NHIN of the future.**
- **The American Health Information Community (AHIC).** Lastly, none of the aforementioned successes would be realized without the effective governance of the AHIC. Through holding more than 100 AHIC and AHIC workgroup public meetings in 2006 and 2007, AHIC has developed and forwarded over 100 recommendations to Secretary Leavitt. These included recommendations in 2007 to establish a baseline for patient identity proofing in electronic health information exchange environments; to empower and protect consumers in managing their health through the use of interoperable, portable personal health records; to automate the capturing and reporting of data from electronic health records to support quality measures and align quality measurement with the capabilities and limitations of HIT, and to prioritize the work being done to develop interoperability standards and specifications. **In 2008, a new public private entity will be developed external to the Federal Government to assure that this important work can continue unimpeded for years to come.**
- **Coordination of HIT Efforts.** **ONC will coordinate efforts across all HHS departments and offices throughout 2008 to assure that all elements of the EO are met in a consistent manner.**

Agency for Healthcare Research and Quality (AHRQ)

- Local Multi-stakeholder Collaboratives:
 - Developed framework for implementing the EO through community-based multi-stakeholder collaboratives nationwide. These community collaboratives would maintain stakeholder engagement and serve as implementation hubs for getting nationwide consensus-based and endorsed principles, standards and measures adopted and used within their communities. The standard performance information would be used to (1) engage providers in improvement; (2) facilitate consumer decision making through public reporting; and (3) promote effective public policies, payment policies, and consumer incentives that reward or foster better provider performance.
 - Developed “Community Leader” designation to recognize local community collaboratives aspiring to become Value Exchanges.
 - Recognized 79 Community Leaders to date. **AHRQ plans to sponsor a learning network for Community Leaders in 2008 with the goal of having all Community Leaders ultimately join or become CVEs within 3 years of designation.** Those interested in becoming Community Leaders can learn more at www.hhs.gov/valuedriven.
 - Established consensus-based core functions and selection criteria to designate mature community collaboratives as Value Exchanges. Value Exchanges have full representation from four stakeholders—purchasers, health plans, providers, and consumers.
 - Developed enrollment process to identify and charter Value Exchanges. Enrollment periods will occur every six months. **The first enrollment period will occur in the Fall of 2007.**
 - Designed a learning network for Chartered Value Exchanges (CVEs). AHRQ’s Learning Network will (1) facilitate sharing of CVE experiences and lessons learned; (2) identify and share promising practices that improve healthcare value; and (3) identify gaps where innovation is needed. It will also provide (1) face-to-face and virtual opportunities for peer-to-peer sharing of experience; (2) identify interventions/tactics that yield the best outcomes; (3) translate interventions into adaptable change strategies; and (4) facilitate a user-friendly, web-based knowledge repository and communication system as well as providing technical assistance in such areas as sustaining an effective community collaborative, developing public reports, sponsoring pay-for-performance, and consumer incentives. The Learning Network will be ready to launch when the first CVE enrollment period is completed.
- Measure Calculation for Patient Care: **In 2008 AHRQ plans to work with Health Information Exchanges and those sponsoring all state databases to promote the ongoing migration of measure calculation based solely on aggregated claims to**

measure calculation that includes aggregated electronic clinical data and fosters real time patient care improvement.

Indian Health Service (IHS)

- **Health Data Standards:** The IHS already has an advanced integrated health information technology (HIT) system in place and has had an electronic health records system for over 25 years. The health information system solution for the IHS is the Resource and Patient Management System (RPMS). The RPMS is derived from the VA's patient care system with additional software applications developed to meet the clinical needs of Indian Health Service. As the VA incorporates the interoperability standards into their systems that are used by IHS, the IHS will adopt those compliant systems into the appropriate health IT infrastructure. The IHS has reviewed the initial interoperability specifications from the HITSP and is preparing for AHIC's final review of the same. The IHS is also using a business process model developed by the Federal Health Architecture (FHA) for the adoption of interoperability standards and specifically HITSP-endorsed interoperability specifications.
- **Certification Process:** The IHS is on track to meet certification of the RPMS Electronic Health Record from the Certification Commission for Healthcare Information Technology's (CCHIT) as an Ambulatory EHR by the end of calendar year 2007. **Going forward, IHS will continue to monitor the annual CCHIT criteria and seek re-certification in 2010.**
- **Harmonizing Quality Measures:** The IHS is collaborating with the VA and the DoD to harmonize quality measures. All three agencies determined the set of quality measures and compared with the others identifying, two comparable primary care measures as well as three specialty care measures. **In 2008, the three agencies will continue to progress in developing the process of harmonizing as well as harmonizing the measures themselves.**



The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

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**Executive Order 13410: Promoting Quality and Efficient Health Care in Federal
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The *Strategic and Operational Plan* for the U. S. Office of Personnel Management (OPM) includes a goal to implement health information technology initiatives, with price and quality transparency, pursuant to E.O. 13410. Accordingly, OPM has taken the following actions:

- Expanded the Federal Employees Health Benefits (FEHB) Program 2006 Open Season web site to provide additional information regarding health information technology (HIT) capabilities of FEHB carriers so prospective enrollees can view the information in making their health plan choices.
- Requested carriers to provide a sample of frequently used procedures and provider charges on their web sites for their enrollees and highlighted those carriers which demonstrated best practices in price transparency in the 2006 *Guide to Federal Employees Health Plans*.
- Held a national conference in March 2007 for FEHB carriers where we emphasized the importance of President Bush's Executive Order. We also announced that the annual FEHB "call" letter would include specific guidance to carriers on health care information technology (HIT) initiatives.
- Encouraged FEHB carriers to work toward the following short-term objectives: 1) Enhance consumer education to make them more aware of how HIT can help to achieve improvement in quality and control costs; 2) Offer personal health records to enrollees based on the claims, medication and medical history information currently available in their health care systems; 3) Encourage pharmacy benefit managers to provide incentives for ePrescribing; 4) Link disease management programs to HIT; and 5) Ensure compliance with Federal requirements to protect the privacy of individually identifiable health information.
- Required all FEHB carriers to report on quality of care, including data from the Health Plan Employer Data and Information Set (HEDIS). This was a new requirement for fee-for service carriers.

- Added a web site link to the Hospital Compare quality database administered by the Department of Health and Human Services (HHS) to ensure FEHB consumers have ready access to this national quality data.

OPM is taking the following actions for 2008 and beyond:

- Holding FEHB carriers accountable for their support of E.O. 13410 by requiring them to report on their health information technology and price and quality transparency activities by August 31, 2007. Once the reports are received from all carriers, OPM will review the status of implementation across all FEHB plans and determine benchmarks and milestones for further progress.
- The Healthcare Information Technology Standards Panel (HITSP) has recommended uniform standards for interoperability of health care information systems. OPM is including the HITSP standards in FEHB contracts beginning with the 2008 contract term.
- OPM's new *Guide to Federal Benefits* for the 2007 Open Season will include consumer information on health care price and quality transparency. The *Guide* will also be published on OPM's web site in November.
- OPM is strongly encouraging FEHB carriers to include additional provider-level price and quality transparency information on their web sites for enrollees to use when choosing providers.
- OPM has contracted with Wed-MD to conduct a pilot project with three Federal agencies in the Washington DC area to determine how employees use health plan decision tools and provider price and quality information and how they value those tools in making Open Season choices. The pilot will be deployed prior to the Open Season in November 2007.
- OPM is continuing to encourage carriers to offer affordable insurance options which reward consumers for their choices based on quality and cost. For 2007, FEHB carriers were able to hold the average increase in premiums to 1.8% with minimal benefit changes.
- OPM is continuing to encourage carriers to offer cost efficient health plans, including high deductible health plans (HDHP) with health savings accounts. There are currently 29 HDHP options available to FEHB enrollees and over 9,000 are now enrolled. FEHB also has three consumer directed health plans (CDHP) with health reimbursement arrangements which have over 19,000 enrollees. These types of plans provide savings accounts to allow consumers to exercise more control over their health care dollars.
- OPM is continuing its work with the U.S. Department of Health and Human Services and other Federal agencies which are implementing E.O. 13410. OPM is a member

of the American Health Information Community (AHIC) and two of its workgroups (the Consumer Empowerment workgroup and the Quality workgroup).

Additionally, we have identified the key results OPM would be proud to achieve by implementing the initiatives in the Executive Order on health information technology and transparency:

- Promote a more effective marketplace, greater competition, and increased choice through the wider availability of accurate information on health care price, quality, and outcomes;
- Improve the coordination of care and information through an effective infrastructure for the secure and authorized exchange of health care information; and
- Ensure patients' individually identifiable health information is secure and protected.



HEALTH AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

**Progress Report on Implementation
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**Executive Order 13410: Promoting Quality and Efficient Health Care in Federal
Government Administered or Sponsored Health Care Programs**

The Department of Defense (DoD) has a number of strategic and operational initiatives intended to respond to the President's Executive Order and realize the promise of improved health care for all Military Health System (MHS) beneficiaries by involving our patients more deeply in managing their own medical care and ultimately improving their quality of care. Accordingly, DoD/MHS took the following actions:

- Partnered with industry, current health managers, and providers who contract with DoD to develop robust measures of quality health care that can be consistently applied by the MHS as a unified effort. These ongoing "Contractor Roundtables" aim to develop a core set of metrics that will enable both MHS leaders and beneficiaries in making sound decisions about health choices.
- Posted TRICARE allowable charges on an easy-to-use Web site. This allows our beneficiaries to judge if charges are reasonable for operations or examinations. The cost of medical care varies widely across the country. Neither hospitals nor doctors' offices usually post their charges for various procedures making it hard for patients to judge if charges are reasonable for operations or examinations. By making its maximum allowable charges easily available to the public, TRICARE's intent is to level the playing field a little between medical service providers and users by allowing comparison of our rates to other provider rates. These charges are tied to Medicare allowable charges, effectively setting a federal standard for health care costs.
- Implemented DoD-wide our electronic health record, AHLTA, thus improving care for our beneficiaries by helping to reduce medical errors, lower our healthcare costs, and prevent patient hassles resulting from duplicated lab tests or lost medical records. In conjunction with AHLTA, MHS' Pharmacy Data Transaction Service (PDTS) gives providers drug interaction information, issues alerts, and reduces waste, fraud, and abuse. Since its deployment in June 2001, PDTS has identified and resolved over 204,400 potentially life-threatening drug interactions; hence saving lives.
- Engaged in a leadership role with other Federal agencies, the American Health Information Community, the Health Information Technology Policy Council, and the Healthcare Information Technology Standards Panel (HITSP) to advance the President's health information technology goals. As the Federal Government leads the nation toward the adoption of electronic health records, DoD and Department of Veterans Affairs (VA) have collaborative work which help HITSP to accelerate the establishment of national standards.

DoD foresees significant benefits in advancing health informatics and standards through better quality and greater efficiency in health care delivery.

- ▶ DoD/VA health information sharing increased in the areas of bi-directional and computable health information exchange this year. Bidirectional Health Information Exchange (BHIE) enables real-time sharing of allergy, outpatient pharmacy, demographic, and inpatient and outpatient laboratory and radiology results. BHIE data is now available through AHLTA, DoD's electronic health record and through VistA, VA's electronic health record, to all VA and DoD providers for patients treated by both departments. To increase the availability of clinical information on a shared patient population, VA and DoD have collaborated to further leverage the BHIE functionality to allow bidirectional access to inpatient documentation from DoD's Essentris System and is operational at twelve DoD medical facilities.
- ▶ Clinical Data Repository/Health Data Repository (CHDR) establishes interoperability between DoD's Clinical Data Repository and VA's Health Data Repository by incorporating the exchange of standardized data into each agency's electronic health record. Currently operational at seven locations, CHDR integrates outpatient pharmacy and medication allergy data for shared patients giving DoD and VA providers access to outpatient pharmacy and medication allergy data from both departments when they see a patient who receives treatment from both DoD and VA. Exchanging standardized pharmacy and allergy data on patients who receive medical care from both departments supports the ability to conduct drug-drug and drug-allergy interaction checking using data from both DoD and VA.
- ▶ To support our most severely wounded and injured Service members transferring to VA Polytrauma Centers for care, DoD has started sending radiology images and scanned paper medical records electronically to VA Polytrauma Centers.
- ▶ The Laboratory Data Sharing Initiative (LDSI) facilitates the electronic sharing of laboratory (chemistry) order entry and results retrieval between DoD, VA, and commercial reference laboratories. LDSI is available for use throughout DoD and is actively being used on a daily basis between DoD and VA at several sites where one Department uses the other as a reference lab. The recent addition of laboratory anatomic pathology (AP) and microbiology orders and results retrieval provides further functionality and became operational at one location in May 2007.
- ▶ On January 23, 2007, DoD and VA announced plans for a joint in-patient electronic health record. This initiative not only promotes the tenets of Presidential Executive Order 13410, but more importantly enhances our ability to provide the best care for our beneficiaries who receive care in DoD and VA hospitals. Our desire is for these interactions to be as transparent as possible to those beneficiaries of our services. That transparency is necessary to ensure that they experience an uninterrupted continuum of care within the federal health care delivery system. That desire drives our goal for this project: to develop a joint DoD/VA approach for an inpatient component to the EHR.
- ▶ On April 4, 2007, DoD signed a Memorandum of Agreement with the State of Florida establishing an unprecedented partnership to pursue the cross network exchange of healthcare information that will enhance the quality and efficiency of medical care for our mutual beneficiaries. The MHS has approximately 700,000 beneficiaries who are residents or part time residents of the State of Florida, in addition to a large number of beneficiaries who visit the state and may find themselves in need of healthcare during

their visit. It is our hope that the work we will do together will allow us to lead the nation in Federal/State electronic health information exchange and will serve as a model for the establishment of sharing agreements with other states and between healthcare entities in the future.

- ▶ On April 30, 2007, the Certification Commission for Health Information Technology awarded pre-market, conditional certification of AHLTA version 3.3. Full certification will be attained once AHLTA version 3.3 has been deployed to at least one location. The DoD believes it is important to continue to demonstrate our support of the President's health information technology agenda. Our electronic health information system must assist our providers in delivering the highest quality care to those we serve and this certification indicates that progress is being made in achieving our goal. The CCHIT Certified Mark — a “seal of approval” for EHR products — provides the first consensus-based, consistent benchmark for ambulatory products. This recognition means AHLTA has been tested and passed inspection of 100 percent of a set of criteria for functionality, interoperability, and security.
- Established a collaborative agreement with VA and Indian Health Service (IHS) to achieve the President’s health quality goals, by identifying common, core quality measures that can be reported by the Federal care delivery organizations to facilitate beneficiary healthcare decisions and provide the tools to enable them to manage their healthcare needs. Eighty-three health quality measures used in the health care industry were evaluated for applicability to Federal care delivery organizations. Currently, “harmonization” of selected health quality measures is underway.

DoD/MHS is taking the following actions for 2008 and beyond:

- Extend the price, quality, health information exchange, and health information technology initiatives underway.
- Broaden our commitment to empowering our beneficiaries to take charge of their healthcare as well as delivering quality and compassionate care.
- Continue to pursue innovative approaches to providing our beneficiaries with appropriate, meaningful healthcare information to make informed decisions concerning healthcare.
- Expand DoD/VA sharing efforts over the coming year to include provider notes, vital signs, theater clinical data, and patient history.



**DEPARTMENT OF VETERANS AFFAIRS
Veterans Health Administration
Washington DC 20420**

**ISSUE BRIEF
MILESTONE ACCOMPLISHMENTS RE EXECUTIVE ORDER 13410**

The Department of Veterans Affairs (VA) is proud to be in partnership with Department of Health and Human Services (HHS) to provide more transparent and high-quality health care through the implementation of Executive Order (EO) 13410. Accordingly, VA has:

- Collaborated with other Federal partners to standardize the method of quality measurement of care across Federal agencies that will assist consumers in comparing quality, including:
 - o Adoption of a set of standards from the Ambulatory Care Quality Alliance (AQA).
 - o Coordination of the testing of the quality standards with the Department of Defense (DoD) and Indian Health Services (IHS).
- Continued to expand the development of an interoperable electronic health record by partnering with the Department of Defense.
- Contributed to the development of the American Health Information Community (AHIC) and Healthcare Information Technology Standards Panel (HITSP) standards development process by dedication of significant resources and subject matter expertise.
- Begun testing specialty care components of primary care measures from the AQA, the American Medical Association, and the National Committee for Quality Assurance.
 - o These measures are more detailed comparison criteria and will allow consumers an even more precise comparison and sense of transparency among those Federal agencies providing health care.

In 2008 and beyond, VA expects to,

- Test the exchange of health data through an interoperable gateway connection.
- Standardize language for use in quality reporting of VA Contracted care.
- Begin inter-agency testing of the specialty quality measures selected in 2007 and continue to coordinate measure selection and testing between the DoD and IHS.
- Continue the cooperative development and implementation of many of the standards and quality measures that are essential to the full execution of EO 13410.

DEPARTMENTAL PRESS CONTACTS

Department of Health and Human Services

Press Office
202.690.6343

Office of Personnel Management

Office of Communications and Public Liaison
202.606.2402

Department of Defense

Office of Health Affairs
703.681.1698

Department of Veterans Affairs

Office of Media Relations
202.273.6000