

**DEPARTMENT
of HEALTH
and HUMAN
SERVICES**

**Fiscal Year
2010**

Office of the National
Coordinator for Health
Information Technology

***Justification of
Estimates for
Appropriations Committees***

**OFFICE OF THE NATIONAL COORDINATOR FOR
HEALTH INFORMATION TECHNOLOGY**

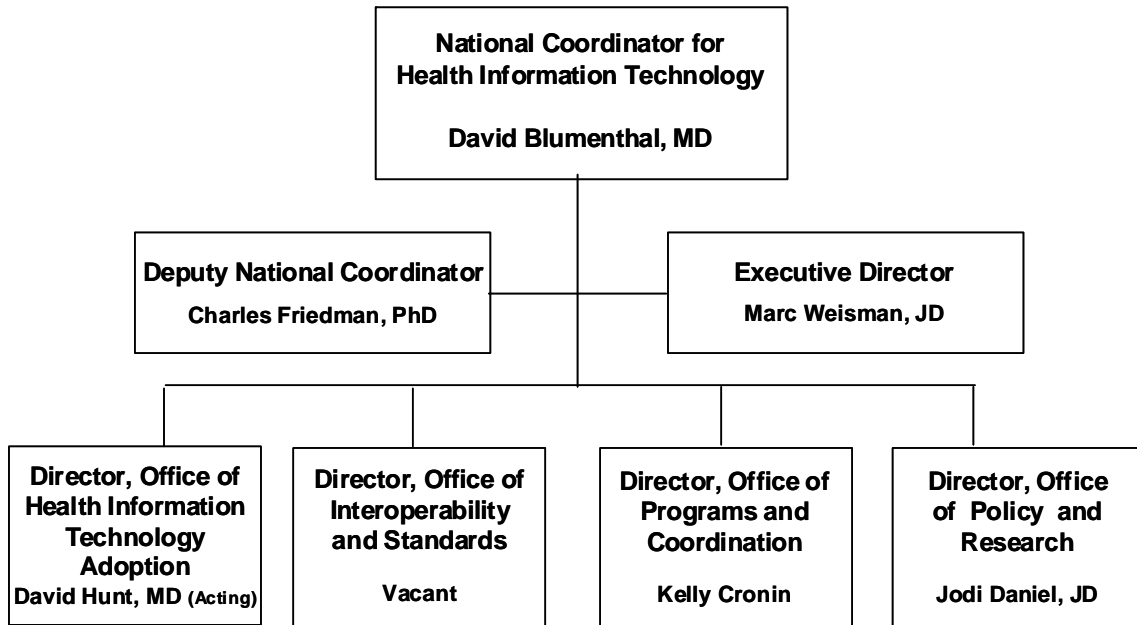
Table of Contents

FY 2010 Congressional Budget Justification	Page
Organization Chart	2
Executive Summary	3
Introduction and Mission	3
American Reinvestment and Recovery Act	4
FY 2010 Budget Overview	5
Discretionary All-Purpose Table	6
Budget Exhibits	7
Appropriation Language	7
Amounts Available for Obligation	8
Summary of Changes	9
Budget Authority by Activity	10
Authorizing Legislation	11
Appropriations History Table	12
Narrative By Activity	13
ONC Program Funding by Strategic Goal and Objective	14
Standards	15
Privacy and Security	19
Architecture and Adoption	22
Operations	27
Public Health Service Act Evaluation Funds	28
Supplementary Tables	29
Budget Authority by Object	29
Salaries and Expenses	30
Detail of Full Time Equivalents (FTE)	31
Detail of Positions	32
Programs Proposed for Elimination	33
Significant Items in Appropriations Committee Reports	34
Federal Health Architecture Program	40

Organization Chart

Department of Health and Human Services

**Office of the National Coordinator for
Health Information Technology**



Executive Summary

Introduction and Mission

The Office of the National Coordinator for Health Information Technology (ONC), in the Office of the Secretary for the U.S. Department of Health and Human Services (HHS), is the principal Federal organization charged with coordinating national efforts related to the implementation and use of electronic health information exchange. By encouraging providers to adopt health information technology (health IT), both the quality of care and the efficiency with which it is delivered can be improved. Health IT use and adoption is the effective integration of health information products and services that support safer, better health and care. A key ONC role is coordinating the public and private-sector efforts to improve the quality of health and care through information technology.

Vision

A Nation in which the health and well-being of individuals and communities are enabled by health information technology.

Mission

ONC leads, coordinates, and stimulates public and private sector activities that promote the development, adoption, and use of health information technologies to achieve a healthier Nation.

ONC provides leadership, program resources and services needed to guide nationwide implementation of interoperable health IT. ONC organizes its activities in four program areas:

- **Standards** – Standards in health IT-related systems, State-level business policies, and across Federal agencies are important components for achieving nationwide adoption of interoperable health IT. Implementation of common standards allows software applications to work together. Certifying health IT products that incorporate these standards gives assurance that products will be able to work together. Consistent business policies and practices for health information exchange organizations will enable interoperability and sustainability. Coordinating Federal efforts optimizes resources and increases information exchange among Federal and private health care systems.
- **Privacy and Security** – Careful attention to privacy and security policies to guide evolving technologies will help to build the high degree of public confidence and trust needed to achieve adoption and use of health IT. In addition to developing a privacy and security framework, continuing work identifies disparate State policies and business practices that impede electronic health information exchange across jurisdictional lines.
- **Architecture and Adoption** – The Nationwide Health Information Network (NHIN) is building on a set of technical and data exchange standards and specifications, and data use and reciprocal support agreements. The NHIN also provides the foundation for population health information exchange, which is important to all aspects of public health. Substantiating the value of electronic and personal health record systems and identifying enablers and barriers to their use and implementation will advance adoption of health IT. Regularly assessing the adoption rate through surveys and studies will monitor progress toward ONC's goals.
- **Operations** – Support for administrative, financial and reporting requirements for ONC including planning, procurement, and performance measurement activities.

American Reinvestment and Recovery Act

The American Reinvestment and Recovery Act (Recovery Act) was signed into law by President Obama on February 17, 2009. It is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. The Act is an extraordinary response to a crisis unlike any other since the Great Depression, and includes measures to modernize our Nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

The Office of the National Coordinator for Health Information Technology has received \$2 billion in total of Recovery Act funding. As part of this total, the National Institute of Standards and Technology (NIST), Regional Extension Centers and Department efforts to address privacy and security will receive funding in FY 2009. Funding for additional programs in FY 2009 will be determined with the arrival of the new National Coordinator for Health Information Technology.

The Recovery Act instructed the Secretary to transfer \$20 million to NIST. These funds will support coordinated efforts between NIST and ONC to advance health care information enterprise integration. Work will focus in areas such as conducting technical standards analysis and establishing a conformance testing infrastructure for electronic health record products. The coordination of this work will increase the adoption rate and use of health IT by making available tested and recognized standards and an infrastructure that will allow vendors to test their products for interoperability prior to going to market.

ONC is developing a program that will support local and regional efforts toward health information exchange. A draft plan to establish Health IT Regional Extension Centers will be published on May 18, 2009. These centers will provide health information technology assistance and services and increase the level of adoption by providing a resource for new users of health IT that will help them with implementing and maintaining their systems.

In addition, a robust program addressing the Privacy and Security concerns related to adoption and use of health IT was initiated in FY 2009. This program will coordinate activities with the HHS Office of Civil Rights, the Centers for Medicare and Medicaid Services and the Substance Abuse and Mental Health Services Administration. These organizations will work together to promulgate regulations and guidance, enhance enforcement of the Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules, carry out mandated audits and train States Attorney Generals in enforcing the modified regulations.

More information on these and other Recovery Act programs can be found at www.hhs.gov/recovery .

FY 2010 Budget Overview

The FY 2010 President's Budget for ONC is \$61,342,000 including \$19,011,000 in Public Health Evaluation Funds to maintain current service levels. It is an increase of \$111,000 above an FY 2009 Omnibus level. This budget supports the implementation of the ONC-Coordinated Federal Health IT Strategic Plan and planned revision, and the HHS Strategic Plan, Goal 1.3: improve health care quality, safety, cost and value.

Program Increases:

Operations (+\$6,122,000).

This increase will provide for infrastructure support and additional term and permanent staff to fulfill the requirements of the Recovery Act.

Architecture and Adoption (+\$1,439,000).

The Recovery Act provides funding for projects such as the Nationwide Health Information Network (NHIN). The FY 2010 request (\$23,250,000) will support development of additional performance measures, work needed to identify the best way to structure consumer-directed access to electronic medical data in a health information exchange, the Health Information Technology Policy Committee and policy-related work that will inform and encourage adoption of health IT.

Program Decreases:

Standards (-\$5,500,000)

The Recovery Act provides funding for projects such as certification and standards harmonization. The FY 2010 requested level of funding (\$8,500,000) will support these efforts, provide support for the Health Information Technology Standards Committee, and establish and implement the required NHIN Governance activities.

Privacy and Security (-\$1,950,000).

The Recovery Act provides funding for projects to address barriers to exchanging health information electronically across states, territories and regions while maintaining and improving important privacy and security protections nationwide. The FY 2010 request (\$10,500,000) will support the new Office of the Chief Privacy Officer, as required by the Recovery Act, as well as priorities that will be established through that position.

Discretionary All-Purpose Table

Office of the National Coordinator for Health Information Technology

(Dollars in Thousands)

	FY 2008 Appropriation	FY 2009 Omnibus	FY 2009 Recovery Act*	FY 2010 President's Budget Request
Budget Authority.....	\$ 41,661	\$ 43,552	\$ 2,000,000	\$ 42,331
PHS Evaluation Funds.....	<u>18,900</u>	<u>17,679</u>	-	<u>19,011</u>
Total, Program Level.....	\$ 60,561	\$ 61,231	\$ 2,000,000	\$ 61,342
FTE.....	30	31	-	65
<i>HCFAC Account</i>	<i>[\$490]</i>	<i>0</i>		<i>0</i>

Funding for the Health Care Fraud and Abuse Control (HCFAC) program in FY 2008 was appropriated separately and is a non-add to ONC.

*Note: FY 2009 Recovery Act funding is X-year funding.

Budget Exhibits

Appropriation Language

For expenses necessary for the Office of the National Coordinator for Health Information Technology, including grants, contracts and cooperative agreements for the development and advancement of interoperable health information technology
[~~\$43,552,000~~]~~\$42,331,000~~: Provided, That in addition to amounts provided herein,
[~~\$17,679,000~~]~~\$19,011,000~~ shall be available from amounts available under section 241 of the Public Health Service Act. (Department of Health and Human Services Appropriations Act, 2009.)

Office of the National Coordinator for Health Information Technology

Amounts Available for Obligation

	FY 2008 Actual	FY 2009 Omnibus	FY 2010 PB
<u>General Fund Discretionary Appropriation:</u>			
Annual Appropriation.....	\$42,402,000	\$43,552,000	\$42,331,000
Rescission (PL 110-161).....	(741,000)		
	<hr/>	<hr/>	<hr/>
Subtotal, Adjusted Appropriation.....	\$41,661,000	\$43,552,000	\$42,331,000
 Total Obligations.....	 \$41,661,000	 \$43,552,000	 \$42,331,000

Office of the National Coordinator for Health Information Technology

Summary of Changes

2009	
Total estimated budget authority.....	\$ 43,552,000
(Obligations).....	-\$ 61,231,000
2010	
Total estimated budget authority.....	\$ 42,331,000
(Obligations).....	-\$ 61,342,000
Net Change total obligations	+\$ 111,000
Net Change budget authority.....	-\$ 1,221,000

	FY 2010 Estimate	FY 2010 Estimate	Change From Base	Change From Base
	FTE	Budget Authority	FTE	Budget Authority
Increases:				
A. Built-in:	65		+ 34	
1. Cost of January 2010 Civilian Pay Raise of 3.2 percent		\$ 7,111,000		+\$ 2,787,000
2. Cost of January 2010 Commission Officer Pay Raise of 3.0 percent		350,000		+ 238,000
Subtotal, Built-in Increases.....		\$ 7,461,000		+\$ 3,025,000
A. Program:				
1. Architecture and Adoption.....		\$ 13,239,000		+\$ 928,000
[Evaluation Funds]		[10,011,000]		[+ 511,000]
2. Operations.....		11,631,000		+ 3,097,000
Subtotal, Program Increases.....		\$24,870,000		+\$ 4,025,000
[Evaluation Funds]		[10,011,000]		[+ 511,000]
Total Increases.....		\$ 32,331,000		+\$ 7,050,000
Decreases:				
A. Program:				
1. Standards.....		\$ 4,500,000		-\$ 4,000,000
[Evaluation Funds]		[4,000,000]		[-1,500,000]
2. Privacy and Security.....		5,500,000		- 4,271,000
[Evaluation Funds]		[5,000,000]		[+ 2,321,000]
Total Decreases.....		\$10,000,000		-\$ 8,271,000
[Evaluation Funds]		[9,000,000]		[+ 821,000]
Net Change.....		\$42,331,000		-\$ 1,221,000
[Evaluation Funds]		[\$19,011,000]		[+\$1,332,000]

Office of the National Coordinator for Health Information Technology

Budget Authority by Activity

(Dollars in thousands)

	FY 2008 Actual	FY 2009 Omnibus	FY 2010 PB
Health Information Technology			
Standards BA.....	\$ 12,279	\$ 8,500	\$ 4,500
[Evaluation Funds].....	[1,500]	[5,500]	[4,000]
Total Standards Program.....	[\$13,779]	[\$14,000]	[\$8,500]
Privacy and Security BA.....	\$ 3,897	\$ 9,771	\$ 5,500
[Evaluation Funds].....	[14,250]	[2,679]	[5,000]
Total Privacy and Security Program....	[\$18,147]	[\$12,450]	[\$10,500]
Architecture and Adoption BA.....	\$ 16,035	\$ 12,311	\$ 13,239
[Evaluation Funds].....	[3,150]	[9,500]	[10,011]
Total Architecture and Adoption Program	[\$19,185]	[\$21,811]	[\$23,250]
Operations BA.....	\$ 9,450	\$ 12,970	\$ 19,092
Total, Budget Authority	\$ 41,661	\$ 43,552	\$ 42,331
Evaluation Funds	\$ 18,900	\$ 17,679	\$ 19,011
Total Program Level	\$ 60,561	\$ 61,231	\$ 61,342
FTE	30	31	65

Office of the National Coordinator for Health Information Technology

Authorizing Legislation

	<u>FY 2009 Amount Authorized</u>	<u>FY 2009 Omnibus</u>	<u>FY 2010 Amount Authorized</u>	<u>FY 2010 President's Budget</u>
<u>Health Information Technology</u>		\$ 43,552,000		\$ 42,331,000
PHS Evaluation Funds (non-add)		[\$ 17,679,000]		[\$ 19,011,000]

Office of the National Coordinator for Health Information Technology

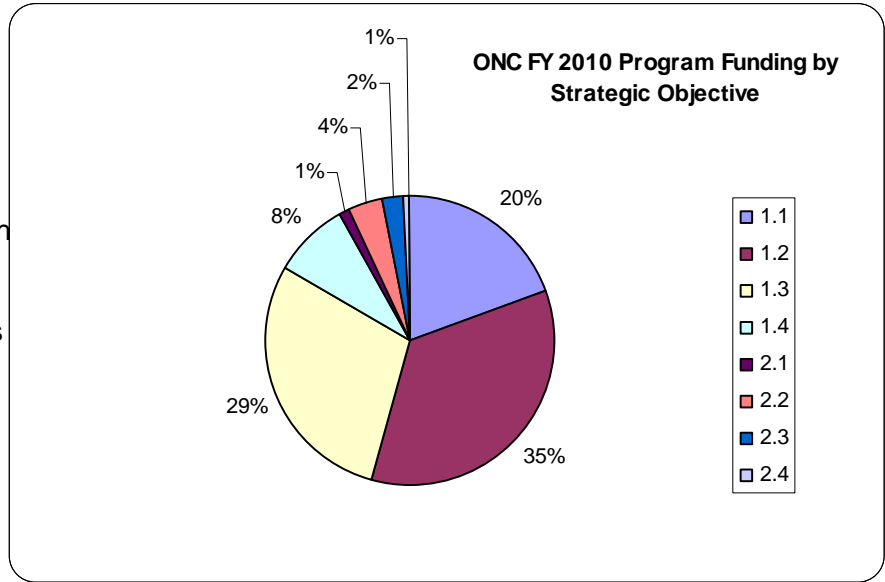
Appropriations History Table

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
FY 2006				
Budget Authority.....	\$ 75,000,000	\$ 58,100,000	\$ 32,800,000	\$ 42,800,000
PHS Evaluation Funds.....	2,750,000	16,900,000	12,350,000	18,900,000
Rescission (PL 109-148).....				(428,000)
Transfer to CMS.....				(29,107)
Total.....	77,750,000	75,000,000	45,150,000	61,242,893
FY 2007				
Budget Authority.....	89,872,000	86,118,000	51,313,000	42,402,000
PHS Evaluation Funds.....	28,000,000	11,930,000	11,930,000	18,900,000
Total.....	117,872,000	98,048,000	63,243,000	61,302,000
FY 2008				
Budget Authority.....	89,872,000	13,302,000	43,000,000	42,402,000
PHS Evaluation Funds.....	28,000,000	48,000,000	28,000,000	18,900,000
Rescission (PL 110-161).....				(741,000)
Total.....	117,872,000	61,302,000	71,000,000	60,561,000
FY 2009				
Budget Authority.....	18,151,000	43,000,000	60,561,000	43,552,000
PHS Evaluation Funds.....	48,000,000	18,900,000	--	17,679,000
Recovery Act (PL 110-161)..				2,000,000,000
Total.....	66,151,000	61,900,000	60,561,000	2,061,231,000
FY 2010				
Budget Authority.....	42,331,000			
PHS Evaluation Funds.....	19,011,000			
Total.....	61,342,000			

Narrative By Activity

The ONC-Coordinated Federal Health Information Technology Strategic Plan: 2008 – 2012 was published in June 2008. ONC, in consultation with other Federal agencies, will update the plan during 2009, to include specific objectives, milestones and metrics outlined in Section 13101 in the Health Information Technology for Economic and Clinical Health (HITECH) Act. Once this is complete, ONC will ensure that program funding is aligned with the new strategic objectives.

The chart on the right and the table on the following page illustrate distribution of the total FY 2010 ONC President's Budget as applied across the ONC-Coordinated Federal Health Information Technology Strategic Plan goals and objectives. The allocations include attribution of operating costs that support ONC's three main programs: Standards, Privacy and Security, and Architecture and Adoption.



ONC Program Funding by Strategic Goal and Objective

FY 2010 PRESIDENT'S BUDGET		Percent of Total ONC Budget	ONC PROGRAM <i>(dollars in thousands)</i>		
GOAL	OBJECTIVE		Standards	Privacy and Security	Architecture and Adoption
HHS Goal 1: Health Care	HHS 1.3 - Improve health care quality, safety, cost, and value.	\$61,342	\$ 12,341	\$15,245	\$ 33,756
Goal 1: Patient-focused Health Care Enable the transformation to higher quality, more efficient, patient-focused health care through electronic health information access and use by care providers and by patients and their designees	1.1 - Privacy and Security: Facilitate electronic, exchange, access and use of electronic health information for patients while protecting the privacy and security of their information	20%	\$ 2,323	\$ 9,319	\$ 357
	1.2 - Interoperability: Enable exchange of health information to support patients' health and care needs	35%	\$ 3,774	\$ 1,219	\$ 16,209
	1.3 - Adoption: Promote nationwide deployment of EHRs and PHRs and other consumer health IT tools	29%	\$ 1,719	\$ 2,673	\$ 13,550
	1.4 - Collaborative Governance: Establish mechanisms for multi-stakeholder priority-setting and decision-making	8%	\$ 3,463	\$ 1,407	\$ 333
Goal 2: Population Health Enable the appropriate, authorized, and timely access and use of electronic health information to benefit public health, biomedical research, quality improvement, and emergency preparedness.	2.1 - Privacy and Security: Advance principles, procedures, and protections for information access in population health	1%	\$ 258	\$ 492	
	2.2 - Interoperability: Enable exchange of health information to support population-oriented uses	4%	\$ 419	\$ 135	\$ 1,801
	2.3 - Adoption: Promote nationwide adoption of technologies to improve population and individual health	2%			\$ 1,506
	2.4 - Collaborative Governance: Establish coordinated organizational processes supporting information use for population health	1%	\$ 385		

Standards

	FY 2008 Appropriation	FY 2009 Omnibus	FY 2010 President's Budget Request	FY 2010 +/- FY 2009
Budget Authority.....	\$ 12,279,000	\$ 8,500,000	\$ 4,500,000	\$ -4,000,000
PHS Evaluation Funds....	1,500,000	5,500,000	4,000,000	\$ -1,500,000
Total Program Level.....	\$ 13,779,000	\$ 14,000,000	\$ 8,500,000	\$ -5,500,000

Note: FY 2010 Budget request does not include Recovery Act funding.

Authorizing Legislation:

None

Allocation Method:

Contract, Cooperative Agreement

Program Description and Accomplishments

The Standards program addresses the need to identify and harmonize specific standards necessary for information exchange in all aspects of health care and supports the goal of increasing adoption of health IT and specifically the Federal Health IT Strategic Plan goals: 1.1, 1.2, 1.3, 1.4, 2.1, 2.2, and 2.4. Established processes gather priorities from all stakeholders and incorporate them into activities that enable different health IT systems to exchange data. These activities include: harmonization of existing data and technical standards; certification of systems technologies and products that have incorporated these standards; and development of consistent health information exchange organizational policies to enable data sharing and sustainability of these organizations. These processes are key to the advancement of interoperability among systems engaged in health information exchange and the advancement of the widespread adoption of interoperable health information technologies.

In addition, the Federal entities engaged in health care delivery or exchange of health information are incorporating established standards within their IT systems. This effort will ensure that needed health information can easily be exchanged between, for example, Department of Defense and the Department of Veterans Affairs; or the Social Security Administration and a private-sector physician's office both resulting in a quicker claim resolution time.

Requested FY 2010 funds for the Standards Program will support the Health IT Standards Committee (newly established FACA Committee in FY 2009), and development of a governance mechanism for the nationwide health information network – both required by the Recovery Act – as well as support for other Recovery Act-related projects.

The Healthcare Information Technology Standards Panel (HITSP) – established as a multi-stakeholder, consensus-based body in 2006 – has representatives from all aspects of health care who collaboratively select and harmonize standards for health IT. As of June 2008, there were more than 410 member organizations involved and more than 19,000 volunteer hours supported these results. During FY 2008, the HITSP process harmonized 152 standards: 32 for Security, Privacy and Infrastructure; 106 for Care Management and Health Records; and 14 for Administrative and Financial.

The Certification Commission for Healthcare Information Technology (CCHIT) has worked to develop specific criteria for health IT systems and established a process to evaluate products

and systems to determine that they meet the criteria for security, interoperability and functionality. This process may be modified to reflect the language of the Recovery Act. Certification gives confidence to providers and consumers that the electronic health information products and systems being used are secure, can maintain data confidentiality as directed by patients and consumers, can work with other systems to share information, and can perform a set of well-defined functions. Through August 2008, CCHIT certified 53 provider-based ambulatory care electronic health records (EHRs) and 14 inpatient EHRs using this established public-private process. During FY 2009, the CCHIT is developing a certification process for health information networks, EHRs in specialty settings, and specific components of longitudinal personal health records. CCHIT closely coordinates its work with HITSP and the NHIN to integrate standards and specifications necessary for secure, reliable, patient-controlled exchange of health information.

Another important ONC-led activity is the development of organizational policies and practices to enable data sharing and sustainability of health information exchange organizations such as State-level public-private initiatives. Established State-level health information exchange organizations demonstrate that they can effectively engage State governments to reach State goals for quality and cost-effective health care while forging new collaborations for data sharing across regions and among organizations that have traditionally used data for competitive purposes. ONC contracted with the American Health Information Management Association (AHIMA/FORE) to study of State-level health information exchanges. This study, completed in 2008, evaluated the potential for advancing consistent policies to enable multi-jurisdictional exchange. The study also found that State-level health information exchanges serve as an important link for implementing State policy objectives using electronic exchange of health information. For example, health IT could ensure equitable health information access for underserved populations. Resulting recommendations included the need for State governments to formally recognize the State-level entities and authorize them to fully accomplish their unique roles. These reported findings highlight the importance of State-level health information exchanges to the national momentum for improved quality, value, and transparency in healthcare.

HHS is transitioning the collaborative functions for standards carried out through the Secretary's American Health Information Community (AHIC) from 2006 - 2008 – to the Health Information Technology (HIT) Standards Committee. This Federal Advisory Committee Act body was chartered in FY 2009 in response to the HITECH Act, which was passed under the Recovery Act and is a public-private enterprise focused on achieving health information interoperability. The HIT Standards Committee will recommend to the National Coordinator standards, implementation specifications, and certification criteria for the electronic exchange and use of health information for purposes of adoption. ONC staff will continue to actively coordinate across the relevant Federal departments and agencies to ensure that the Federal representation on the HIT Standards Committee is fully engaged and informed to speak on behalf of broad Federal interests.

As a major stakeholder in the health care industry, there are many Federal efforts utilizing the results of ONC-sponsored work as the government moves to implementing recognized standards and certified products within Federal health care systems. Executive Order 13410, issued on August 22, 2006, requires all Federal agencies ensure that internal programs and external contracts utilize, where possible, recognized interoperability standards. This requirement applies to the implementation, acquisition, and upgrade of health IT systems. The Federal Health Architecture – an ongoing initiative that involves all Federal entities with a health care practice – provides Federal expertise and experience as a coordinated voice, reviewing

standards recommendations produced through the HITSP process, and then works with and across agencies toward implementation of these standards. These activities include coordination of Federal participation in health care-related Standard Development Organization activities, communication, and collaboration on National Health IT Standards. The Federal Government also requires all Federal health care delivery systems that support direct patient care to implement recognized standards in new and upgraded health-related technology systems for exchanging information with external systems.

ONC provides subject matter expertise at both the Department and Government-wide levels to help facilitate overall success by monitoring progress towards achieving established goals. This information is derived in part from a quarterly health information survey. Agencies report on the implementation of recognized standards for new and upgraded health IT systems engaged in external health information exchange and aligned with a recognized interoperability specification.

To assess the effectiveness of this effort, ONC developed ambitious targets with which to measure Federal progress toward the goal of increasing the implementation of recognized standards in Federal systems. ONC will gauge progress by utilizing the results of the Health IT survey that reports the number of standards being implemented in Federal systems. ONC will also track the increased implementation of recognized standards in commercial systems as certified by CCHIT.

Funding History

FY 2005		NA
FY 2006	\$	9,480,000
FY 2007	\$	10,963,000
FY 2008	\$	13,779,000
FY 2009	\$	14,000,000

Budget Request

The FY 2010 budget for Standards is \$8,500,000. It is a decrease of \$5,500,000 under the FY 2009 Omnibus level; however, this base funding will be augmented by funding from the Recovery Act. The development and implementation of standards in health IT are critical to enabling an interoperable, secure capability for health information exchange. This includes:

- Funding for staff support to the ongoing standards harmonization and certification work that will continue under Recovery Act funding.
- This amount also funds the HIT Standards Committee, a public-private FACA that will provide advise to the National Coordinator with a focus on achieving health information interoperability. Because implementation of health IT is an incredibly complex undertaking, the FACA will solicit and consider input from both the public and private sectors.

- Finally, funding that supports ongoing governance activities will continue. As a requirement in the Recovery Act, the nationwide health information network governance mechanism will continue to be developed and implemented. Additionally, resources will support ongoing State-level health information exchange organizational access, use and control policies, identified as increasingly important to address sustainability of health information exchange.

The FY 2010 Standards budget will fund critical efforts building on the extensive progress already made in the areas of standards harmonization and certification of EHR products, will continue to provide an essential advisory function through the public/private partnership of the HIT Standards Committee, and provide the Federal implementation and coordination needed to further interoperability of health information systems.

ONC underwent a performance review in 2006. At that time, results could not be demonstrated as the office had been established only eight months earlier in August 2005. As a result of the performance review, ONC:

- developed milestones and targets for the annual measures to gauge progress toward the ultimate goal of increased adoption of electronic health records, including an efficiency measure that was added in FY 2008, a measure to monitor progress related to implementation of recognized standards, and one that will measure the increase in electronic exchange of health information through the NHIN;
- led development of the ONC-Coordinated Federal Health IT Strategic Plan: 2008 – 2012, and is working to operationalize and coordinate work to implement the plan;
- is developing additional performance measures that will have outcome-oriented results and show clear links to the program's resources and overall mission;
- developed an operational plan that will incorporate steps needed to achieve the goals outlined in the Strategic Plan; and
- incorporated the Strategic Plan into the ONC performance budget.

Outcomes Table

Long-Term Objective 1: Increase adoption of Electronic Health Records (EHRs)

Measure	Most Recent Result	FY 2009 Target	FY 2010 Target	FY 2010 +/- FY 2009
1.3.5: Increase the implementation of recognized standards in federal and commercial systems.	N/A	Baseline	10% over 2009	+10%
Program Level Funding (\$ in millions)	N/A	\$ 61	\$ 61	\$ -
Recovery Act Level Funding (\$ in millions)	N/A	\$ 2,000	N/A	N/A

Privacy and Security

	FY 2008 Appropriation	FY 2009 Omnibus	FY 2010 President's Budget Request	FY 2010 +/- FY 2009
Budget Authority.....	\$ 3,897,000	\$ 9,771,000	\$ 5,500,000	\$ -4,271,000
PHS Evaluation Funds....	14,250,000	2,679,000	5,000,000	\$ 2,321,000
Total Program Level.....	\$ 18,147,000	\$ 12,450,000	\$ 10,500,000	\$ -1,950,000

Note: FY 2010 Budget request does not include Recovery Act funding.

Authorizing Legislation:

None

Allocation Method:

Contract

Program Description and Accomplishments

The Privacy and Security Program provides leadership to Federal, State and local governments and the private sector to ensure that health information is exchanged in a manner that is appropriately confidential, private and secure. These activities support the goal of increasing adoption of health IT and specifically the Federal Health IT Strategic Plan goals: 1.1, 1.2, 1.3, 1.4, 2.1, and 2.2.

Accelerating health IT adoption requires addressing the privacy and security concerns related to electronic health information exchange. Under ONC leadership, significant progress continues through a collaborative process with other Federal agencies supported by the Privacy and Security Program specifically in the areas of HIPAA and regulation development funded under the Recovery Act. Additionally, both the Health Information Security and Privacy Collaboration (HISPC) and the State Alliance for e-Health (State Alliance), which provide the Federal Government the ability to communicate and coordinate with multiple State governments and organizations. These collaborative initiatives address issues that cannot be resolved at the Federal level alone and have direct benefit to U.S. citizens.

During 2009, multi-state collaboration among the 41 HISPC participants resulted in common, replicable solutions to state level privacy and security challenges related to electronic health information exchange. HISPC participants developed educational materials for consumers and providers as well as tools, templates, common policies, and agreements to help advance how their colleagues in other states approach privacy and security. Each HISPC participant adapted, disseminated, and tested the consumer and provider education materials developed during 2008 and improved and updated their prior body of work. An action and implementation manual (AIM) was published to provide states and other stakeholders with a comprehensive but easy to use guide to all of the replicable tools developed by HISPC participants. HISPC participants are endorsed by their State or territorial governor and maintain a steering committee and contact with a range of local stakeholders to ensure that developed solutions accurately reflect local preferences.

The State Alliance for e-Health (State Alliance), initiated in FY 2006, is managed by the National Governors Association Center for Best Practices. The State Alliance is a consensus-based, executive-level body of State elected and appointed officials, formed to address the unique role that States can play in facilitating electronic health information exchange. The State Alliance

explored solutions to programmatic and legal issues and released its first report to the States in fall 2008. This report included recommendations and strategies about:

1. providing leadership and support to e-health efforts,
2. addressing health information privacy and security,
3. promoting the use and adoption of standards-based, interoperable technology,
4. streamlining the licensure process to enable cross-state e-health,
5. engaging consumers to use health IT and health information exchange in managing their health and health care, and
6. developing workforce and agency capacity to support electronic health information exchange efforts.

The report is intended to spur continued innovation in States to make the vision of an interconnected, efficient, quality-based health care system a reality for all Americans. It calls on States to act in a collaborative fashion, to make the needed reform happen. The report will be provided to every Governor's office for information and implementation of relevant solutions.

In addition, since 2006, ONC has led the Interagency Health Information Technology Policy Council, which involves representation from across the Federal Government. Through this group, more than 20 Federal departments and agencies regularly interact and exchange information about Federal health IT activities and examine collaborative approaches to implementing health IT policy priorities. Interest in participating in this group continues to grow with the newest members representing the Office of Minority Health, the Department of State and the Bureau of Prisons.

As an identified priority for the office, ONC continues to provide leadership in areas related to privacy and security in electronic health information exchange. Through the activities described above, much progress has been made. In addition ONC awarded a contract in 2008 through available Health Care Fraud and Abuse Control (HCFAC) funding, to develop a knowledge base and a roadmap for health IT and health information exchange actions to help prevent, detect, and remedy medical identity theft in the U.S. In FY 2010, plans are to continue to develop more detailed best practices, tools, training, and outreach mechanisms that could be built into existing health IT initiatives.

Funding History

FY 2005	NA
FY 2006	\$13,921,000
FY 2007	\$10,568,000
FY 2008	\$18,147,000
FY 2009	\$12,450,000

Budget Overview and Supported Activities

The FY 2010 budget for Privacy and Security is \$10,500,000; a decrease of \$1,950,000 under the FY 2009 Omnibus level, however, this base funding will be augmented by funding from the Recovery Act. This level of support includes support for the Recovery Act-required Chief Privacy Officer who will advise the National Coordinator on privacy, security, and data

stewardship of electronic health information and coordinate with other Federal agencies (and similar privacy officers in such agencies), with State and regional efforts, and with foreign countries with regard to the privacy, security, and data stewardship of electronic individually identifiable health information. These funds are also critical to continue the contracted support of the implementation of regional, State and multi-State solutions to identified barriers to exchange of electronic health information and, where appropriate, align State and health information exchange efforts with the work of the NHIN.

Architecture and Adoption

	FY 2008 Appropriation	FY 2009 Omnibus	FY 2010 President's Budget Request	FY 2010 +/- FY 2009
Budget Authority.....	\$ 16,035,000	\$ 12,311,000	\$ 13,239,000	\$ 928,000
PHS Evaluation Funds...	3,150,000	9,500,000	10,011,000	511,000
Total Program Level.....	\$ 19,185,000	\$ 21,811,000	\$ 23,250,000	\$ 1,439,000

Note: FY 2010 Budget request does not include Recovery Act funding.

Authorizing Legislation:

None

Allocation Method:

Contract, Cooperative Agreement

Program Description and Accomplishments

Architecture and Adoption provide coordination and leadership for activities that are moving toward a nationwide solution that supports the creation, use, and exchange of reliable and secure electronic health information. The program aims to better coordinate care among providers; engage individuals in their own health maintenance and management; and meet the needs of research, public health, biomedical research, quality improvement, and emergency preparedness including other related community and population health efforts. These activities support the goal of increasing adoption of health IT and specifically the Federal Health IT Strategic Plan goals: 1.1, 1.2, 1.3, 1.4, 2.2, and 2.3. ONC is focusing on a number of non-technical barriers to and enablers of adoption while developing and demonstrating an information technology architecture that will allow interoperable exchange of electronic health information.

Architecture

One of the goals of ONC is that health care providers can interconnect using health IT to better coordinate care through secure and reliable exchange of health information. Building on the work of the Standards Program and Privacy and Security Program, ONC has led activities to establish a minimum set of information exchange standards that can be adopted by any entity engaged in exchanging electronic health information. This minimal set of standards and services is the architectural basis of the Nationwide Health Information Network (NHIN). Entities that use this architecture of standards and services will be able to exchange health information with other entities that also use them.

In September 2008, multiple entities successfully demonstrated the NHIN architecture of standards and services for health information exchange. This demonstration validated that existing technologies can be leveraged to allow interoperability among organizations that had previously created distinct and separate ways of exchanging data within each organization or had not previously had capacity to exchange information with others.

The NHIN has evolved through the following steps:

- In FY 2006, four contracts were awarded to develop prototype IT 'blueprints' or architectures with functional requirements, as well as security and business models for

health information exchange. Each of the contracts required the ability to exchange data among three types of health care markets. Through public discussion, basic requirements were developed that defined the functions needed in the NHIN including the necessity to ensure security and protect confidentiality of data, and consideration of the implications on policy and practicality of implementation.

- In FY 2007 and FY 2008, the NHIN Cooperative was formed through a combination of contracts and cooperative agreements with 15 health information exchange organizations to use, as a starting point, the prototype architecture developed in 2006. The Cooperative's purpose is to develop and implement the data and technical standards and specifications necessary to advance the NHIN. It also includes a Federal presence involving the Indian Health Service, Social Security Administration, Centers for Disease Control and Prevention, National Cancer Institute, Department of Defense, and Department of Veterans Affairs. The Cooperative includes public and private health information exchange organizations across the country that already have the capability to move health-related data among entities within a State, a region or a non-geographic participant group and, through implementation of data and technical specifications, will now be able to exchange data among the entities that make up the Cooperative.
- In September and December 2008, the Cooperative successfully demonstrated, in public meetings, interoperable and secure health information exchange based on common specifications: 1) delivery of data across the involved health information exchanges that include a summary patient record; 2) the ability to look up and retrieve data across the exchanges from EHRs and personal health records; 3) the ability for consumers to decide whether they want to participate in electronic exchange of their data and to whom they want to give access; and 4) supporting the delivery of data for population health uses, such as emergency response.
- Also during 2008, specific scenarios were added to the existing successful demonstrations, included one coordinated with and supported by contracts issued by the Centers for Disease Control and Prevention (CDC). These sites demonstrated information exchange in specific areas, such as reporting laboratory test result data to the clinician who ordered the test through secure data delivery, while limiting access to only the appropriate health care provider, and notifying the recipient of the information's availability. Other priority areas to demonstrate information exchange include: medication management, emergency responder EHRs, biosurveillance (with CDC funding), consumer registration and medication history, consumer access to clinical information, and quality information data exchange.

Adoption

ONC is also focusing on the non-technical issues related to adoption of interoperable EHRs. A number of activities have been undertaken to increase adoption. An annual survey to measure EHR adoption in inpatient care or hospital setting are in place and results will be reported in 2011. A demonstration pilot was developed and launched to measure and demonstrate the value of utilizing secure messaging between a clinician and patient. These pilots were implemented, and results will assess the effect of different forms of reimbursement for clinician's time and expertise on patient care and outcomes.

As instructed in the Recovery Act, ONC has established the Health IT Policy Committee, a FACA Committee, to make policy recommendations to the National Coordinator relating to the implementation of a nationwide health information technology infrastructure, including implementation of the Federal Health IT Strategic Plan.

ONC also engages the private sector to encourage innovative practices related to health IT adoption. Examples include: working with malpractice insurers to offer credits toward malpractice premiums for use of certified EHRs; collaborating with local medical societies and others in their efforts to purchase and implement certified EHRs; engaging local commercial health insurers when developing secure messaging pilots; and working with the community of the disabled in developing a personal health record focused on the unique needs of this population.

Through three performance measures (1.3.1, 1.3.2 and 1.3.4 in the Outcomes Table), ONC monitors its progress on adoption of interoperable EHRs. Specific measures were established through a FY 2006 performance review process with baselines and goals set in 2007.

The preliminary results of the 2008 outpatient adoption survey indicate that 21 percent of physicians have adopted minimally functional EHRs. While this is lower than the anticipated rate of 24 percent in 2008, it does represent an increase over the prior year result of 14 percent. Data for this measure is derived from a survey conducted annually by CDC of a randomized sample of ambulatory care providers. CDC has conducted the National Ambulatory Medical Care (NAMC) Survey for over 20 years; however, prior to 2008, the sample size was too small to meet ONC's needs to interpret these findings to the Nation. In 2007, ONC conducted its own survey while working with CDC to expand its sample size for the NAMC Survey such that in 2008 and moving forward, the results from this survey could be used to calculate physician adoption of EHRs.

In 2009, ONC contracted with the American Hospital Association to conduct a survey for measuring health IT adoption in the hospital setting. Results of this survey expect to be published in 2009. The collection of this data will enable ONC to begin reporting a national rate of hospital adoption of EHRs.

An efficiency measure (1.3.7 in the Outcomes Table) provides information about the cost of adopting certified EHRs. This efficiency measure was established with targets in FY 2008. This measure indicates the per physician cost by dividing the costs of certification by the number of physicians who are adopting certified EHRs as reported through the annual adoption survey. The information could inform the adoption rate results as the cost of adoption has been identified as one of the barriers that need to be addressed.

The demonstration projects to validate and measure the value of secure messaging in two geographically distributed areas will yield at least one year's worth of data in 2009, resulting in methodologically sound information with respect to outcome assessment and value demonstration. Data generated will be analyzed with a report published in 2009. This report will inform areas in policy and aspects of the NHIN that would require modification to increase the potential for physician adoption of EHRs.

Federal entities are collaborating with ONC to further the goal of advancing and adopting interoperable EHRs and health information exchange. Some examples include:

- ONC is collaborating with CMS to define ‘meaningful use’ of an EHR. This work, funded by the Recovery Act, will inform the incentives program for health IT adoption that will be conducted by CMS.
- Leading the work of the Federal Health Architecture Program, ONC has management responsibility for this initiative that involves representation from across the Federal Government of all organizations that engage in health care activities. Through this group, a collaborative Federal voice informs the development of the NHIN from the government’s perspective and provides a venue for implementing and deploying a Federal version of the architecture that will allow data exchange with all entities across the Nation.
- To further the adoption of health IT, the CMS budget includes funding for a demonstration project providing financial incentives for physician practices to adopt certified EHR systems to improve the quality and efficiency of services.
- The Internal Revenue Service, after working closely with ONC, provided guidance to non-profit hospitals and other institutions that their non-profit status would not be threatened when exercising Stark Amendment and Anti-Kickback relief.
- ONC is coordinating closely with the Agency for Healthcare Research and Quality (AHRQ) to leverage contracts that support the establishment of health information exchange organizations and to document the benefits of EHRs on health care quality and efficiency.

Funding History

FY 2005	NA
FY 2006	\$29,500,000
FY 2007	\$29,465,000
FY 2008	\$19,185,000
FY 2009	\$21,811,000

Budget Overview and Supported Activities

The FY 2010 budget for Architecture and Adoption is \$23,250,000; an increase of \$1,439,000 under the FY 2009 Omnibus level; in addition, this base funding will be augmented by funding from the Recovery Act. This amount includes:

- Funding to provide staff support to ongoing activities related to the NHIN.
- Through a Memorandum of Understanding, the Centers for Disease Control and Prevention (CDC) will continue surveying physicians to measure the adoption rate of EHRs in physician offices. Continuation of contracted analyses of hospital adoption rates through established surveys.
- Funding to support the activities of the Health IT Policy Committee as a FACA.
- Funding in support of policy development, other than for privacy and security.

Outcomes Table

Long-Term Objective 1: Increase adoption of Electronic Health Records (EHRs)

Measure	Most Recent Result	FY 2009 Target	FY 2010 Target	FY 2010 +/- FY 2009
1.3.2: Increase physician adoption of EHRs	FY 2008: 21% (Target Unmet, but Improved)	30%	30%	0%
1.3.3: Increase the percentage of small practices with EHRs	FY 2008: 13% (Target Exceeded)	11%	12%	+1%
1.3.4: Percent of physician offices adopting ambulatory EHRs in the past 12 months that meet certification criteria	FY 2007: 27% Baseline	30%	35%	+5%
1.3.6A: Increase over the prior year in the number of Nationwide Health Information Exchanges (NHIEs) using Nationwide Health Information Network (NHIN) components to exchange health information.	N/A	Baseline	50% increase over 2009	+50%
1.3.6B: The increase in the number of records exchanged among Nationwide Health Information Exchanges (NHIEs) using the Nationwide Health Information Network Components (NHIN) to exchange information.	N/A	Baseline	10% increase over baseline	+10%
1.3.7: Cost per physician for adopting certified EHRs	FY 2008: \$285 (Target Unmet, but Improved)	\$270	\$230	-\$40
Program Level Funding (\$ in millions)	N/A	\$ 61	\$ 61	\$ -
Recovery Act Level Funding (\$ in millions)	N/A	\$ 2,000	N/A	N/A

These measures will likely be modified with new baselines established for adoption once the key terms in the Recovery Act are defined.

Operations

	FY 2008 Appropriation	FY 2009 Omnibus	FY 2010 President's Budget Request	FY 2010 + / - FY 2009
Budget Authority.....	\$ 9,450,000	\$ 12,970,000	\$ 19,092,000	\$ 6,122,000
PHS Evaluation Funds.....	0	0	0	0
Total Program Level.....	\$ 9,450,000	\$ 12,970,000	\$ 19,092,000	\$ 6,122,000
FTE.....	30	31	65	34

Note: FY 2010 Budget request does not include Recovery Act funding.

Authorizing Legislation:

None

Allocation Method:

Contract

Program Description and Accomplishments

ONC operates as a Staff Division within the Office of the Secretary and provides continuing leadership for the development and nationwide implementation of interoperable health IT to improve the quality and efficiency of health care. This includes increased responsibilities as a result of the Recovery Act for program evaluation and reporting. In addition, it will provide the funding necessary to cover the costs of facilities, including rental increases, communications, acquisition of assets, and a small number of Memoranda of Understanding, Inter-Agency Agreements and contracts supporting ONC administrative, financial, logistical and planning activities.

Funding History

FY 2005	NA
FY 2006	\$8,799,000
FY 2007	\$10,306,000
FY 2008	\$9,450,000
FY 2009	\$12,970,000

Budget Overview and Supported Activities

The FY 2010 budget for Operations is \$19,092,000 to fund increased service levels. It is an increase of \$6,122,000 above the FY 2009 Omnibus level. The increase in funding for Operations reflects increased rent and infrastructure costs associated with ONC's responsibilities and staffing needs to efficiently and effectively support the Recovery Act requirements and manage the Recovery Act's \$2 billion investment in health IT. The Recovery Act allows for up to \$5 million for administrative support for Recovery Act activities. The FY 2010 Budget level of funding will allow ONC to support and manage its programs toward achievement of the national health IT agenda, while maintaining basic office operations at a minimal level, and will allow ONC to prudently oversee and coordinate ongoing programs and Recovery Act activities.

Public Health Service Act Evaluation Funds

ONC's program level budget includes \$19,011,000 of Public Health Service (PHS) Act Evaluation Funds. It is an increase of \$1,332,000 above the FY 2009 Omnibus level. These funds will support the demonstration and evaluation activities described in the budget narrative discussions. These programs include Standards, Privacy and Security, and Architecture and Adoption.

Supplementary Tables

Office of the National Coordinator for Health Information Technology

Budget Authority by Object

	2009 Estimate	2010 Estimate	Increase or Decrease
<u>Personnel compensation:</u>			
Full-time permanent (11.1).....	4,324,000	7,111,000	2,787,000
Other than full-time permanent (11.3).....	-	-	-
Other personnel compensation (11.5).....	-	-	-
Military personnel (11.7).....	112,000	350,000	238,000
Special personnel services payments (11.8).....	-	-	-
Subtotal personnel compensation.....	4,436,000	7,461,000	3,025,000
Civilian benefits (12.1).....	1,031,000	1,707,000	676,000
Military benefits (12.2).....	31,000	120,000	89,000
Benefits to former personnel (13.0).....	-	-	-
Total Pay Costs.....	5,498,000	9,288,000	3,790,000
Travel and transportation of persons (21.0).....	150,000	450,000	300,000
Transportation of things (22.0).....	-	-	-
Rental payments to GSA (23.1).....	2,400,000	4,800,000	2,400,000
Communication, utilities, and misc. charges (23.3)...	-	-	-
Printing and reproduction (24.0).....	80,000	200,000	120,000
<u>Other Contractual Services:</u>			
Advisory and assistance services (25.1).....	4,375,000	7,824,000	3,449,000
Other services (25.2).....	38,214,000	31,271,000	(6,943,000)
Purchase of goods and services from government accounts (25.3).....	10,409,000	7,394,000	(3,015,000)
Operation and maintenance of facilities (25.4).....	50,000	50,000	-
Research and Development Contracts (25.5).....	-	-	-
Medical care (25.6).....	-	-	-
Operation and maintenance of equipment (25.7)...	-	-	-
Subsistence and support of persons (25.8).....	-	-	-
Subtotal Other Contractual Services.....	53,048,000	46,539,000	(6,509,000)
Supplies and materials (26.0).....	15,000	15,000	-
Equipment (31.0).....	40,000	50,000	10,000
Land and Structures (32.0).....	-	-	-
Investments and Loans (33.0).....	-	-	-
Grants, subsidies, and contributions (41.0).....	-	-	-
Interest and dividends (43.0).....	-	-	-
Refunds (44.0).....	-	-	-
Total Non-Pay Costs.....	55,733,000	52,054,000	(3,679,000)
Total Budget Authority by Object Class.....	61,231,000	61,342,000	111,000

Office of the National Coordinator for Health Information Technology

Salaries and Expenses

	2009 Estimate	2010 Estimate	Increase or Decrease
Personnel compensation:			
Full-time permanent (11.1).....	4,324,000	7,111,000	2,787,000
Other than full-time permanent (11.3).....	-	-	-
Other personnel compensation (11.5).....	-	-	-
Military personnel (11.7).....	112,000	350,000	238,000
Special personnel services payments (11.8).....			
Subtotal personnel compensation.....	4,436,000	7,461,000	3,025,000
Civilian benefits (12.1).....	1,031,000	1,707,000	676,000
Military benefits (12.2).....	31,000	120,000	89,000
Benefits to former personnel (13.0).....			
Total Pay Costs.....	5,498,000	9,288,000	3,790,000
Travel and transportation of persons (21.0).....	150,000	450,000	300,000
Transportation of things (22.0).....	-	-	-
Rental payments to Others GSA (23.2).....	2,400,000	4,800,000	2,400,000
Communication, utilities, and misc. charges (23.3)....	-	-	-
Printing and reproduction (24.0).....	80,000	200,000	120,000
Other Contractual Services:			
Advisory and assistance services (25.1).....	4,375,000	7,824,000	3,449,000
Other services (25.2).....	38,214,000	31,271,000	(6,943,000)
Purchase of goods and services from government accounts (25.3).....	10,409,000	7,394,000	(3,015,000)
Operation and maintenance of facilities (25.4).....	50,000	50,000	-
Research and Development Contracts (25.5).....	-	-	-
Medical care (25.6).....	-	-	-
Operation and maintenance of equipment (25.7).....	-	-	-
Subsistence and support of persons (25.8).....	-	-	-
Subtotal Other Contractual Services.....	53,048,000	46,539,000	(6,509,000)
Supplies and materials (26.0).....	15,000	15,000	-
Total Non-Pay Costs.....	55,693,000	52,004,000	(3,689,000)
Total Salary and Expense.....	61,191,000	61,292,000	101,000
Direct FTE.....	31	65	34

Office of the National Coordinator for Health Information Technology

Detail of Full Time Equivalents (FTE)

	2008 Actual Civilian	2008 Actual Military	2008 Actual Total	2009 Est. Civilian	2009 Est. Military	2009 Est. Total	2010 Est. Civilian	2010 Est. Military	2010 Est. Total
Health Information Technology.									
ONC FTE Total.....	29	1	30	30	1	31	63	2	65

Increase of 35 FTE in 2010 due to addition of permanent and term staff to support Recovery Act activities.

Average GS Grade

FY 2005.....	N/A
FY 2006.....	12.9
FY 2007.....	12.8
FY 2008.....	13.2
FY 2009.....	13.8

Office of the National Coordinator for Health Information Technology

Detail of Positions

	2008 Actual	2009 Estimate	2010 Estimate
SES.....	\$ 876,340	\$ 1,090,000	\$ 1,432,000
Total - SES Salary	876,340	1,090,000	1,432,000
GS-15.....	1,319,771	1,683,000	2,006,200
GS-14.....	420,312	1,051,000	1,332,000
GS-13.....	528,764	386,000	1,470,780
GS-12.....	68,315	81,000	800,020
GS-11.....			
GS-10.....			
GS-9.....	204,516	145,000	420,000
GS-8.....			
GS-7.....			
GS-6.....			
GS-5.....			
GS-4.....			
GS-3.....			
GS-2.....			
GS-1.....			
Total - GS Salary	2,541,678	3,346,000	6,029,000
Average ES level			
Average SES salary.....	\$ 175,268	\$ 207,703	\$ 179,000
Average GS grade.....	13.2	13.8	11.5
Average GS salary.....	\$ 84,723	\$ 115,379	\$ 105,772
Average CO salary	\$ 108,132	\$ 112,000	\$ 175,000

Programs Proposed for Elimination

No ONC programs are proposed for elimination.

Significant Items in Appropriations Committee Reports

FY 2009 CONGRESSIONAL JUSTIFICATION HOUSE REPORT (H. Rpt 110-XXX, 221) (June 26, 2008)

Item (page 221)

Last year, the Committee also requested that ONC develop a privacy and security framework in order to establish trust among consumers and users of electronic personal health information. The Committee understands that such a framework will be produced sometime in calendar year 2008. The Committee continues to emphasize the importance of this framework, particularly given recent disturbing breaches of patient privacy in NIH and Department of Veterans Affairs clinical trial records.

Action taken or to be taken

ONC understands the importance of ensuring privacy and security of electronic health information in health IT and continues to maintain these efforts as a priority. The privacy and security framework was drafted and published in 2008. This framework will be reviewed and the existing principles and tool kits modified as appropriate. With Recovery Act funding, ONC will focus its activities in 2009 on further developing guidance for implementing the revised principles, enhancing the tools kit and developing privacy and security policy consistent with the framework. All of these activities will involve obtaining both public and private stakeholder input.

Recovery Act and H.R. 1105 (March 2009)

Item (page 117)

HIT Policy Coordination — The National Coordinator shall coordinate health information technology policy and programs of the Department with those of other relevant executive branch agencies with a goal of avoiding duplication of efforts and of helping to ensure that each agency undertakes health information technology activities primarily within the areas of its greatest expertise and technical capability and in a manner towards a coordinated national goal.

Action taken or to be taken

ONC has a number of ongoing programs that coordinate health IT activities across the government. In the area of Federal health IT policy, the Health Information Technology Policy Council includes representatives from across the government who share and discuss ongoing developments and how to better coordinate health IT policy. This group meets regularly and involves 24 agency representatives. In addition, the Federal Health Architecture program brings together technical federal staff who are involved with implementing interoperable health IT across the government. This group has representatives from more than 20 federal entities and meets regularly to discuss standards, implementation guidelines, concerns and developments in health IT. FHA's priorities are driven by Federal agency value propositions related to identifying business needs for secure, interoperable health information exchanges, architecting solutions, planning health IT investments, developing and implementing solutions, and measuring progress.

Item (pages 117-118)

Strategic Plan — The National Coordinator shall, in consultation with other appropriate Federal agencies (including the National Institute of Standards and Technology), update the Federal

Health IT Strategic Plan (developed as of June 3, 2008) to include specific objectives, milestones, and metrics. The strategic plan shall be updated through collaboration of public and private entities. The strategic plan update shall include measurable outcome goals. The National Coordinator shall republish the strategic plan, including all updates. The National Coordinator shall maintain and frequently update an Internet website on which there is posted information on the work, schedules, reports, recommendations, and other information to ensure transparency in promotion of a nationwide health information technology infrastructure.

Action taken or to be taken

With Recovery Act funding, the National Coordinator will revise the current Federal Health IT Strategic Plan in 2009 through a collaborative and inclusive process with the intention of updating the goals, objectives, and milestones. Performance measures will be established to help guide the health IT program with ambitious targets that will monitor progress. This information will be widely broadcast utilizing a variety of communications vehicles such as an internet Web site, e-mail; and print with the goal of transparency and public education.

Item (page 118)

"The National Coordinator, in consultation with the Director of the National Institute of Standards and Technology, shall keep or recognize a program or programs for the voluntary certification of health information technology as being in compliance with applicable certification criteria adopted under this subtitle. Such program shall include, as appropriate, testing of the technology in accordance with section 13201(b) of the Health Information Technology for Economic and Clinical Health Act."

Action taken or to be taken

ONC is meeting with NIST staff to outline and coordinate the work efforts that will facilitate certification of health IT products. A memorandum of understanding will be completed by June 2009 between ONC and NIST and will detail the work to be done and the milestones to reach those goals.

Item (page 118)

Implementation Report - The National Coordinator shall prepare a report that identifies lessons learned from major public and private health care systems in their implementation of health information technology, including information on whether the technologies and practices developed by such systems may be applicable to and usable in whole or in part by other health care providers.

Action taken or to be taken

With Recovery Act funding, ONC plans to conduct a study that will inform a report identifying the lessons learned in major health care systems as they implement health IT. This report will be published in 2010.

Item (page 119)

Evaluation of Benefits and Costs of the Electronic Use and Exchange of Health Information - The National Coordinator shall evaluate and publish evidence on the benefits and costs of the electronic use and exchange of health information and assess to whom these benefits and costs accrue.

Action taken or to be taken

With Recovery Act funding, ONC plans to conduct a study that will evaluate and publish evidence on the benefits and costs of electronic use and exchange of health information including an assessment of to whom these benefits and costs accrue. Current plans are to publish this report in 2010.

Item (page 119)

Electronic Health Record - The National Coordinator shall estimate and publish resources required annually to reach the goal of utilization of an electronic health record for each person in the United States by 2014, including: (i) the required level of Federal funding; (ii) expectations for regional, State, and private investment; (iii) the expected contributions by volunteers to activities for the utilization of such records; and (iv) the resources needed to establish a health information technology workforce sufficient to support this effort (including education programs in medical informatics and health information management).

Action taken or to be taken

The National Coordinator plans to perform comprehensive assessments of the impact, value, and challenges associated with health IT adoption across a variety of communities by looking at the impact on public health, providers, and patient care. ONC will coordinate this work with other involved federal agencies to ensure that all aspects of health care delivery and health IT adoption are considered. Plans are to fund this work with Recovery Act funding and provide the first assessment in FY 2010.

Item (page 119)

The National Coordinator may provide financial assistance to consumer advocacy groups and not-for-profit entities that work in the public interest for purposes of defraying the cost to such groups and entities to participate under, whether in whole or in part, the National Technology Transfer Act of 1995 (15 U.S.C. 272 note).⁴

Action taken or to be taken

The National Coordinator appreciates the ability to provide financial assistance to consumer advocacy groups and not-for-profit entities that work in the public interest and will utilize this resource under the Recovery Act to ensure that these organizations can participate in activities related to adoption of recognized health IT standards.

Item (page 119)

Governance for Nationwide Health Information Network .— The National Coordinator shall establish a governance mechanism for the nationwide health information network.

Action taken or to be taken

ONC funding will support the development and implementation of a governance mechanism for the nationwide health information network. This work will begin in FY 2009. A well-defined and broadly-shared vision will be developed, as well as effective governance and operating mechanisms to set direction, coordinate activities, manage risks, and ensure widespread participation and continuous improvement.

Item (page 122)

The National Coordinator shall take a leading position in the establishment and operations of the HIT Policy Committee.

Action taken or to be taken

Plans are well under way in FY 2009 to establish the Health IT Policy Committee as a FACA under ONC. The National Coordinator is leading the development of the charter and coordinating the membership activities of the committee. The first meeting is planned for May 2009.

Item (page 123)

HIT Policy Committee - The National Coordinator shall ensure that the relevant and available recommendations and comments from the National Committee on Vital and Health Statistics are considered in the development of policies and standards.

Action taken or to be taken

The National Coordinator appreciates the input and recommendations that the National Committee on Vital and Health Statistics (NCVHS) provides, further informing health IT-related activities. NCVHS will be consulted as policies and standards are developed and ONC will participate in NCVHS hearings and activities.

Item (page 132/133)

Funding to Strengthen the HIT Infrastructure - The Secretary shall, using amounts appropriated under section 3018, invest in the infrastructure necessary to allow for and promote the electronic exchange and use of health information for each individual in the United States consistent with the goals outlined in the strategic plan developed by the National Coordinator (and as available) under section 3001. The Secretary shall invest funds through the different agencies with expertise in such goals, such as ONCHIT, HRSA, AHRQ, CMS, CDC, and IHS as follows: (1) Health information technology architecture that will support the nationwide electronic exchange and use of health information in a secure, private, and accurate manner, including connecting health information exchanges, and which may include updating and implementing the infrastructure necessary within different agencies of the DHHS to support the electronic use and exchange of health information. (2) Development and adoption of appropriate certified electronic health records for categories of health care providers not eligible for support under title XVIII or XIX of the Social Security Act for the adoption of such records. (3) Training on and dissemination of information on best practices to integrate health information technology, including electronic health records, into a provider's delivery of care, consistent with best practices learned from the HIT Research Center developed under section 3012(b), including community health centers receiving assistance under section 330, covered entities under section 340B, and providers participating in one or more of the programs under titles XVIII, XIX, and XXI of the Social Security Act (relating to Medicare, Medicaid, and the SCHIP). (4) Infrastructure and tools for the promotion of telemedicine, including coordination among Federal agencies in the promotion of telemedicine. (5) Promotion of the interoperability of clinical data repositories or registries. (6) Promotion of technologies and best practices that enhance the protection of health information by all holders of individually identifiable health information. (7) Improvement and expansion of the use of health information technology by public health departments.

Action taken or to be taken

ONC will work with the Secretary to advise on the best use of funds that will be invested in health IT. Coordinating with relevant HHS agencies, the National Coordinator will ensure that all aspects of health IT infrastructure investments will promote the further adoption and use of electronic health information exchange and align with the revised strategic plan.

Item (page 133)

Health Information Technology Extension Program - To assist health care providers to adopt, implement, and effectively use certified EHR technology that allows for the electronic exchange and use of health information, the Secretary, acting through the Office of the National Coordinator, shall establish a health information technology extension program to provide health information technology assistance services to be carried out through the Department of Health and Human Services. The National Coordinator shall consult with other Federal agencies with demonstrated experience and expertise in information technology services, such as the National Institute of Standards and Technology, in developing and implementing this program.

Action taken or to be taken

Establishing a resource for knowledge transfer, training, support and assistance in the adoption and implementation of health IT is a priority for the National Coordinator. By May 18, 2009, ONC plans to publish a draft description of the program for establishing Health IT Regional Extension Centers. The National Coordinator is working with other Federal agencies to finalize the process for grant award.

Item (page 133/134)

Health Information Technology Research Center - (1) The Secretary shall create a HIT Research Center (in this section referred to as the 'Center') to provide technical assistance and develop or recognize best practices to support and accelerate efforts to adopt, implement, and effectively utilize health information technology that allows for the electronic exchange and use of information in compliance with standards, implementation specifications, and certification criteria adopted under section 3004. The Secretary shall provide assistance for the creation and support of regional centers (in this subsection referred to as 'regional centers') to provide technical assistance and disseminate best practices and other information learned from the Center to support and accelerate efforts to adopt, implement, and effectively utilize HIT that allows for the electronic exchange and use of information in compliance with standards, implementation specifications, and certification criteria adopted under section 3004. Activities conducted under this subsection shall be consistent with the strategic plan developed by the National Coordinator, (and, as available) under section 3001.

Action taken or to be taken

The National Coordinator is working with the Secretary to establish a health IT research center that will work in conjunction with the extension centers to support and accelerate efforts to adopt, implement, and effectively utilize health information technology and support information exchange. The research center (and extension centers) will be created to foster innovative approaches to providing information, training and technical support; facilitate changes in organizations and professional behaviors to support integration of technology into the workflow; to foster a growing cadre of individuals and organizations that extend and sustain transformation of health care delivery. These activities will be consistent with the revised strategic plan.

Recovery Act and H.R. 1105 (March 2009)

Item (page 65/66)

Annual Operating Plans – That funds available under this heading shall become available for obligation only upon submission of an annual operating plan by the Secretary to the Committees on Appropriations of the House of Representatives and the Senate. That the fiscal year 2009 operating plan shall be provided not later than 90 days after enactment of this Act and that subsequent annual operating plans shall be provided not later than November 1 of each year. That these operating plans shall describe how expenditures are aligned with the specific objectives, milestones, and metrics of the Federal Health Information Technology Strategic Plan, including any subsequent updates to the Plan; the allocation of resources within the Department of Health and Human Services and other Federal agencies; and the identification of programs and activities that are supported.

Action taken or to be taken

The National Coordinator has prepared the operating plan for the Secretary's consideration and will submit this plan with the required components no later than May 17, 2009. Because the National Coordinator began in this position in late April 2009, a subsequent addition to the original submission will be provided in July 2009 outlining further FY 2009 plans.

Item (page 66)

Obligation and Expenditure –That the Secretary shall provide to the Committees on Appropriations of the House of Representatives and the Senate a report on the actual obligations, expenditures, and unobligated balances for each major set of activities not later than November 1, 2009, and every 6 months thereafter as long as funding provided under this heading is available for obligation or expenditure.

Action taken or to be taken

The National Coordinator will provide an annual report on the actual obligations, expenditures and unobligated balances for each major set of activities no later than November 1, 2009 and every six months thereafter outlining the use of Recovery Act funds.

Federal Health Architecture Program

The Federal Health Architecture (FHA) is a partnership among Federal agencies, the Office of the National Coordinator for Health IT (ONC), and the Office of Management Budget (OMB). The Department of Health and Human Services (HHS) is the Managing Partner; together with the Department of Defense (DoD) and the Department of Veterans Affairs (VA) serving as Lead Partners. The Lead Partners provide program funding. In addition, approximately 20 agencies, all with health-related responsibilities, contribute time and expertise to participate in specific FHA activities. These agencies collaborate to advance health information interoperability between Federal agencies and tribal, state, and local governments and the private sector.

FHA was initiated in July 2003 and is governed by principles that focus on achieving the vision of interoperable health information in support of the agency business priorities, Federal mandates and the national Health Information Technology (HIT) agenda to enable better care, increase efficiency and improve population health. FHA's priorities are driven by federal agency value propositions related to identifying needs for secure, interoperable health information exchanges, architecting solutions, planning HIT investments, developing and implementing solutions, and measuring progress. These activities support the requirements of the HITECH Act to develop an HIT architecture. FHA demonstrates the value of each task or activity and ensures that every undertaking is stakeholder-driven. This ensures alignment of FHA objectives, deliverables and timeframes to agency priorities and mandates.

In FY 2009, FHA carried out the operational activities to realize its 2007 strategy and goals of five initiatives and further refined initiative goals to support federal agency priorities.

- 1) CONNECT is a software solution that organizations can use to securely link their existing health IT systems into the Nationwide Health Information Network (NHIN). More than 20 federal agencies collaborated to build CONNECT through the FHA. The CONNECT solution enables secure and interoperable electronic health information exchanges with other NHIN-participating organizations, including federal agencies, state, tribal and local-level health organizations, and healthcare participants in the private sector. The NHIN will ultimately be a network of public and private-sector organizations securely sharing information with each other under clearly defined specifications, agreements and policies. CONNECT was jointly developed with the Lead Partners and used during nationwide health information exchange (NHIN) demonstration projects in September and December, 2008 by Department of Defense (DoD), Department of Veterans Affairs (VA), Social Security Administration (SSA), Center for Disease Control and Prevention (CDC), Indian Health Service (IHS) and National Cancer Institute (NCI). The health information exchange solution (CONNECT) was advanced into limited production by SSA and Med-Virginia (a private sector health information exchange organization) in late February, 2009, and released as publicly available, open-source software early April, 2009.
- 2) Federal Adoption of Standards for Health IT (FAST) evolved into the Federal Health Information Technology Standards Organization Participation (FHITSOP) to provide a working environment from which the one voice to represent the federal perspective to Standards Development Organizations (SDO) could be developed.

- 3) Federal Health IT Planning and Reporting (FHIPR) created an investment guide and reporting capabilities together with support in work groups that assured successful investments and outcome measurements for the OMB scorecard activities for participating agencies. The guide and reporting capabilities reached the goal of providing support and guidance for health information exchange-specific investments to agencies for the purposes of planning investments and reporting outcomes.
- 4) Federal Health Interoperability Sharing Environment (FHISE) is a knowledge base and tool set that provides information to help guide program managers and enterprise architects in identifying, creating, and/or implementing products that have been created and made available by others while carrying out the national health IT agenda. This knowledgebase and end user tools is in its prototype phase and is scheduled for release and wide distribution the end of May, 2009.
- 5) Federal Security Strategy (FSS) has produced a document that helps federal agencies, state, local, and tribal governments as well as private entities, identify the Federal Information Security Management (FISMA) and Health Insurance Portability and Accountability Act (HIPAA) implementation considerations for nationwide health information sharing. Additional project planning is underway to support federal agencies in working together to achieve a policy that supports their security missions as they relate to health information exchanges.

These initiatives provide for information dissemination and support and guidance across federal agencies. Each of the initiatives is designed to support the President's health information technology initiative.

Schedule risk is managed throughout the entire lifecycle of each initiative for the program. FHA has a risk mitigation plan that is available upon request. In addition, FHA has developed an operational plan that outlines the following years' deliverables as well as a strategic plan for adjusting the direction of the program as a whole when needed. The identified tasks have been prioritized by the FHA Leadership Council. As part of the operational planning efforts, project charters, project plans, and project cost estimates are developed for tracking purposes. Changes in scope undergo an impact analysis including cost and appropriateness by the Leadership Council prior to moving forward.

FHA is incrementally funded, which allows for discussions to occur with existing funding partners, as well as opportunity to seek out additional partners to secure future funding if required and approved. FHA is not building a health information exchange system but rather helping to architect solutions. The operations and maintenance costs for the program are less than might be expected for such a large undertaking and these costs will be absorbed by the participating agencies. FHA partners reevaluate the lifecycle costs yearly during strategy planning to identify the next year's work plan.

Federal Health Architecture Program Funding

	2008 Actual	2009 Estimate	2010 Estimate
Health & Human Services	\$ 3,522,000	\$ 3,662,000	\$ 3,808,000
Veterans Affairs	1,861,000	1,936,000	2,013,000
Defense	<u>1,861,000</u>	<u>1,936,000</u>	<u>2,013,000</u>
Total Funding Contributed	\$ 7,244,000	\$ 7,534,000	\$ 7,834,000