DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Office of the National Coordinator
for Health Information Technology
Washington, D.C. 20201

Program Information Notice

DATE: September 28, 2010 DOCUMENT NUMBER: ONC-REC-PIN-003

SUBJECT: Policy for Clarifying the Practice Consortium Practice Settings

TO: Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program Grantees

The purpose of this PIN is to clarify the definition of the "Practice Consortium" priority setting for Regional Extension Centers (RECs) participating in the Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program. The Office of the National Coordinator for Health Information Technology (ONC) believes that the Practice Consortium priority setting category as currently described remains unnecessarily ambiguous, does not adequately reflect the collaborative arrangements of primary care providers and small group practices in local communities, and consequently needs further clarification.

Each Regional Extension Center which enters into a cooperative agreement with ONC to support priority primary-care providers who seek to implement electronic health record (EHR) technology and achieve meaningful use needs to establish a policy defining "Practice Consortium." In order to ensure consistency and that the policy is aligned with the HITECH Act and the Funding Opportunity Announcement, a REC Project Officer will approve and sign the policy.

If you have any questions or require further guidance, please contact the Regional Extension Center Division of the Office of Provider Adoption Support at regional-center-applications@hhs.gov .

Sincerely,

/ David Blumenthal /

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National Coordinator for Health Information Technology
U.S. Department of Health & Human Services

PURPOSE

The purpose of this PIN is to clarify the definition of the "Practice Consortium" priority setting for Regional Extension Centers (RECs) participating in the Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program. The Office of the National Coordinator for Health Information Technology (ONC) believes that the Practice Consortium priority setting category as currently described remains unnecessarily ambiguous, does not adequately reflect the collaborative arrangements of primary care providers and small group practices in local communities, and consequently needs further clarification.

APPLICABILITY

This policy is applicable to all RECs who enter into cooperative agreements with ONC to support priority primary-care providers who seek to implement EHR technology and achieve meaningful use.

BACKGROUND

The Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program Funding Opportunity Announcement and Grant Application Instructions (FOA) defines six priority settings:

- Individual and small group practices of ten or fewer professionals
- Public Hospitals
- Critical Access Hospitals
- Community Health Centers
- Rural Health Clinics; and
- Other settings that predominantly serve uninsured, underinsured, and medically underserved populations

These were derived from language in the HITECH Act that prioritizes the intended recipients of the RECs' direct assistance. The HITECH Act in Section 3012(c)(4) of the Public Health Services Act provides that the RECs shall aim to provide assistance and education to all providers in a region, but shall prioritize any direct assistance first to the following:

"(A) Public or not-for-profit hospitals or critical access hospitals.

"(B) Federally qualified health centers (as defined in section 1861(aa)(4) of the Social Security Act).

"(C) Entities that are located in rural and other areas that serve uninsured, underinsured and medically underserved individuals (Regardless of whether such an area is urban or rural)

"(D) Individuals or small group practices (or a consortium thereof) that are primarily focused on primary care."

The authorizing legislation clearly includes in the definition of a priority setting, consortia of individuals or small group practices. The FOA intended to address this concept of consortia (of individuals or small group practices) by noting:

> "A practice otherwise meeting the definition of individual or small-group physician practice, above, may participate in shared-services and/or group purchasing agreements, and/or reciprocal agreements for patient coverage, with other physician practices without affecting their status as individual or small group practices for purposes of the Regional Centers."

However, ONC believes that this priority setting category remains ambiguous, does not adequately reflect the collaborative arrangements of primary care providers and small group practices in local communities, and consequently needs further clarification.

PROCESS

Given the variance in defining a small practice for the Regional Extension Center Program, the Office of the National Coordinator for Health Information Technology is asking each Regional Extension Center

program to develop an internal policy that will reflect the local practice environment, particularly with regard to how to define the statutory category of “individual or small group practices (or a consortium thereof).” The REC will then be responsible for applying this policy consistently across the practices with whom the REC is working.

Although the authorizing legislation is clearly intended to prevent subsidized REC services to large, well-established private practices that serve mostly insured patients, exactly where to define the limit should reflect the local environment.

The REC policy should address the following issues to reflect the local environment:

1. Practices with sites of ten or fewer providers where sites were historically independent;
2. Practices with sites of ten or fewer providers that bill commonly but function independently.

In order to ensure consistency and that the policy is aligned with the HITECH Act and the FOA, a REC Cooperative Agreement Program Project Officer must approve and sign the policy. Practices that are served through the use of this “practice consortium” policy should be classified as such in the CRM tool.

Please note that RECs should make every effort to target and enroll providers in the other priority settings. Based on the article, “Office-based Medical Practices: Methods and Estimates from the National Ambulatory Medical Care Survey”[1] more than 89% of physicians in the United States practice in settings smaller than 10. Therefore, we believe that the use of the “practice consortium” priority setting should be limited. However, recognizing that a local environment may be skewed relative to a national average, we will provide some measure of variability.

Therefore RECs should seek to limit the number of providers who fall into the “practice consortium” priority setting to no more than 20% of an REC’s provider target.

The REC program requires that the “practice consortium” definition be fairly and equally applied to all appropriate practices, and that it not be applied so broadly as to circumvent the express goal of assisting small practices in adopting and using electronic health records. RECs will be expected to identify the “practice consortium” practices in the CRM tool, (and the providers associated therewith), as well as to maintain documentation that demonstrates why a practice was labeled as a “practice consortium.” At annual site visits, ONC program staff (as opposed to grants management staff for whom this is not a part of the financial monitoring evaluation criteria) will expect to conduct a review to ensure policy compliance by 1) reviewing the signed policy, and 2) reviewing the documentation for a sample of practices to whom the REC policy was applied.

[1] Hing, Esther, and Catherine W. Burt. "Office-based Medical Practices: Methods and Estimates from the National Ambulatory Medical Care Survey." *Advance Data from Vital and Health Statistics* 383rd ser. (2007): 1-16. Centers for Disease Control and Prevention. Web. 1 July 2010. <http://www.cdc.gov/nchs/data/ad/ad383.pdf>.