Statement of the

Pennsylvania eHealth Initiative

Before the

Senate Communications and Technology Committee

Presented by

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and

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Good Morning Chairman Vulakovich, Chairman Farnese, and members of the Committee, my name is Michael Ripchinski and I am the chief medical and information officer at Lancaster General Health, a non-profit health system with over 600 inpatient beds and 37,000 annual discharges. Our annual emergency visit volume is approaching 109,000 and our annual outpatient volume is over 900,000 registrations. In my role at LGH, I am responsible for providing the strategy and leadership in the selection, design, development, and optimization of clinical information systems to support patient care throughout the health system. We started our electronic health record (EHR) journey in 2005 and now have our entire medical staff using it actively for over 200,000 patients and we are approaching 25 percent (50,000) of that group using our patient portal, MyLGHealth.org.

Joining me is Martin Ciccocioppo, Vice President of Research, at The Hospital & Healthsystem Association of Pennsylvania (HAP). Mr. Ciccocioppo coordinates health information technology policy for HAP and has been instrumental in advancing a series of multi-stakeholder initiatives designed to enable the effective use of health information technology to improve patient care, improve the health of communities, and to help bend the health care cost curve. HAP represents and advocates for nearly 250 acute and specialty care hospitals and health systems in the commonwealth, as well as for the patients and communities they serve.

We appreciate the invitation to present the hospital community's views on health information technology. Our testimony will examine the following issues:

- Current State of Health Information Technology

- Health Information Technology Challenges Ahead
- Promise of Health Information Exchange.

CURRENT STATE OF HEALTH INFORMATION TECHNOLOGY

The health information technology provisions in the American Recovery and Reinvestment Act (ARRA) of 2009 commit significant financial resources to the development of health information technology. The federal law requires the federal government to develop the technical standards necessary for an interoperable health information technology system, and provides financial incentives—through Medicare and Medicaid, and supplemented by technical assistance—for hospitals and physicians to adopt the new technologies. The health information technology components of the stimulus package, collectively labeled HITECH, reflect a shared conviction that health information technology is essential to improving the health and health care of Americans.

The new federal law starts by creating a leadership structure to guide federal health information technology policy. The law also provides financial incentives intended to assist physicians and hospitals in adopting and using electronic health records. Starting in 2011 (Stage 1), physicians and hospitals began receiving extra Medicare and Medicaid payments for the "meaningful use" of a "certified" EHR technology. HITECH also includes financial penalties to spur early adoption. Physicians and hospitals that are not using electronic health records meaningfully by 2015 will have their Medicare payments reduced.

Hospitals and health systems continue to invest millions of dollars to adopt and meaningfully use EHRs. Even though the EHR payment incentives do not cover the cost of this transformation, the monies do provide a startup to begin the changes needed for safe, efficient health care delivery in the future. Two-and-one-half years after the final rules for Stage 1 meaningful use were released, less than 60 percent (97 hospitals) of Pennsylvania's acute care hospitals have been able to claim Medicare EHR Incentive Program payments.

The Healthcare Information Management and Systems Society (HIMSS Analytics) provides an independent, objective analysis of electronic medical record (EMR) adoption across the United States. Based on their data at the end of 2012, the level of EMR adoption in Pennsylvania is at a stage of 3.7 on a seven-point scale. This indicates that the average hospital in Pennsylvania has implemented electronic nursing/clinical documentation, medication administration, and basic clinical decision support rules, and a radiology picture archive and communication system. We have 31 hospitals in Pennsylvania achieving the two highest levels of EMR adoption, stage 6 and 7. At those stages, hospitals have fully implemented electronic physician ordering and documentation with robust clinical decision support and business intelligence across their entire health system, ambulatory, emergency department, and inpatient.

Based on these data, there still are challenges ahead for Pennsylvania's hospitals and health systems.

HEALTH INFORMATION TECHNOLOGY CHALLENGES AHEAD

Meaningful Use

The path to meaningful use is not an easy one. EHRs are challenging to build, configure, and maintain. They are difficult for physicians to adopt and efficiently use, and patients are only beginning to engage in their healthcare online. To heighten this pressure, Stage 2 meaningful use is scheduled for hospitals beginning October 1, 2013, and completely rewrites the requirements for achieving meaningful use, making it more and more difficult for providers to claim current incentive payments and to avoid looming penalties. Furthermore, the federal Health Information Technology Committee has proposed sweeping changes to meaningful use (Stage 3) that could be required as early October 1, 2015. If this trend continues, it will have a profound effect on hospitals and health systems in the penalty phase.

As Mark Probst, chief information officer at Intermountain, commented in his testimony at the U.S. House of Representatives Subcommittee on Technology and Innovation of the Committee on Science, Space and Technology in November 2012, they had still not achieved stage 1 Meaningful Use despite a long and successful history of using electronic records. Given the requirements for Accountable Care Organizations (ACO), meaningful use, transition to the International Classification of Diseases, 10th Edition (ICD-10) by October 1, 2014, conversion, the need to maintain high-levels of privacy and security, Mr. Probst advocated for a "systematic, independent evaluation" of meaningful use experience to date prior to moving to subsequent stages.

In addition to the stress of ACOs, meaningful use, ICD-10, and the Affordable Care Act of 2010 (ACA), the compressed timeline of meaningful use has made it exceptionally hard to meet the measures. EHR vendors need to build additional functionalities in their software, and then health systems are challenged to quickly build, test, and fully implement these new functionalities. However, these changes pale in comparison to the magnitude of the workflow changes that health systems need to implement to meet all of the requirements of these recurrent programs.

Usability of Electronic Health Records

The HIMSS EHR Usability Task Force notes, "…usability is one of the major factors—possibly the most important factor—hindering widespread adoption of EMRs." The implementation of these complex, integrated EHRs requires intensive analysis of current workflows. Successful implementations rely heavily on a solid future state design, deep operational involvement, strong EHR analysts, physician engagement, and health system leadership support. In light of this and the compressed timelines as noted above, health systems rush to implement these systems with little concern to overall EHR usability. The evaluation of usability is intimately tied to an understanding of the operational workflows.

At Lancaster General Health, we are particularly attuned to the usability of electronic health records. We created a simulation lab with real patient data to help our medical staff prepare for interacting with the record in our hospitals. This took an immense amount of effort from our analysts and technical team, and many hours of dedication from our physicians, but the results were impressive as we addressed many issues prior to our EHR going live.

We need more transparent measurement and reporting of EHR usability so hospitals can work closely with EHR vendors and their medical staffs in developing solutions that are safe and efficient.

Costs in Implementation and Increased Ongoing Costs

The push to achieve meaningful use has increased overall health care IT spending. According to American Hospital Association data, in an analysis of a matched set of 3,025 hospitals reporting information on IT expenditures in 2009 and 2010, the per bed operating expenditures for IT grew 24.2 percent in one year, while per bed capital expenditures for IT grew 13.9 percent. On average, hospitals estimate that the Medicare and Medicaid EHR incentives will offset only 10 to 15 percent of the total costs of adoption. These increases do not even begin to reflect the additional operating costs in the transition to ICD-10 or to support the business and clinical intelligence and analytics needed for an ACO.

Lancaster General Health faced similar challenges during our EHR implementation. It has taken us seven years to complete the implementation of the EHR in our physician practices and hospitals. We will have spent more than $100 million to complete this effort later in 2013. We also anticipate net added costs of $6 million to $8 million annually for ongoing information technology operational costs. It is of note that 50 percent of these costs are in labor. To date, implementation costs and labor availability have posed the most significant challenges to Lancaster General Health.

Health Information Exchanges

According to an October 2012 report from the Bipartisan Policy Center, more than 70 percent of clinicians surveyed cite the lack of interoperability and an information infrastructure—along with the associated costs—as major barriers to electronic information sharing. Despite continued pressure from meaningful use objectives to broaden the adoption of health information exchanges, we still lack a health information technology infrastructure that supports the meaningful exchange of health information throughout the country or in many areas of Pennsylvania.

It’s difficult for hospitals or physician practices to maintain the information technology infrastructure to support many different electronic connections to many different providers and EHRs. In addition, it’s hard to mandate exchange if the cost versus the benefits to implement would be prohibitive.

For instance, consider this use case. Most of the health care for Lancaster’s patients occurs at a local, not necessarily regional or statewide level. So, the need to exchange is higher among local providers not separated by more than an hour’s drive. Despite offering subsidies, Lancaster General Health has only about 20 percent of its independent medical staff using the same EHR in their office as the hospital uses. Almost all of the remaining 80 percent have no current way to exchange even basic data electronically, like the patients’ problems, medications, and allergies, with the hospital’s EMR.

Due to the lack of consistent standards with which to communicate electronically, EHR vendors' willingness to develop new software to support the exchanges, and physician practices' readiness to implement those changes and pay for them, our efforts to expand health information exchange electronically to other providers have stalled. As Pennsylvania prepares for its own health exchange, our experience indicates that physician adoption will be slow despite the mandates in Stage 2 meaningful use. We should be working to minimize barriers, including transaction fees and infrastructure costs, for physicians and hospitals to engage in exchange. That is why it is important to maximize the benefit of federal grant money to help enable health information exchange in Pennsylvania.

PROMISE OF HEALTH INFORMATION EXCHANGE

HAP applauds the Senate for your leadership in creating and unanimously passing Senate Bill 8 last year. That bill went on to pass unanimously in the House and became Act 121 of 2012. The Pennsylvania eHealth Information Technology Act (Act 121) established the Pennsylvania eHealth Partnership Authority, which is responsible for fulfilling the duties in Act 121 and managing the remainder of a $17.1 million federal grant and state matching funds to enable health information exchange in the commonwealth.

We are very encouraged that nearly all of the members of the Authority board have been appointed and that this public-private group of stakeholders will soon be prioritizing work in support of enabling health information exchange and implement those projects. We are pleased that Tom Beeman, President and CEO, Lancaster General Health, was appointed by Governor Corbett to represent hospitals on the Authority board.

We are also very pleased that Governor Corbett proposed funding the Authority for $2.2 million in fiscal year 2013–2014. This Commonwealth investment in health information exchange is critical matching dollars that will allow the Authority to draw down the remaining federal grant funding and create a solid foundation for achieving the purpose of Act 121. We urge the Senate to approve this needed investment in health information exchange.

CONCLUSION

Health information technology is a critical component of any effort to reform our health care delivery system. We now find ourselves at a critical juncture where clear standards for electronic health record technology have been defined, economic incentives are successfully working to spur the adoption of certified health record technology, and payment reform is driving the need to have a person's clinical information shepherd them through a fragmented delivery system.

Thank you for this opportunity to testify and to provide a hospital perspective on the important issue of health information technology and fostering health information exchange. As we have been over the years, HAP stands ready to support you in your efforts to ensure the effective use of health information technology and health information exchange to improve health care for all Pennsylvanians. We welcome your questions.