

**Statement of the
Pennsylvania eHealth Initiative**

Before Senate Communications and Technology Committee

Presented by

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and

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Good Morning Chairman Folmer and members of the Committee, I am Chris Cavanaugh, Executive Director of the Pennsylvania eHealth Initiative (PAeHI). PAeHI was created in 2005 as a voluntary, public, private, non-profit (501(c)(3)) coalition to bring together Pennsylvania's health care and business stakeholders to develop a vision and a plan for the future of health information technology and the secure exchange of health information in Pennsylvania. Over the past seven years, PAeHI has worked with many stakeholder groups as a neutral convener to identify, educate, coordinate, and develop consensus in an effort to use health information technology and health information exchange to improve health care for Pennsylvanians. I am here on behalf of the PAeHI board of directors and our diverse stakeholder membership of over 275 individuals representing over 75 healthcare related organizations across the Commonwealth of Pennsylvania. Our membership classifications range from hospitals, healthcare systems, clinicians, insurance organizations, governmental organizations, professional health care organization, quality improvement organizations, business/purchasers, vendors, consultants, consumers to public interest organizations.

Joining me is Martin Ciccocioppo, Vice President of Research, at The Hospital & Healthsystem Association of Pennsylvania (HAP). Mr. Ciccocioppo was instrumental in founding PAeHI and currently represents HAP on the PAeHI Board of Directors and serves as Secretary of the Board. 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.

RESOURCES

We appreciate the invitation to present PAeHI's views on the value of health information technology. Our testimony is based on a significant body of research PAeHI has created over the years with the active involvement of many subject matter experts within our membership:

Connecting Pennsylvanians for Better Health: Recommendations from the Pennsylvania eHealth Initiative (April 25, 2007)

Building a Sustainable Model for Health Information Exchange in Pennsylvania (February 22, 2008)

Establishing Widespread Adoption of Electronic Health Records and Electronic Prescribing in Pennsylvania (February 22, 2008)

Ensuring Privacy and Security of Health Information Exchange in Pennsylvania (March 31, 2009)

Financing Research and Framework Development for a Health Information Exchange PAeHI White Paper Project (November 2010)

GUIDING PRINCIPLES

The state's approach to promoting and establishing widespread use of health information exchange for the purpose of improving the lives of Pennsylvanians should be consistent with the guiding principles laid out in PAeHI's ***Connecting Pennsylvanians for Better Health***.

Guiding Principle 1: Patients come first.

Healthcare must be re-designed to better serve individual patients and entire populations first and foremost.

Guiding Principle 2: Consumer privacy, security and confidentiality are paramount.

Without consumer trust and acceptance of the process, no matter how well the system or network is designed and executed, it will fail. While there is public support for health information exchange, it is also recognized that Pennsylvania citizens have a strong concern for privacy, security, and confidentiality of their medical health records.

Guiding Principle 3: Multi-stakeholder collaboration is needed to implement achievable and measurable initiatives in order to show early progress and value.

Cooperation and collaboration on the implementation of Health Information Exchange will drive innovation and change within local HIE efforts as well as across the various

stakeholders in the state. It is on this front in a local healthcare market where the average citizen will see the greatest administrative relief and impact. Multi-stakeholder involvement is needed to ensure the patient's health information is robust and to foster the sustainability and financial solvency of local HIE efforts.

HITECH ACT

The health information technology provisions in the American Recovery and Reinvestment Act (ARRA) 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, physicians and hospitals began receiving extra Medicare and Medicaid payments for the “meaningful use” of a “certified” electronic health records system. 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.

We are particularly pleased with Pennsylvania Department of Public Welfare's active engagement with developing and administering the Medicaid EHR Incentive Program in Pennsylvania. Due to DPW's efforts, more than \$100 million of HITECH funds have been paid to high Medicaid hospitals and providers who are adopting, implementing, or upgrading to certified EHR technology. Most acute care hospitals in the state and many eligible providers are now working to demonstrate that they are meaningful users of certified EHR Technology to secure additional HITECH Medicare and Medicaid EHR Incentive Program payments.

PENNSYLVANIA E-HEALTH COLLABORATIVE

Pennsylvania has been awarded \$17.1 million in HITECH funds from the Office of the National Coordinator for Health Information Technology (ONC). PAeHI and its many diverse healthcare stakeholder members have been active participants with the Pennsylvania eHealth Collaborative Office over the past year in developing a strategic and operational plan to implement a state-level health information exchange. There was consensus among all of the stakeholders in the recent eHealth Collaborative strategic planning process that statewide governance of health information exchange in Pennsylvania must include public and private stakeholders, who will understand and

be responsive to the needs of potential users of the exchange(s). We know that the use of health information exchange by providers is very dependent on the value they derive from participation. We believe that through public-private governance, investment of public and private resources will be prioritized to address current and future health information exchange needs of all participating stakeholders. By effectively and prudently addressing these needs, stakeholders will derive value from participation in the exchange and will be willing and able to provide for the ongoing financial sustainability of the exchange.

NEED FOR LEGISLATION

Pennsylvania needs to enact legislation to facilitate the adoption and use of health information technology. Specifically, the state needs to establish a health information exchange to enhance and improve patient experiences and outcomes in a cost-effective manner. Pennsylvania's statewide health information exchange should strengthen our health care system through the timely, secure, and authorized exchange of patient health information among health care providers. Statewide health information exchange should:

Improve Processes that Enable Quality of Care and Patient Safety

- Support patient engagement.
- Be adaptable based on technological evolution of consumers.
- Support transparency and accountability.

Maximize Federal Incentive Opportunities for All Eligible Providers

- Be operational as an active exchange for eligible providers consistent with exchange deadlines and standards for meaningful use.
- Employ a phased implementation approach to ensure that immediate service needs are available to enable providers to get to Stage 1 meaningful use as defined by the federal government.
- Respect different capacities and needs in rural and urban regions of Pennsylvania.
- Be adaptable based on technological evolution of providers.

Protect Current Investments

- Protect investments already made in current electronic medical record and health information exchange solutions.
- Serve as a one-to-many connection between health care providers, government agencies and personal health record systems.
- Ensure that existing public health reporting requirements can be streamlined and made more cost-efficient for providers through the use of the HIE.

Operate Using Proven Sustainable Business Model Principles for HIE Management and Operations

- Governance must include stakeholders, particularly in the development and prioritization of the HIE initiatives.
- Have a sustainable business model.
- Health care providers alone, should not be responsible for the majority of the HIE implementation and ongoing costs. The business model also must recognize that public and private payers also will benefit significantly from a robust HIE.
- Participation in the statewide HIE should be voluntary in order to ensure that the exchange is meeting the needs of participants.
- Be consistent with the national standards and interoperability requirements.
- Enable and accommodate regional exchange of information including regional and/or statewide HIEs.
- Satisfy state Medicaid, Medicare, and private payer information exchange needs.
- Observe and advocate for legal and regulatory protections to enhance data sharing across the provider community.
- Meet federal privacy and security guidelines (HIPAA).

PENNSYLVANIA HEALTH INFORMATION TECHNOLOGY ACT

SENATE BILL 8

We applaud Senator Folmer, and other leaders in the Senate, for introducing the Pennsylvania Health Information Technology Act, Senate Bill 8. This legislation establishes the Pennsylvania Health Information Authority, a public/private partnership, with the responsibility to develop and operate sustainable health information exchange across the Commonwealth. The legislation authorizes the expenditure of federal stimulus funds to help build the infrastructure to support health information exchange. The legislation also specifically addresses the need to protect the privacy of patient information.

In order to allow for improved patient care through more robust health information exchange in the Commonwealth, we recommend for your consideration a few amendments to Senate Bill 8 (Printer's Number 1955). These suggested amendments are attached to this testimony. We believe that will accomplish the following:

- Provide for the independence of the authority staff.
- Provide for a study of the effectiveness of the authority prior to sunset and allow for a possible transition of the authority responsibility and assets to a not-for-profit entity for continuity and ongoing sustainability.

- Allow for the exchange of health information to be as inclusive as possible and to provide for the utmost in safety and patient care through access to authoritative and comprehensive information through the exchange services.
- Remove redundancy and reduce administrative burden and expense by eliminating additional paperwork.
- Allow for potential future use of de-identified information to be use for scientific research to improve quality patient care and address public health oversight with appropriate privacy and security protections.

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. With limited resources, we need the unique power of a public-private partnership to work together as an industry to ensure that health care providers and public health organizations have complete and authentic clinical information to appropriately treat and manage the care of every Pennsylvanian. The time to act is now.

Thank you for this opportunity to testify and to provide a broad health care industry perspective on the important issue of fostering health information exchange. Thank you also for your thoughtful consideration of our suggested amendments to Senate Bill 8. As we have been over the years, the Pennsylvania eHealth Initiative stands ready to support you in your efforts to ensure the effective use health information technology and health information exchange to improve health care for all Pennsylvanians. Dr. Cavanaugh and I welcome your questions.

Suggested Amendments to Senate Bill 8 Printer's Number 1955 (Session of 2012)

Submitted by the
Pennsylvania eHealth Initiative (PAeHI)

March 7, 2012

Amend Bill, page 9, by inserting between lines 4 and 5

(14) To employ an executive director, investigators and other staff necessary to comply with the provisions of this act and regulations promulgated thereunder, to employ or retain legal counsel and to engage professional consultants, as it deems necessary to the performance of its duties.

(15) To fix the compensation of all employees and to prescribe their duties. Notwithstanding the independence of the authority under section 303(f), employees under this paragraph shall be deemed employees of the Commonwealth for the purposes of participation in the Pennsylvania Employee Benefit Trust Fund.

Amend Bill, page 9, lines 19 and 20, by striking out “The Governor shall assign staff who shall be” in line 19 and all of line 20.

Rationale: *To provide for the independence of the authority staff.*

Amend Bill, page 9, lines 21 and 22, by striking out lines 21 and 22 in their entirety and inserting:

(e) The authority shall sunset five years after the effective date of this act. One year prior to sunset, the Legislative Budget and Finance Committee shall evaluate the management, viability, and performance of the health information exchange and shall provide a report to Communications and Technology Committee of the Senate and the Health and Human Services Committee of the House of Representatives. The report shall include recommendations as to reauthorization of the authority, dissolution of the authority, or assumption of the authority responsibilities and assets by a not-for-profit entity.

Rationale: *Provide for a study of the effectiveness of the authority prior to sunset and allow for a possible transition of the authority responsibility and assets to a not-for-profit entity for continuity and ongoing sustainability.*

Amend Bill, page 10, lines 28 through 30, by striking out all of lines 28 through 30.

Amend Bill, page 11, lines 1 and 2 by striking out all of lines 1 and 2.

Rationale: Allow for the exchange of health information to be as inclusive as possible and to provide for the utmost in safety and patient care through access to authoritative and comprehensive information through the exchange services.

Amend Bill, page 11, lines 13 through 20, by striking out all of lines 13 through 20.

Rationale: Remove redundancy and reduce administrative burden and expense by eliminating additional paperwork.

Amend Bill, page 11, line 21, by striking out “(d)” and inserting (c).

Rationale: Relettering.

Amend Bill, page 11, line 24, by inserting, personally identifiable, between the words “any” and “health”.

Rationale: Allow for potential future use of de-identified information to be use for scientific research to improve quality patient care and address public health oversight with appropriate privacy and security protections.

Amend Bill, page 12, line 7, by striking out “(e)” and inserting (d).

Rationale: Relettering.