Statement of

The Hospital & Healthsystem Association of Pennsylvania

Senate Communications & Technology Committee

Presented by

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Chairman Folmer and members of the Committee, I am Mark Stensager, President and Chief Executive Officer of Guthrie Healthcare System. Guthrie Healthcare System is a community-based, not-for-profit health care system, and is the parent corporation of Robert Packer Hospital, Troy Community Hospital, Corning Hospital in Corning, New York, and long-term care entities Guthrie Home Care, Guthrie Hospice, and Sayre House Nursing Home. Robert Packer Hospital is a 238-bed tertiary care teaching hospital that serves the region as a Level II Regional Trauma Center, located in Sayre. The system and the Guthrie Clinic are known as Guthrie Health. The Guthrie Clinic is a multi-specialty group practice of more than 260 physicians and 130 mid-level providers who provide subspecialty and primary care services in 23 communities throughout northern Pennsylvania and southern New York.

I am a member of the Board of Directors of The Hospital & Healthsystem Association of Pennsylvania (HAP) and I chair HAP's Task Force on Health Information Technology. Joining me is Martin Ciccocioppo, Vice President of Research, at HAP.

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

- The benefits of health information technology.
- An overview of hospitals and health information technology in Pennsylvania.
- Opportunities and challenges related to health information technology.

The Benefits of Health Information Technology

Health information technology can provide clear benefits to the health care delivery system by reducing costs and improving quality. Specific health information technologies include:

Personal Health Records (PHR*)*—The purpose of a personal health record is to facilitate an individual's access to their personal health information. There is growing emphasis on having individuals take a more active role in managing and coordinating their own health care, and using personal health records helps to facilitate this objective.

Electronic Health Records (EHR)—Electronic health records are used by health care providers. They include health information on patients, such as drug allergies, diagnoses, treatments, lab results, and medical history. They replace existing paper medical records and can enhance communication, coordination, measurement, and decision support. These records allow health care providers to identify and recommend services, generate reminders to increase patient compliance with physician recommendations, and communicate and coordinate with other clinicians treating the same patient.

Computerized Physician Order-Entry Technology (CPOE)—Computerized physician order-entry technology allows clinicians to electronically order tests, drugs, services, and patient referrals. Such technology improves patient safety and health outcomes by presenting relevant information such as patient data, educational materials, and evidence-based decision support to clinicians upon entering a medical order. Alerts, reminders, and other features also can warn physicians of patient conditions or potential adverse drug events and prevent medication errors.

E-Prescribing—E-prescribing systems are a component of computerized physician order-entry systems that allow physicians to enter drug data for patients into an electronic system, which can help them prevent prescribing errors, adhere to treatment guidelines, and monitor patients' responses to treatment. E-prescribing systems also have the ability to cross-check with other medications that a patient is receiving to prevent adverse reactions from combining certain drugs.

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 get physicians and hospitals to adopt and use electronic health records. Starting in 2011, physicians and hospitals

can receive extra Medicare payments for the "meaningful use" of a "certified" electronic health records system. HITECH also includes financial penalties to spur adoption. Physicians and hospitals that are not using electronic health records meaningfully by 2015 will have their Medicare payments reduced. Attached to my testimony is our analysis of a recent American Hospital Association (AHA) survey on meaningful use. These slides summarize where Pennsylvania hospitals are in meeting the 24 objectives of Stage 1 Meaningful Use compared to the United States.

Overview of Hospitals and Health Information Technology in Pennsylvania

Pennsylvania hospitals and health systems support moving toward adoption of electronic health records, and it is important that federal stimulus funding help hospitals, physicians, and other providers to achieve this.

Another survey conducted by the American Hospital Association (AHA) indicates that 68 percent of the nation's hospitals have fully or partially implemented electronic health records. Pennsylvania hospitals' use is higher with 84 percent having such systems in place. Forty-one (41) percent of Pennsylvania's hospitals also are using e-prescribing for some or all of their patients, and 54 percent are using electronic lab orders for some or all of their patients.

The biggest obstacle to making health information technology a reality is the cost. Even though it has been shown that health technology could save billions in the long run, there are significant up-front costs. Hospitals and health systems in Pennsylvania have spent hundreds of millions to implement electronic health record systems in recent years. Guthrie Health began implementing EHR technology 5 years ago and we have invested more than $40,000,000 in health information technology systems. Hospitals and physicians also face challenges in the availability of well trained staff to implement technology, acceptance by staff, as well as dealing with the interoperability among systems.

Opportunities and Challenges

The American Recovery and Reinvestment Act (ARRA) includes more than $40 billion in Medicare and Medicaid health information technology incentive payments to general acute care hospitals and health care providers. ARRA also codified the Office of the National Coordinator for Health Information Technology (ONC) and provided $2 billion to ONC to establish several new grant programs intended to facilitate the adoption and use of EHRs by providing technical assistance, and the capacity to exchange health information. ARRA includes funding to expand broadband capabilities and to train professionals to support health information technology-related activities.

Pennsylvania needs to enact legislation to facilitate the adoption and use of health information technology. Specifically, we need to establish a health information exchange (HIE) 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. The statewide HIE 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, including hospitals, 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).

The legislation should establish a public/private partnership by establishing an authority with the responsibility to develop and operate a statewide HIE system to electronically exchange health care information within the health care system. The legislation should authorize the expenditure of federal stimulus funds to help build the infrastructure of the HIE. The legislation also should specify the need to protect the privacy of patient information.

Conclusion

Health information technology is a critical component of any effort to reform our health care system. Just as investment in railroads, air traffic control, and roads facilitated economic development and national prosperity in the 20th century, so, too, will the spread of health information technology help to improve our health care system in the 21st century.

Thank you for this opportunity to testify and to provide the hospital perspective on this issue. Martin and I welcome your questions.