

# The Promise and Potential of Federal Incentives for Electronic Health Records

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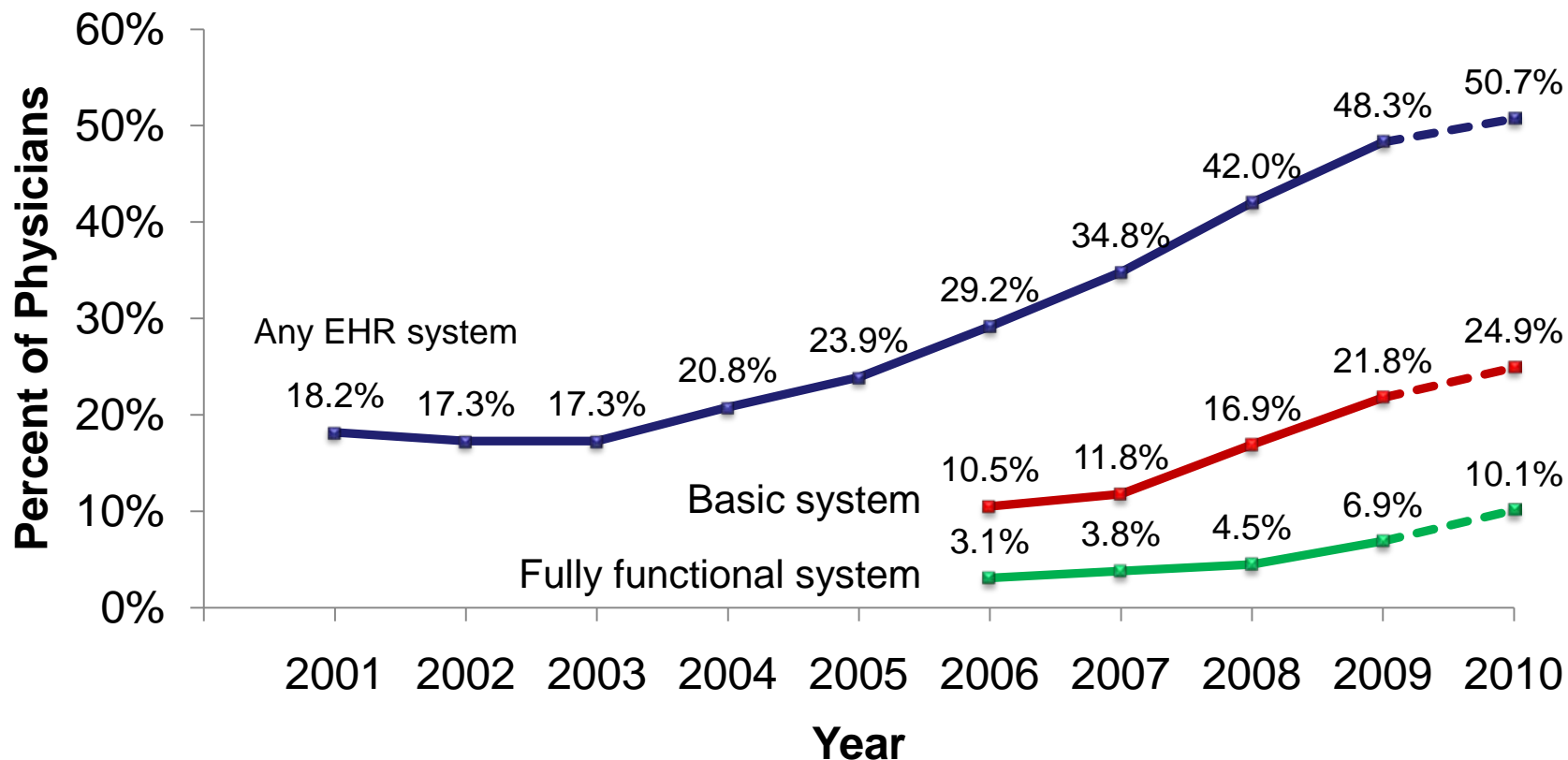
# Key Findings

- Incentives could greatly accelerate use of HIT by physicians
- Programs are generally well-targeted, but key groups may be excluded
- Policy makers and stakeholders can help alleviate gaps

# Overview

- Summary of federal incentive program
- Study methods and results
- Policy impact and recommendations
- The publishing process

# Percentage of office-based physicians with electronic health record (EHR) systems



Source: Hsiao, C.J., Hing, E., Socey, T.C. & Cai, B. (2010). Electronic medical record/electronic health record systems of office-based physicians: United States, 2009 and preliminary 2010 state estimates. Hyattsville, MD: National Center for Health Statistics.

# Going HITECH

- The Medicare and Medicaid EHR Incentive Programs will provide incentive payments to eligible professionals, eligible hospitals and critical access hospitals (CAHs) as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology.
  - CMS, Official Web Site for the Medicare and Medicaid Electronic Health Records (EHR) Incentive Programs

# Medicare Incentives

- Up to \$44,000 for physicians who treat Medicare patients
- Must demonstrate meaningful use each year to receive incentives
- Reduced Medicare reimbursements starting in 2015 for those who do not demonstrate meaningful use

# Medicaid Incentives

- Up to \$62,750 for physicians with at least 30% Medicaid volume
  - 20% for pediatricians
  - Community health centers, rural clinics can include uncompensated care
- 1<sup>st</sup> year incentive to adopt, implement, or upgrade; must demonstrate meaningful use in years 2-6
- Can get Medicaid **OR** Medicare incentives

# Meaningful Use

- HITECH provisions specify 3 components of “Meaningful Use:”
  1. Use of certified EHR in a meaningful manner (e.g., e-prescribing)
  2. Use of certified EHR technology for electronic exchange of health information to improve quality of health care
  3. Use of certified EHR technology to submit clinical quality measures (CQM) and other measures selected by the Secretary



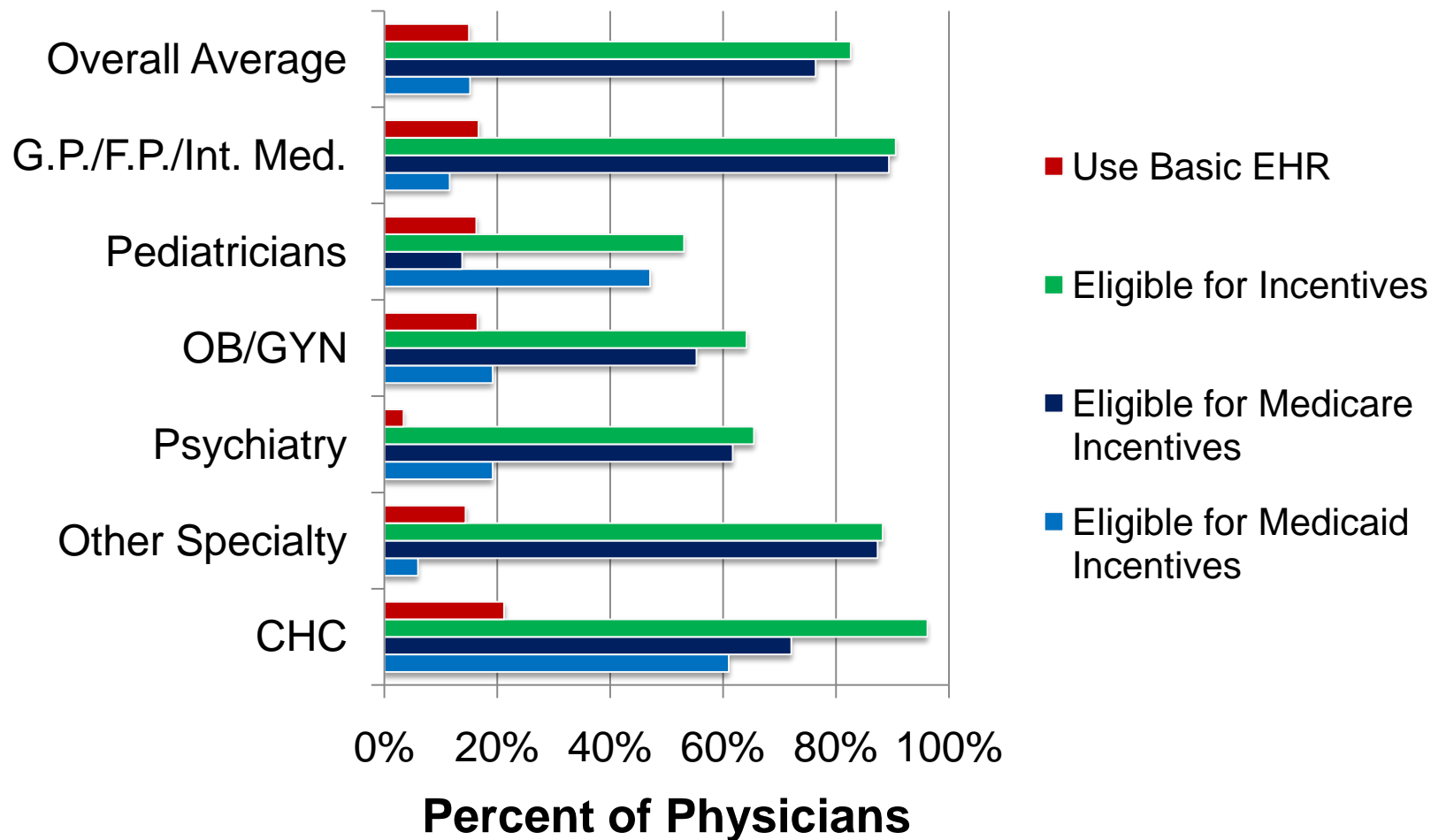
# Stages of Meaningful Use

- Criteria to be established in three stages:
  - Stage 1 (July 2010): baseline for electronic data capture and information sharing
  - Stages 2 (est. 2013) and 3 (est. 2015) will expand on this baseline

# Methods & Data

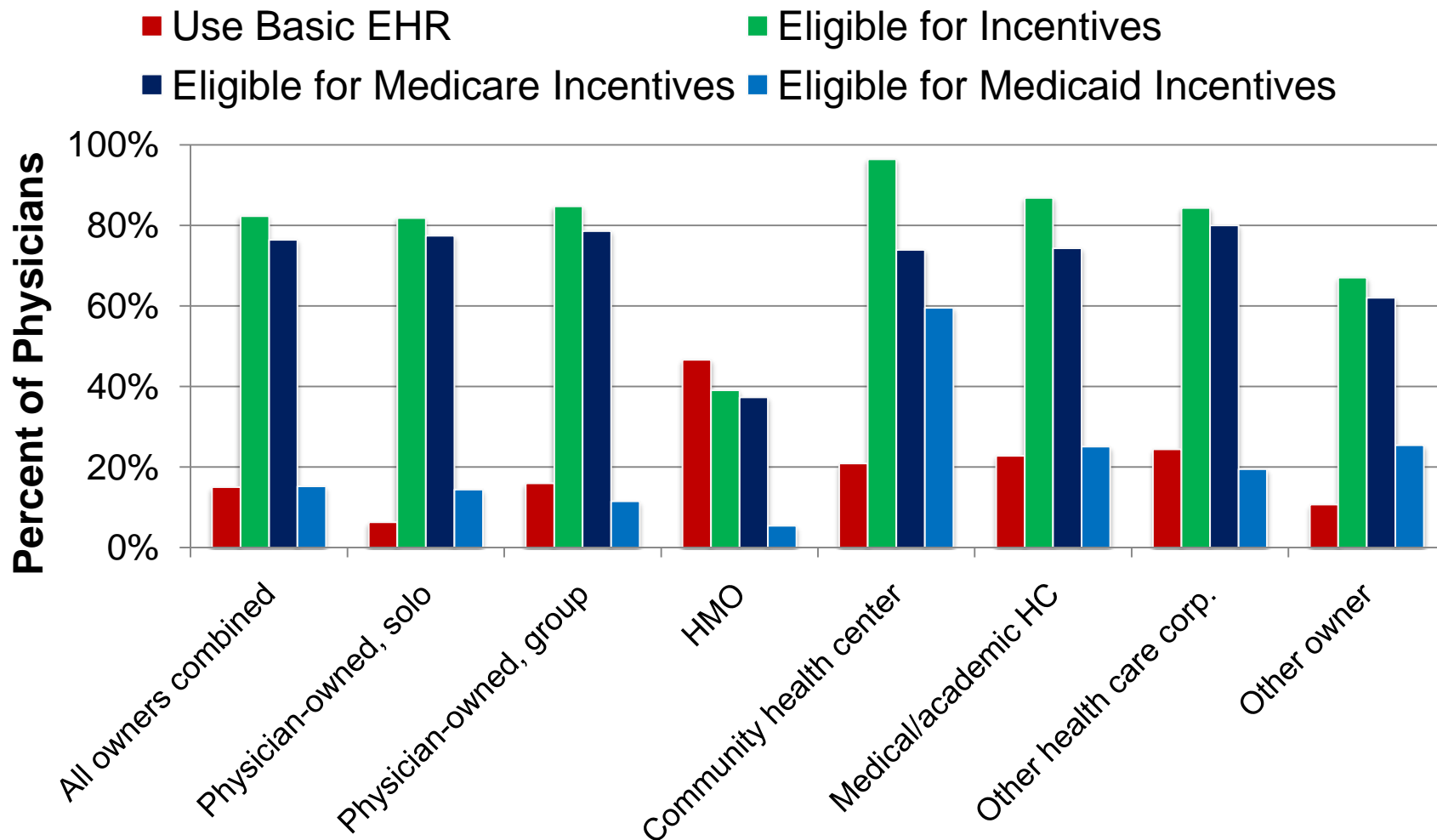
- Data: National Ambulatory Medical Care Survey (NAMCS) 2007-2008 surveys
- Electronic medical records (EMRs) vs. electronic health records (EHRs)
- Use of “basic” systems measured using methods comparable to earlier studies
- Eligibility for incentives based on physicians’ sampled visits from Medicare and Medicaid patients – not meaningful use

# Results: By Physician Specialty













Source: Authors' calculations based on combined 2007-2008 National Ambulatory Medical Care Surveys








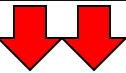
# Results: By Practice Ownership and Size



Source: Authors' calculations based on combined 2007-2008 National Ambulatory Medical Care Surveys

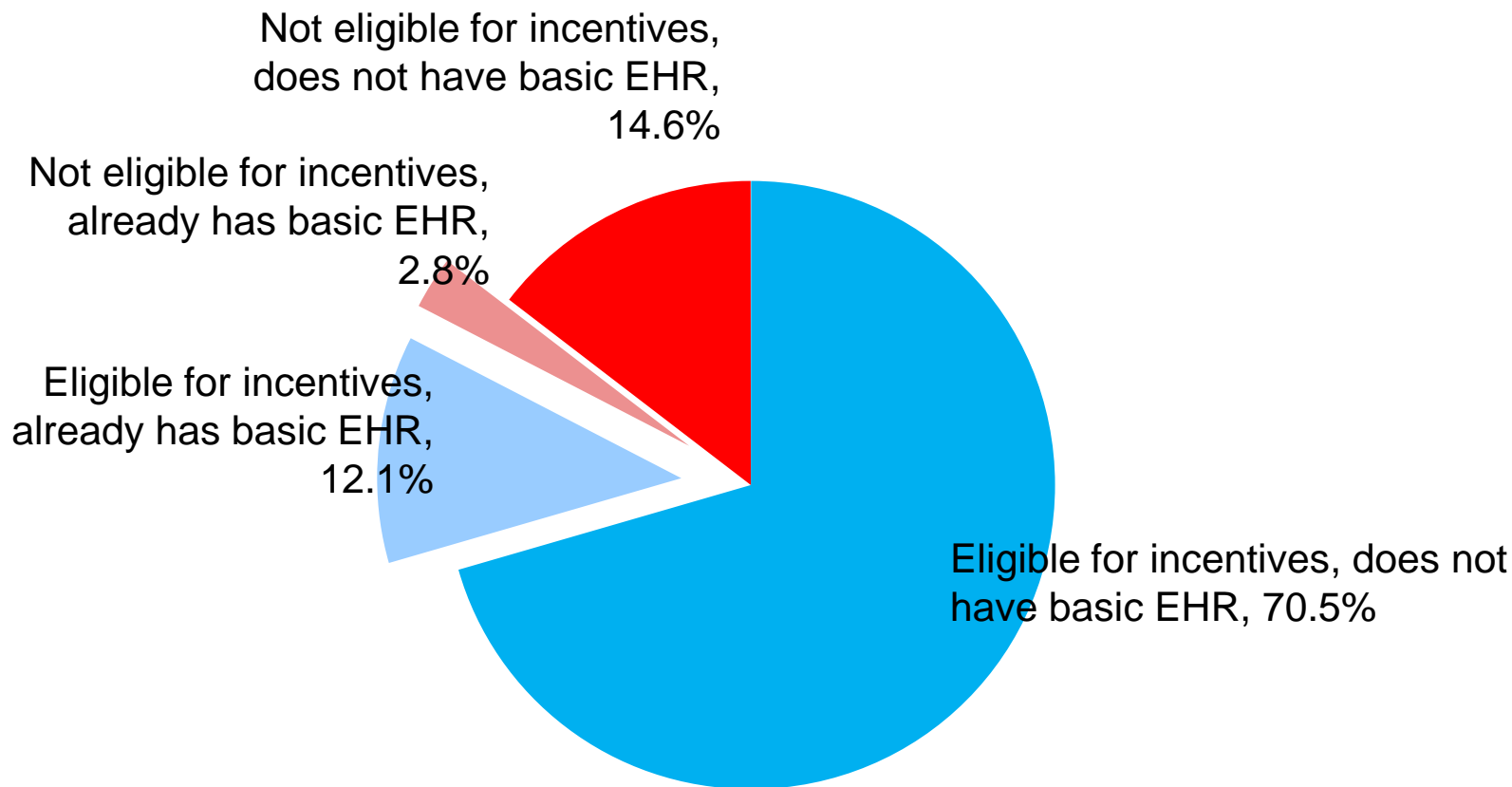
# Multivariate: Factors Affecting EHR Use

Factor	Marg. Eff.	Prob
<b>Specialty (Ref = GP/FP/IM)</b>		
Pediatrics		
OB/GYN		
Psychiatry		p < .01
Other		
Works in CHC		p < .01
<b>Ownership/Size (Ref = phys., solo)</b>		
Physician group		p < .01
HMO		p < .01
Med./acad. HC		p < .01
Other health co.		p < .05
Other owner		

Factor	Marg. Eff.	Prob
<b>Census Region (Ref = East)</b>		
Midwest		
South		
West		
<b>Metro Status (Ref = not in MSA)</b>		
in MSA		
<b>Electronic Billing (Ref = none)</b>		
All electronic		p < .01
Part electronic		p < .10
<b>Percent of Visits Attributable to...</b>		
Medicare		
Medicaid		p < .10

Source: Authors' calculations based on combined 2007-2008 National Ambulatory Medical Care Surveys

## Office-Based Physicians Potentially Eligible For HITECH Incentives And Using Electronic Health Records (EHRs), 2007–08



SOURCE Authors' calculations based on combined 2007–08 National Ambulatory Medical Care Surveys.  
NOTE HITECH is Health Information Technology for Economic and Clinical Health.

# Highlights from Findings

- Incentives should greatly accelerate use of electronic health records
  - 4 out of 5 office-based physicians could qualify, if they achieve meaningful use
- Incentives are well-targeted, but certain groups of physicians are more likely to be excluded
  - pediatricians, psychiatrists, obstetrician-gynecologists

# Will Incentives Use?

- Given low levels of EHR use, the incentives are well-targeted and capable of spurring the great majority of physicians to adopt or improve their EHR systems
- Overall impact of financial incentives on system adoption is still uncertain



# Some G A P S Persist

- Gaps in eligibility for incentives may lead to digital divides, especially for those caring for children or women, and hinder efforts to integrate behavioral and medical care
- Some physicians serving Medicare patients may not have enough Medicare volume each year to get the maximum first-year incentive

# Medicaid Incentives are Critical

- Important to monitor the use and impact of Medicaid incentives on physicians caring for low-income patients, particularly given the large expansion of enrollment for low-income adults planned under health reform

# Policy Responses

- Monitor gaps in eligibility, use
- Pro-rate eligibility for Medicaid incentives
- Assist solo practitioners, smaller practices in adopting systems and achieving meaningful use
  - Government (e.g., ONC) and private roles (e.g., insurers, foundations)

# In Conclusion

- To truly achieve quality improvement and cost savings, physicians, hospitals and other health care providers must use EHRs and other HIT effectively and efficiently in the course of care – meaningful use regulations are vital to this goal

# Publicizing the Results

- AcademyHealth ARM (June 2010)
  - Poster session; 2006-07 results
- University of Maryland WHITE (Oct. 2010)
  - 1st presentation after opening keynote address!
- Health Affairs (March 2011)
  - Participated in panel discussion at release event

# Publishing in Health Affairs

- June 2010: discussed paper with editors at AcademyHealth ARM
- Sept. 2010: manuscript submitted
- Dec. 2010: editors send comments, ask us to update the paper with new data... in less than two weeks, during the holidays
- Jan./Feb. 2011: more reviews/editing
- March 2011: published