STATEMENT OF

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ON

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Chairman Baucus, Ranking Member Hatch, and Members of the Committee, thank you for the opportunity to discuss our work at the Centers for Medicare & Medicaid Services (CMS) related to health information technology (HIT). Through Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), CMS provides health care coverage for over 100 million people, and we are committed to ensuring that beneficiaries receive the highest possible quality of care and achieve better health outcomes at a lower cost.

Health information technology is an important building block that enables delivery system transformation. It allows for the seamless health information exchange needed to improve care delivery, ensure patient safety, enhance clinical decision making, track patient outcomes, support payment for care quality, and more. One of the most important elements of HIT is electronic health record (EHR) technology, the systems that will make individualized health information more readily available to patients, and that providers and hospitals are now using to track, record, and transmit information about their patients' health to improve health care.

CMS is incentivizing and enabling the use of technology as a key tool in improving care for CMS beneficiaries. CMS recently launched the eHealth initiative, which formally aligns CMS' HIT and electronic standards programs. The CMS eHealth programs include the Medicare and Medicaid EHR Incentive Programs, quality measurement programs such as the Physician Quality Reporting System (PQRS) and the Hospital Inpatient Quality Reporting Program, and the Electronic Prescribing (eRx) Incentive Program. Bringing these eHealth initiatives together sends an important signal that CMS firmly believes in the transformative potential of HIT to improve the effectiveness, quality, and efficiency of the U.S. health care system, and that CMS is committed to the notion of a streamlined workflow for providers where quality reporting is a natural outgrowth of EHR use.

Encouraging EHR Adoption

Since the passage of the American Recovery and Reinvestment Act of 2009 (Recovery Act), CMS has been hard at work implementing an important part of the Recovery Act—the Health Information Technology for Economic and Clinical Health Act (HITECH Act). The HITECH Act authorizes financial incentives, technical assistance, and encourages the widespread adoption and "meaningful use" of EHRs—that is, the use of certified EHR technology to improve quality, safety, efficiency, and reduce health disparities; engage patients and families; improve care coordination, population and public health; and maintain the privacy and security of patient health information.

The HITECH Act established the Medicare and Medicaid EHR Incentive Programs, which 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. For example, eligible professionals can receive up to $44,000 through the Medicare EHR Incentive Program or up to $63,750 through the Medicaid EHR Incentive Program. To receive an EHR incentive payment under Medicare, providers have to show that they are "meaningfully using" their certified EHR technology by meeting thresholds for a number of objectives and by reporting clinical quality measures. CMS has established the objectives for meaningful use that eligible professionals, eligible hospitals, and CAHs must meet in order to receive an incentive payment.

For the Medicaid EHR Incentive Program, states verify provider eligibility for payments. Several additional types of health care providers are eligible for Medicaid EHR incentive payments, including nurse practitioners, certified nurse-midwives, dentists, and physician assistants who furnish services at a physician assistant-led Federally Qualified Health Center or Rural Health Clinic. There are also patient volume thresholds that providers must meet to be eligible for EHR incentive payments under Medicaid. Children's hospitals, however, are eligible for Medicaid incentive payments, regardless of Medicaid patient volume. In their first year in the Medicaid EHR Incentive Program, Medicaid providers do not need to meet the full requirements of Stage 1. Instead, providers must implement, adopt, or upgrade a certified EHR technology; meeting meaningful use requirements is not necessary until year two.

The Medicare and Medicaid EHR Incentive Programs are staged with increasing requirements for participation. Stage 1 of meaningful use of EHRs focuses on basic data capture; Stage 2 focuses on advanced functionality of EHRs, including interoperability, patient engagement, clinical decision support, and quality measurement; Stage 3 is expected to focus on increased health information exchange and interoperability and improved patient outcomes.

Participation in the EHR Incentive Programs has been robust. Approximately 80 percent of all eligible hospitals and critical access hospitals and over half of all eligible professionals in the U.S. have received payment in the Medicare and Medicaid EHR Incentive Programs for successfully adopting, implementing, upgrading, or meaningfully using an EHR.[1] As of May 2013, more than 220,000 of the nation's eligible professionals and over 3,000 of the nation's eligible hospitals have achieved the requirements for Stage 1 Meaningful Use.[2] Forty-nine states and three territories have launched their Medicaid EHR Incentive Programs. Those states have paid almost $2.1 billion to over 88,000 Medicaid-eligible professionals.[3] As of May 2013, the Medicare and Medicaid EHR Incentive Programs have paid out $15.1 billion in incentives to hospitals, doctors, and other health care professionals.[4]

With meaningful use Stage 1 underway, CMS's focus this year is to successfully implement meaningful use Stage 2 in 2014, including ensuring program integrity, advancing interoperability, achieving alignment across programs, and hitting clear adoption targets by year's end. Our goal is to ensure that providers have the greatest opportunity possible to take advantage of the program.

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[1] HHS News Release (May 22, 2013), http://www.hhs.gov/news/press/2013pres/05/20130522a.html
[2] CMS internal analysis presented at Health IT Policy Committee meeting, July 9, 2013, https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Downloads/HITPC_July2013_Full_Deck.pdf
[3] May 2013 EHR Incentive Programs Medicaid Incentive Payments Report: http://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Downloads/May_Medicaid_EHRIncentivePayments.pdf
[4] May 2013 EHR Incentive Programs Report: http://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Downloads/May_EHRIncentiveProgramsPaymentsReg_SummaryReport.pdf

CMS is also looking ahead toward advanced interoperability and widespread electronic health information exchange. In March 2013, CMS and ONC released a Request for Information that asked for input from industry and the general public to help us accelerate health information exchange across settings of care in order to support care coordination and delivery reform. We received hundreds of comment letters and are reviewing them to identify the most effective activities we can undertake to promote interoperability.

We believe efficient health care delivery is contingent on the adoption of EHRs and the electronic exchange of data. Such changes are required to facilitate the information infrastructure that is needed to transform the health care system into one that is truly patient-centered and value-based. We recognize that some providers and EHR vendors may not yet have a business imperative to share health information across providers and settings of care. The long-term sustainability of investments in HIT will come as a result of the movement away from fragmented, fee-for-service care and towards value-based, coordinated care. Managing information for individuals and populations, rather than for services rendered, is essential for transforming care delivery and managing total cost. HITECH has accelerated and shaped the development of the necessary infrastructure to enable providers to meet this transformed delivery system. The business case for providing better care at lower cost will rely on and support these investments over time.

CMS is supporting the business case for EHR adoption through initiatives that encourage health care providers to deliver high-quality, coordinated care at lower costs. These reforms are enabling us to pay for value, not simply the quantity of care provided, while promoting patient safety and seeing that care is better coordinated across the health care delivery system. Included among these initiatives are Accountable Care Organizations (ACOs)—groups of doctors and other health care providers that have agreed to work together to treat individual patients and better coordinate their care across care settings. They share—with Medicare—any savings generated from lowering the growth in health care costs while improving quality of care including providing patient-centered care. Another example is the Hospital Value-Based Purchasing Program. As required by the Affordable Care Act, beginning in October 2012, Medicare began adjusting payments to acute care hospitals according to how well they meet

Medicare's quality standards. These standards are consistent with evidence-based clinical practice for the provision of high-quality care. Hospitals are scored on improvement as well as achievement on a variety of quality measures. The higher a hospital's performance score during a performance period, the higher the hospital's value-based incentive payment will be for a subsequent fiscal year. Because these programs incentivize well-coordinated, high quality care, they help build the business case for providers to adopt EHR systems that help them manage and share information electronically across care settings.

Improving Quality

Increased EHR adoption will help improve the quality of care for CMS beneficiaries. The Medicare and Medicaid EHR Incentive Programs incorporate clinical quality measures (CQMs) as reporting requirements for meaningful use. CQMs are tools that help many stakeholders, including CMS and health care providers themselves, measure and track the quality of health care services provided by eligible professionals, eligible hospitals, and CAHs within our health care system. They measure many aspects of patient care including health outcomes, clinical processes, patient safety, efficient use of healthcare resources, care coordination, patient engagement, and population and public health. Measuring and reporting these CQMs helps to ensure that our health care system can deliver effective, safe, efficient, patient-centered, equitable, and timely care. To support providers in their quality reporting efforts, Quality Improvement Organizations (QIOs)—organizations in each state that work to resolve care quality issues and implement improvements in care quality—are actively assisting eligible professionals and hospitals in IT-enabled care management to focus on effective use of clinical decision support, clinical quality improvements, and using EHRs to track and improve population health and clinical targets.

CQMs are required as a core meaningful use objective, which means that eligible professionals, eligible hospitals, and CAHs who wish to participate in the EHR Incentive Program must use certified EHR technology to calculate their CQMs, and must report the results by attestation in order to receive an incentive payment. Beginning in 2014, providers in stage two of meaningful use will electronically report on at least nine CQMs across at least three of the National Quality Strategy domains. CMS is working with the states to develop electronic CQM submission

systems, including enhanced Medicaid Health Information Exchange infrastructure funding, that will align with state Medicaid enterprises and health priorities.

CMS is also working to align existing CMS reporting requirements for eligible professionals and hospitals, and is encouraging the adoption of broad scale electronic reporting of quality data. The Physician Quality Reporting System (PQRS) is a reporting program that uses a combination of incentive payments and payment adjustments to promote reporting of quality measures by eligible professionals. The program provides incentive payments through 2014 to practices with eligible professionals who satisfactorily report data on quality measures for covered Physician Fee Schedule (PFS) services furnished to Medicare Part B fee-for-service beneficiaries. Eligible professionals will be able to report quality data once, and meet some of the requirements for the PQRS and the EHR Incentive Programs. Groups of physicians in ACOs may also meet the reporting requirements for the Medicare EHR Incentive Program, assuming they report via certified EHR technology. For the hospital setting, CMS is also beginning to align measures across the applicable programs as more measures become electronically specified. These programs include the Hospital Inpatient Quality Reporting, Hospital Value-Based Purchasing, and the EHR Incentive Programs. This new alignment across Federal programs will be critical not only for lowering the burden on providers, but also for focusing improvement on measures that matter most.

Through these and other programs, CMS is encouraging quality improvement and establishing benchmarks on which to assess future progress. The quality measures are generally endorsed by the National Quality Forum, meet validity and reliability requirements, and align with the National Quality Strategy, which outlines improvement goals for health care. We are increasing our focus on patient-centered outcome measures that matter most for improving health. Our vision for the future of quality reporting is to implement a unified set of electronic quality measures and e-reporting requirements to synchronize and align CMS quality programs, reduce provider burden, and maximize efficiency and improvement.

Transforming Health Care Delivery

In addition to facilitating higher-quality care, HIT can help to improve the safety and efficiency of care delivery. Through EHRs, providers can have reliable point-of-care access to patients' past medical history, lab results, and prescriptions. They also have a means of generating the information needed to support effective care transitions. In the first two years of the EHR Incentives Programs, eligible providers sent more than 4.3 million care summaries to other providers when patients were moving between care settings.[5] These summaries are used when a physician or practitioner refers or directs a patient's care to another setting or provider and are necessary for effective care coordination.

EHRs also support access to patients' health information, following them wherever they access care. But EHRs are more than simply a record of patients' medical history. EHR data can be used to display information in ways that are beneficial for providers and their patients. An EHR can check a patient's new prescription against current medications to avoid adverse events and errors, alert providers to a patient's life-threatening allergy, and tailor provider supports and prompts to the latest clinical guidelines. Through diagnostic and therapeutic decision support, clinical alerts and reminders, and built-in safeguards, EHRs can help providers make safe, effective decisions and provide high quality care for their patients.

One example of health care delivery improvement through HIT is electronic prescribing (e-prescribing), which gives providers the ability to better manage patient prescriptions while reducing adverse drug interactions or other preventable prescription errors. CMS' Electronic Prescribing Incentive Program uses incentive payments and payment adjustments to encourage e-prescribing by eligible professionals. Since 2012, the program has also applied a negative payment adjustment to those eligible professionals who are not successful e-prescribers on their Medicare Part B services. In addition, the certification of EHR technology, as administered by the Office of the National Coordinator for Health IT's Certification Program, requires that the technology be able to generate and transmit permissible prescriptions electronically. Moreover, the Medicare and Medicaid EHR Incentive Programs require the use of certified EHR

[5] CMS internal analysis

technology for e-prescribing. In the first two years of the EHR Incentive Programs, health care providers who met meaningful use reported sending 190 million electronic prescriptions.[6] These two programs support the safe, efficient delivery of prescription drugs to patients.

Improving the Care Experience for Patients

In addition to its role as the platform for safe, effective, high-quality care, HIT is also allowing patients to become more engaged in their health and health care. For example, the Medicare and Medicaid EHR Incentive Programs Stage 1 criteria require eligible professionals and hospitals to provide patients with an electronic copy of certain health information including diagnostic test results, problem lists, and medication lists upon request, and to provide patients with clinical summaries after each office visit. The Stage 2 criteria require eligible professionals and hospitals to provide patients the ability to view online, download, and transmit certain health information. Already, health care providers have sent 4.6 million patients an electronic copy of their health information from their EHRs, and have sent over 13 million reminders about appointments, required tests, or check-ups to patients using EHRs.[7]

Recognizing the potential that giving patients access to their medical records has for improving patient engagement and outcomes, the Blue Button initiative gives Medicare beneficiaries a secure way to download their personal health information to an electronic file. The initiative is also spurring innovation in HIT, with mobile app makers developing intuitive interfaces to display Blue Button data. With access to their Blue Button data, patients now have the ability to more easily keep track of their medicines, chronic conditions, and laboratory results; share information with providers and caregivers; and plug the downloaded data into compatible apps and tools that help them better understand their health, prevent illness, and modify their behavior in healthy ways.

Conclusion

While HIT alone does not make care better, it is an essential ingredient to care improvement. HIT supports clinicians in their work, moving us away from the days of illegible notes and

[6] CMS internal analysis
[7] CMS internal analysis

prescriptions, reams of paper charts, x-rays that cannot be found, and lost faxed lab results and toward a health system where the relevant information is at the fingertips of clinicians and patients and secure electronic systems support better care. It is enabling the higher quality care, better health, and lower costs that our health system is striving to achieve. By providing tools and incentives for EHR adoption, quality reporting, e-prescribing, and patient engagement in their health care, CMS is encouraging clinicians, hospitals, and beneficiaries to use HIT as a platform for improved health care quality and better health outcomes at lower cost. Our health system can improve and achieve better results. HIT is a foundational building block to enable a 21st century health system that achieves better health outcomes for all Americans.