Testimony of Julie Massey, M.D.

Chief Medical Information Officer

Albert Einstein Healthcare Network

For

House Insurance Committee

April 22, 2010

Chairman DeLuca and members of the Committee, I am Dr. Julie Massey, Chief Medical Information Officer of Albert Einstein Healthcare Network. Thank you for inviting me to testify today.

Einstein is an urban safety-net healthcare system. We have over 1,200 beds and 100 outpatient facilities, serving the Greater Philadelphia region. We employ more than 7,000 people, and offer training programs for physician residents, fellows, nurses, pharmacists and other health professionals. As a community not-for-profit organization, we take seriously our responsibility to understand and meet the diverse health care needs of a patient population that is predominately covered by government payers, of which 50% are covered by Medicaid and 34% are covered by Medicare programs.

Implementing an advanced Electronic Medical Record is critical to Einstein's ability to continue to provide the highest quality and safest level of care to our patients. In fact, our EMR initiative is the largest single project in the nearly 150 year history of our organization. We believe that appropriate, secure sharing of clinical information both

within healthcare organizations and with other providers is an essential component of advancing quality and coordination of care, while potentially reducing costs.

Our EMR project was approved by our Board of Trustees in the fall of 2008, prior to the adoption of the ARRA and HITECH acts. At that time, our Board of Trustees approved the first phase of a ten year, nearly $100 million dollar investment to implement an EMR in our hospitals. This first phase of our project will allow Einstein to meet the current proposed CMS Stage 1 definition of "Meaningful Use." It is important to know that Einstein will need to make additional investments to meet further stages of "Meaningful Use" and provide EMR solutions to our more than 300 employed physicians in their offices. We believe these additional investments will cost $30-40 million, in order for Einstein to meet the intent of HIT adoption as defined within the HITECH act.

Einstein is very appreciative of the government's significant investment in HIT through ARRA. We think it is important to realize, however, that the HIT incentive program will only offset 10%-13% of the cost of our total investment, assuming we meet the definition of "Meaningful Use". Therefore we believe it is important to take several items into considerations as you move forward.

Medical Assistance Health IT Incentive Payments

We understand that ARRA provides states with discretion regarding how and when Medicaid HIT incentive payments are made to both hospitals and eligible providers. Einstein, like many health care organizations with large Medicaid patient populations, is

continuously challenged to find capital for many worthy projects, including HIT. We believe that the use of Medicaid HIT incentive payments to health care providers should be leveraged as quickly as possible by DPW. In order to accelerate a statewide commitment to meaningful EHR use, early access to funds will incentivize hospitals and other healthcare providers to move forward with these expensive and complex projects. By identifying eligible providers who are meaningful users or who are working to become meaningful users, DPW can make first-year payments in January 2011, which will encourage rapid adoption. We also urge DPW to exercise its discretion to pay high Medical Assistance hospitals and eligible providers half of their full multi-year payments during the first year, in order to speed up HIT adoption.

The Health Information Technology Act (House Bill 2106)

The Health Information Technology Act, House Bill 2106, introduced by Representative Rick Taylor (D-Montgomery) would establish the Pennsylvania Health Information Exchange Authority and the Loans or Grants for Information Networks (LOGIN) Program. The measure creates a framework for secure transfer of electronic health records, and other technologies that store, protect, retrieve, and transfer clinical, administrative, and financial information electronically within health care settings. The bill will create the Authority to govern and operate astatewide electronic Health Information Exchange system. In addition, the bill would prohibit using sensitive information submitted to the authority to compare healthcare providers. We believe the establishment of a statewide Health Information Exchange structure is a crucial step to achieving the promise of improved quality and care coordination.

The Loans or Grants for Information Networks (or LOGIN) will provide a framework to financially assist providers – large and small. It is imperative for the long-term success of the HIT exchange that individual and group physician practices and hospitals have access to technical and financial assistance to successfully implement HIT. As providers, we don't learn about HIT in Medical School. We know HIT will greatly improve healthcare quality, but we will need expert assistance in order to achieve adoption of HIT and share best practices..

Heath Information Exchange Payment Burden

In March, the Governor's Office of Health Care Reform sent the Pennsylvania Health Information Exchange Strategic Plan to the ONC for review and approval. This plan differs from the November 2009 proposed plan (which Einstein supported) in that it calls for the issuance of a request for proposal (RFP) for a technology partner to build the PHIX. The final PHIX strategic plan also does not include dedicated funding for building and maintaining the PHIX beyond the $17.1 million awarded to Pennsylvania by Office of the National Coordinator for Health Information Technology. A robust Health Information Exchange system will create significant cost benefits for payer organizations by improving efficiency of the healthcare system. We believe that it is critical provider organizations should not be burdened with the with the cost of creating and maintaining the Health Information Exchange when we receive no financial benefit from its deployment.

.

Medical Assistance Meaningful Use

ARRA allows states to adopt meaningful use definitions that vary from CMS's Medicare meaningful use definition. Under the proposed rule from CMS, a provider would be eligible for Medicaid incentives (assuming other necessary eligibility criteria are met) if they meet the Medicare definition of Meaningful Use. As we understand DPW's vision, which was published prior to the CMS proposed rules, Pennsylvania intends to adopt the CMS Medicare meaningful use definition and establish additional electronic reporting requirements: Electronic Quality Improvement Projects (EQUIP). We are concerned that these additional electronic reporting requirements for 2011 would make it even more difficult for providers to qualify for HIT incentive payments in 2011 or 2012. Einstein desires one clear target for "Meaningful Use", which does not require us to meet multiple standards.

Summary

Physicians, in our offices and in the hospital, need better access to our patients' data to improve quality and coordination of care for our patients. Today, much time is spent collecting patient information from multiple sources. This time could be better spent directly caring for our patients. Health Information Exchange is a necessary step to achieve this goal.

Einstein is deeply appreciative of Representative Taylor's efforts to work with the provider community on this legislation, which will play a vital part in the PHIX strategic plan. We believe the authority created by House Bill 2106 should govern the PHIX. We

urge your support of House Bill 2106 and consideration of the amendments that will be recommended by the PHIX Advisory Council.

In conclusion, Einstein is an enthusiastic participant and supporter of the implementation and adoption of HIT. We believe that HIT will enhance the quality, safety and efficiency of care provided to the community. We are making a substantial investment in these technologies, and encourage the committee to consider our concerns to prevent providers from being overly burdened with the cost of HIT, which could slow down and weaken implementation efforts.

Thank you again for this opportunity to testify and to provide Einstein's perspective on the implementation of health IT. We welcome the opportunity to work with you on this important initiative, and I will be happy to answer your questions.