

MASSACHUSETTS eHEALTH COLLABORATIVE

June 2009



THE GOVERNMENT TO THE RESCUE!

American Recovery and Reinvestment Act (ARRA) (aka “the Economic Stimulus”)

One Hundred Eleventh Congress
of the
United States of America

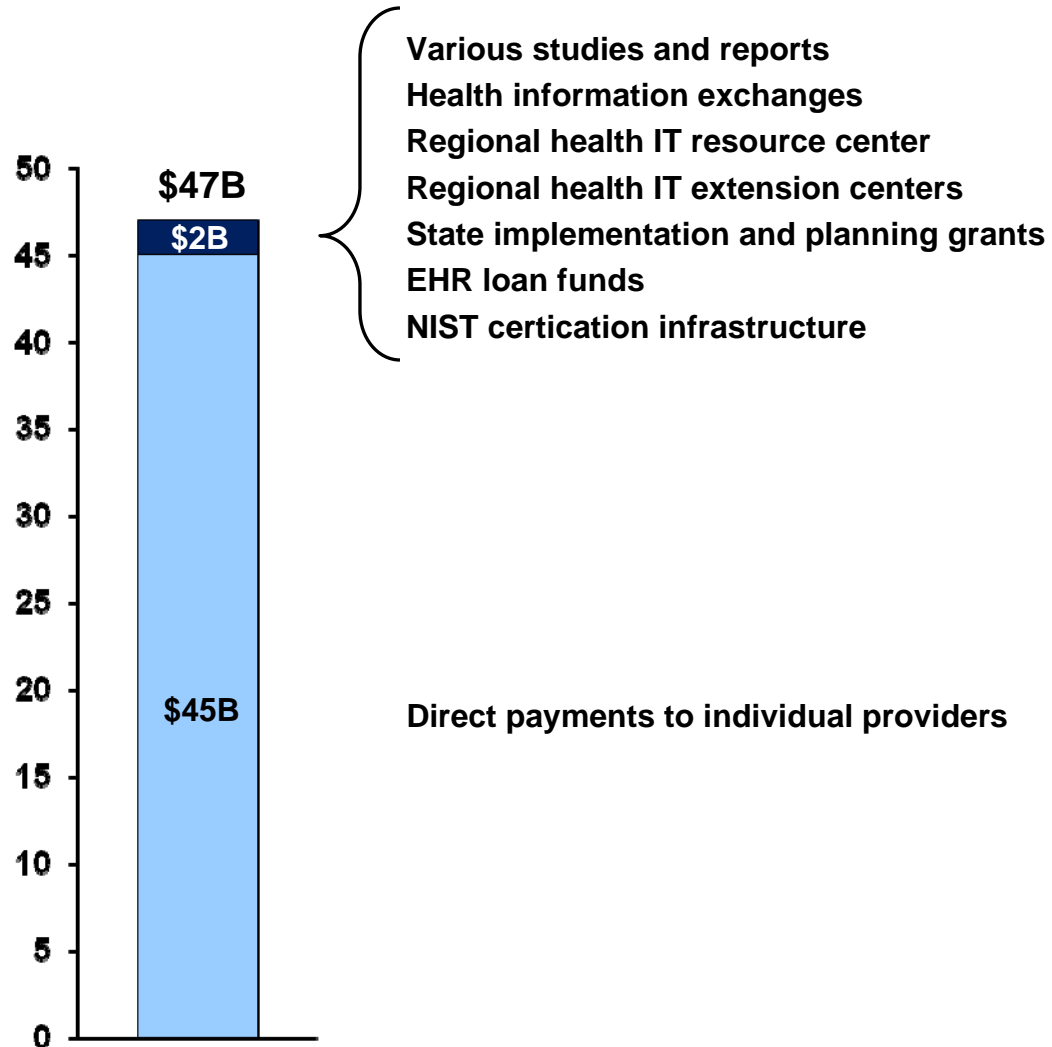
AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the sixth day of January, two thousand and nine*

An Act

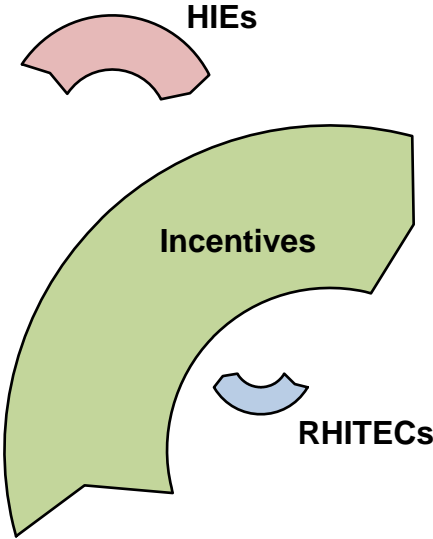
Making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, and for other purposes.

HEALTH IT SPENDING IN ARRA

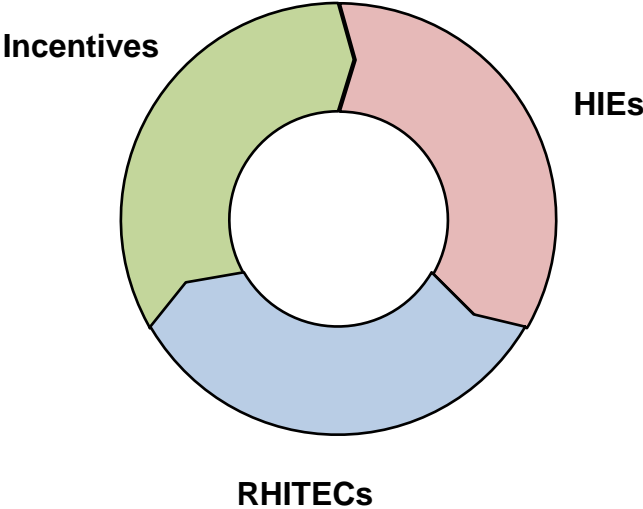


MEANINGFUL USE DOESN'T HAPPEN, IT GETS DONE

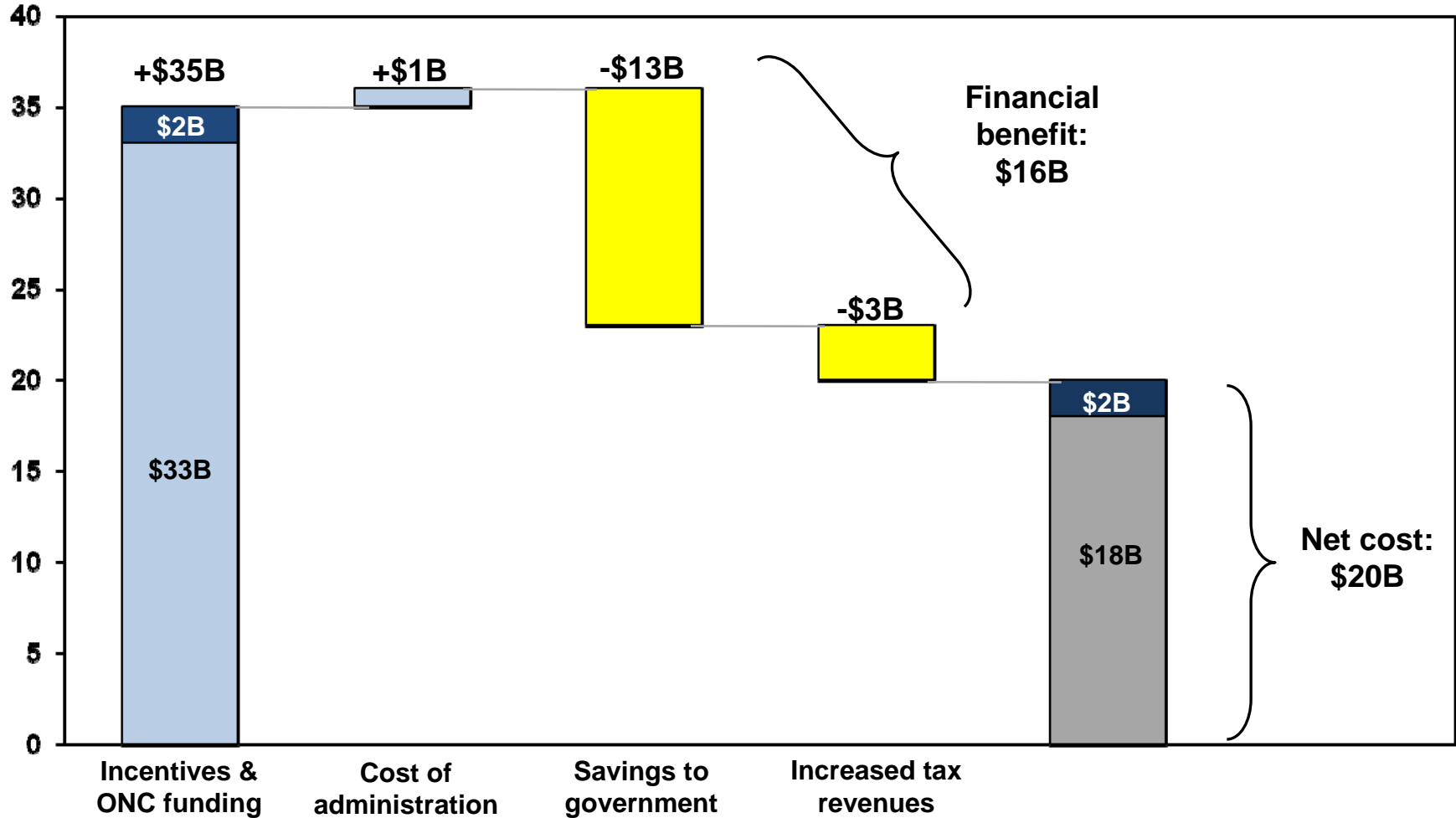
Current approach funds the pieces, but doesn't connect them



RHITECs and HIEs will be the key to getting to a higher level of meaningful use at a lower cost, but only if they are tied to the incentives



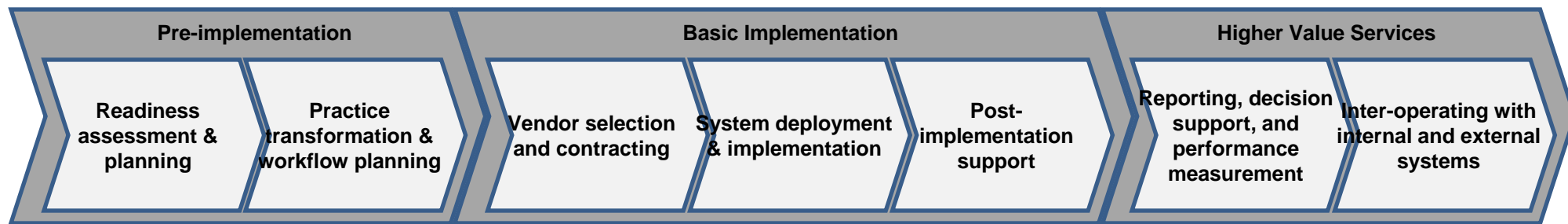
US GOV'T EXPECTING TO GET 50% PAYBACK ON ARRA HEALTH IT INVESTMENTS



MEANINGFUL USE

EFFECTIVE TECHNOLOGY ADOPTION

EHR Implementation Value Chain



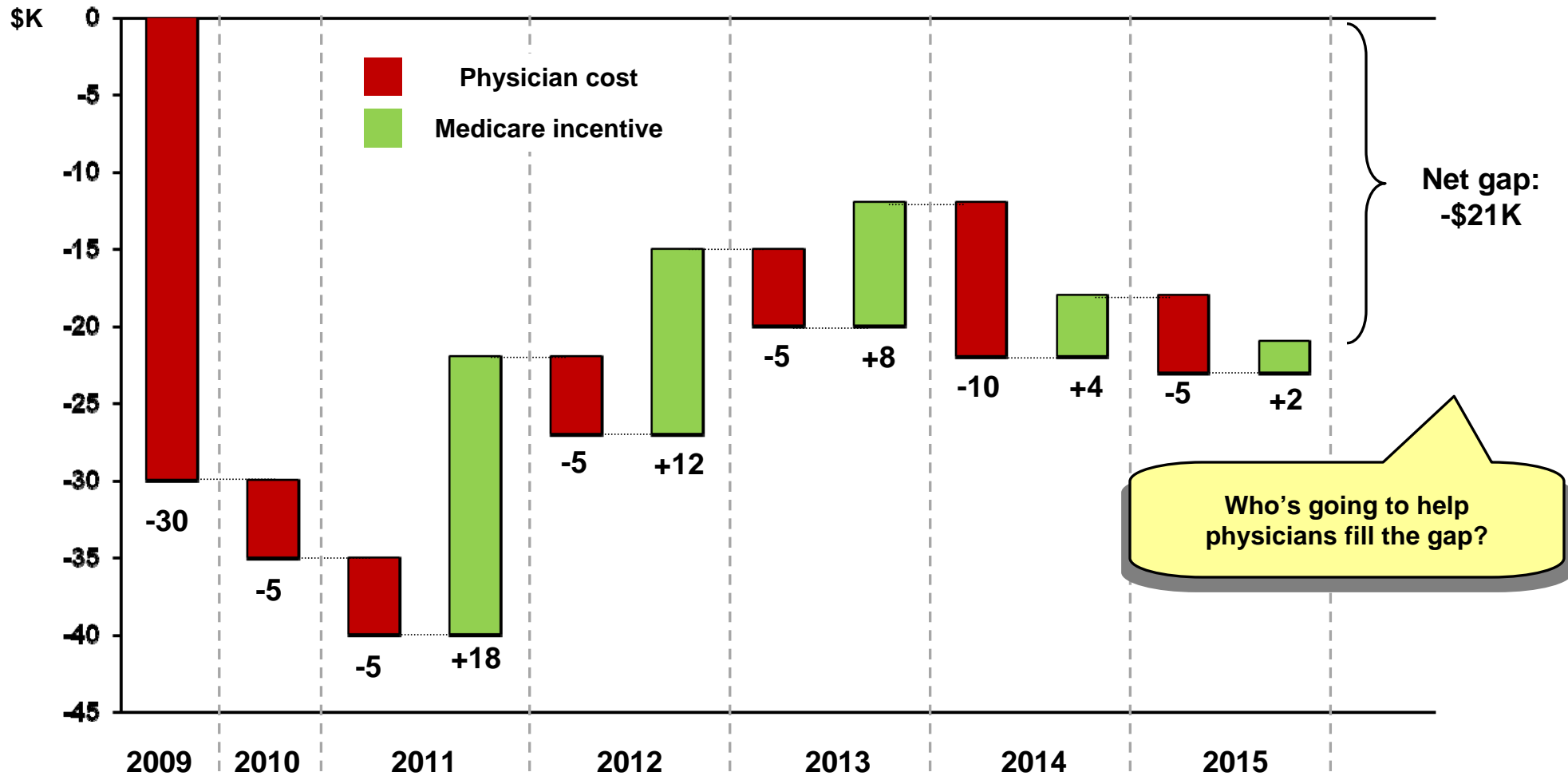
Significant gaps at any point along this chain undermine HIT adoption

THE INCENTIVES THEMSELVES ARE SPREAD OUT OVER A NUMBER OF YEARS...

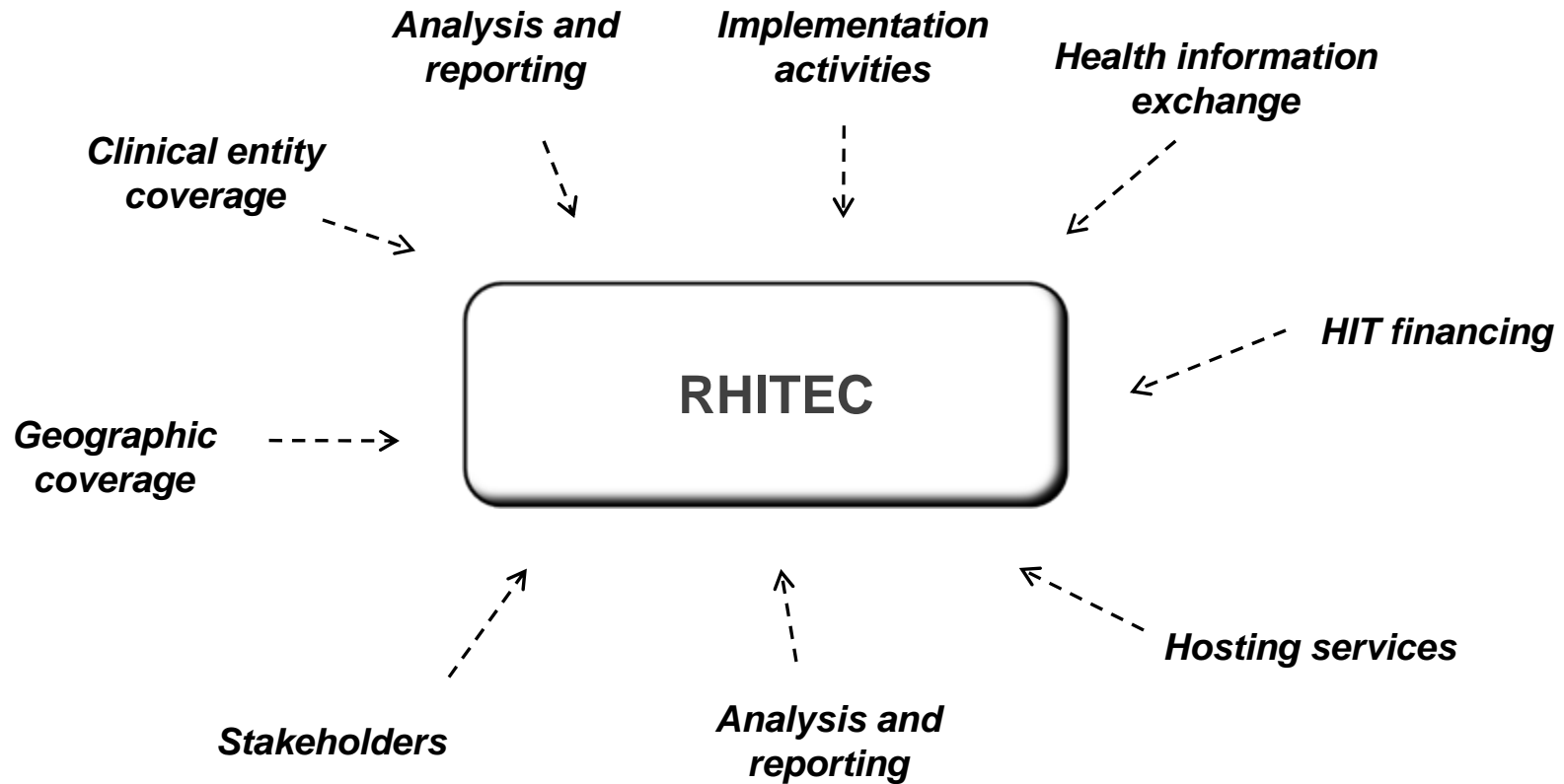
First Payment Year	First Payment Year Amount, and Subsequent Payment Amounts in Following Years	Reduction in Fee Schedule for Non-Adoption/Use
2011	\$18k, \$12k, \$8k, \$4k, and \$2k	\$0
2012	\$18k, \$12k, \$8k, \$4k, and \$2k	\$0
2013	\$15k, \$12k, \$8k, and \$4k	\$0
2014	\$12k, \$8k, and \$4k	\$0
2015	\$0	-1% of Medicare fee schedule
2016	\$0	-2% of Medicare fee schedule
2017 and thereafter	\$0	-3% of Medicare fee schedule

- **Represents maximum allowable payments**
- **Actual incentive equals LOWER of 75% of annual Medicare Part B professional services charges or \$44K**

...AND THE PAYMENTS DON'T COVER THE OUTLAYS AT AN INDIVIDUAL PHYSICIAN-LEVEL



POSSIBLE REGIONAL HEALTH IT EXTENSION CENTER ACTIVITIES



SOME NECESSARY INGREDIENTS TO PREVENT THIS FROM BEING A TOTAL DISASTER

Reallocation of funds away from direct incentives to providers and toward support for adoption service and health information exchange activities

Statewide coordination and resource sharing coupled with local delivery

Alignment of health information exchange and EHR adoption activities

SOME PATHS WE DON'T WANT TO FOLLOW....

Headline Story

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House Rejects Obama's Request for More TARP Funds

Thursday, January 22, 2009 10:42 PM

Article Font Size

WASHINGTON — The House expressed its bipartisan anger over a massive financial bailout package Thursday as the Obama administration undertook to assure lawmakers that it would spend the remaining money prudently and with greater oversight than the Bush administration.