

MONITORING NATIONAL IMPLEMENTATION OF HITECH: STATUS AND KEY ACTIVITY QUARTERLY SUMMARY

JANUARY - MARCH 2012

Contract Number:
HHSP23337009T

Prepared for:
The Office of the National Coordinator for Health Information Technology
U.S. Department of Health and Human Services
Washington, D.C.

Prepared by:
Mathematica Policy Research Inc
600 Alexander Park
Princeton, NJ 08540

This report was prepared by Mathematica Policy Research Inc under contract to the Office of the National Coordinator for Health IT (ONC). The findings and conclusions of this report are those of the authors and do not necessarily represent the views of ONC or the U.S. Department of Health and Human Services.

MONITORING NATIONAL IMPLEMENTATION OF HITECH: STATUS AND KEY ACTIVITY QUARTERLY SUMMARY:

JANUARY – MARCH 2012

Prepared by Mynti Hossain and Marsha Gold of Mathematica Policy Research under Contract with the ONC Evaluation Office for a Global Assessment of HITECH

This summary supports the global assessment by synthesizing in one place selected statistics and activity reports relating to implementation of HITECH. It is developed quarterly and reflects information made available between January 2, 2012 and March 30, 2012. The list is not meant to be exhaustive but to reflect a subset of reports and activities on the ONC or CMS web site, in selected documents that are referenced in the reports ONC receives daily as part of its communications monitoring, and selected other activities of which we are aware. We welcome additions and clarifications from ONC.

MEANINGFUL USE INCENTIVE PAYMENTS—STAGE 1

- The number of eligible professionals and hospitals registered for meaningful use payments, as well as the amount paid to them, continued to increase in February 2012 (the February 2012 [CMS incentive program report](#) was available in late March, but has subsequently been removed from the CMS website). As of 2012, active registrations included 141,649 Medicare eligible professionals, 66,663 Medicaid eligible professionals and 3,355 hospitals, for a total of 211,667 active registrations that includes 20,067 registrations that were fully completed in February 2012. Across Medicare and Medicaid, a program total of \$3.9 billion in incentive payments has been distributed.
 - Medicare breakdown –
 - Medicare paid a program-to-date total of \$2.1 billion to eligible professionals and hospitals, \$352.4 million of which was paid in February 2012.
 - Consistent with previous trends, the number of eligible professionals receiving payments, as well as the amount paid to them, continue to rise. In February 2012, 12,365 eligible professionals received \$222.6 million in incentive payments, this number of eligible professionals being 1.6 times the number of eligible professionals paid in January 2012. February 2012 payments to the eligible professionals account for over one third of the total payments made to eligible professionals since the start of the Medicare incentive program.
 - Medicaid breakdown –
 - The total number of [actively participating states in the incentive program](#) is now 43, as Colorado and Kansas started their programs in January 2012. (The remaining states not yet participating are Hawaii, Idaho, Minnesota, Nebraska, New Hampshire, and Virginia). Of the 43 states, 38 were distributing incentive payments as of February 2012. The five states not disbursing payments include Colorado, Illinois, Kansas,

North Dakota, and South Dakota because, before states can begin to distribute payments, CMS approval is required.

- Medicaid paid a program-to-date total of \$1.8 billion to eligible professionals and hospitals through February 2012, \$230.9 million of which was paid in that month.
 - Medicaid payments to date include \$510.8 million to 24,332 eligible professionals and \$1.3 billion to 1,559 hospitals.
 - Program-to-date payments to eligible professionals include 18,141 physicians, 4,223 nurse practitioners, 1,162 dentists, 563 certified nurse midwives, and 243 physician assistants. Most hospital payments were to acute care hospitals but 33 children's hospitals received payments.
- CMS has not yet posted an updated [quarterly report](#) listing hospitals paid through the EHR program. The latest report is through December 28, 2011.
 - CMS changed the filing deadline for hospitals to [appeal an eligibility determination for the 2011 EHR incentive program](#) from December 31, 2011 to January 31, 2012.

REGIONAL EXTENSION CENTERS

- ONC is in the process of analyzing information from regional extension centers (RECs) on barriers to physician attestation. ONC's [analysis of preliminary data](#) from the CRM tool—which includes information from approximately half of the 62 RECs from November 2011 through January 10, 2012—shows that, out of 4,103 physicians, 26% were on track to receive meaningful use payments while the remaining 74% or 3,043 reported a total of 4,100 barriers. The 10 most frequently reported barriers are: 1) having too many vendors in the market to choose from (n=473); 2) upgrade issues associated with vendor support (n=355); 3) practice issues related to workflow adoption (n=253); 4) practice issues related to administration (n=252); 5) practice issues related to provider engagement (n=200); 6) vendor issues associated with slow or unavailable reports (n=182); 7) vendor technical issues (n=154); 8) financial issues for practices (n=151); 9) attestation problems because the Medicaid program was not yet up (n=146) and certification issues related to vendors (n=131). Early analysis was presented to the HIT Policy Committee by ONC staff in February. ONC stated that information from the remaining 30 RECs is expected in the near future and they intend to create a more refined system of classification for the next round of analysis.

AVAILABILITY OF CERTIFIED PRODUCTS AND THE VENDOR MARKET

- The Health Information and Management Systems Society's 2012 conference ([HIMSS 12](#)) was February 20-24, 2012 in Las Vegas, Nevada. Attendance was at a reported record of 37,032 people, up from 31,500 the prior year. [Healthcare Informatics, February 24, 2012](#) HIMSS 12 included events such as a high-level briefing on the Stage 2 of the meaningful use program the day they were sent to the Federal Register, before the official release. Several events involved the release of new data, including the following:
 - ONC made public a set of de-identified [data](#) on [www.data.gov](#) that combines information from ONC's [Certified Health IT Product List](#) and [CMS's payment and registrations reports](#). Data show that nine vendors dominate the market. Across the eligible professionals receiving MU payments, 217 vendors used were used. However, 54% of eligible professionals used the following five vendors:

Epic Systems, eClinicalWorks, Allscripts, athenahealth, Community Computer Service. On the hospital side, 22 vendors were used but 75% of hospitals used the following five vendors: Epic Systems, Computer Programs and Systems, Cerner, Healthland, and MEDITECH. The information on the site includes attestations from April 2011 to January 24, 2012. [iHealth Beat, January 17, 2012](#)

- Kalorama Information released a [study](#) estimating that the EHR market was valued at about \$17.9 billion in 2011, with five vendors accounting for about half of that revenue: 1) Cerner; 2) McKesson; 3) Siemens; 4) GE Healthcare; 5) Epic; and 6) Allscripts. [iHealth Beat, March 26, 2012](#)
- ONC continues to administer contests to promote engagement of the private sector in developing applications of health information technology that support providers and patients seeking to improve health outcomes. Recent activities include:
 - In January, ONC awarded \$20,000 each to two winners of the “[Using Public Data for Cancer Prevention and Control: From Innovation to Impact](#)” challenge.
 - Also in January, ONC [announced](#) a health IT challenge to improve care transitions for hospital discharged patients. The announcement was made at the [Care Innovations Summit](#) and is the second of two related challenges seeking to support the Health and Human Services’ Partnership for Patients initiative.
 - The [Healthy New Year Challenge](#) announced seven winners of the contest, which called for individuals to submit videos that show how they are improving their health through health IT.
- Several announcements were made in regard to development of new products, including:
 - The Food and Drug Administration (FDA) [announced](#) plans to contract with a software developer to design a mobile application that will allow the FDA to have real-time information about adverse drug effects in crisis situations, such as a flu outbreak. [Nextgov, January 5, 2012](#)
 - During the January 2012 International Consumer Electronics Show, Ford, Microsoft, Healthrageous and BlueMetal Architects announced their plans to collaborate on the development of a health management tool in personal automobiles. [Healthcare IT News, January 12, 2012](#)
- Research2Guidance, a market research firm, published a [report](#) stating that 2011 health-related mobile application revenues were \$718 million—a significant increase from the estimated \$100 million in revenues from 2010. [MobiHealthNews, January 12, 2012](#)
- In February, Health Evolution Partners—started by former US National Health Information Technology Coordinator Dr. David Brailer—and Verizon Connected Healthcare Solutions, Verizon’s health IT group, announced that they are collaborating to support and promote mobile health and telemedicine development in up and coming health data management companies. [MobiHealthNews, February 6, 2012](#)
- A Certified Commission for Health Information Technology (CCHIT) [news release](#) states that greater than 70% of EHR providers and hospitals that attested to meaningful use are certified by both CCHIT and ONC.

- UnitedHealth Group announced, in January, a partnership with three companies: CareSpeak Communications, FitBit, and Lose It!. UnitedHealth Group will incorporate into their own products and services selected mobile health applications from the three companies. [*Twin Cities Business, January 10, 2012*](#)

PRIVACY AND SECURITY

- In March, the Federal Trade Commission published “[Protecting Consumer Privacy in an Era of Rapid Change: A Proposed Framework for Businesses and Policymakers](#),” which details several recommendations, including the regulation of organizations that collect consumer information as well as enabling individuals to use a “do not track” option when they are online. [*Federal Trade Commission, March 26, 2012*](#)
- In January, ONC and the Office for Civil Rights launched the Privacy & Security Mobile Device project in the effort to enhance privacy and security issues in information exchange via mobile technology. [*Healthcare IT News, January 26, 2012*](#)
- Redspin, an IT security audit provider, released “[Breach Report 2011](#)” which states that 2011 US health data breaches, compared to 2010, increased by 97%. [*Healthcare IT News, February 1, 2012*](#)
- In March, the American National Standards Institute, the Santa Fe Group, and the Internet Security Alliance published “[The Financial Impact of Breached Protected Health Information](#)” a report that introduces a 5-step method to help organizations calculate the cost of a data breach. The report consists of input from 70 organizations that work with electronic health information. [*American National Standards Institute, March 5, 2012*](#)
- In February, ONC [stated, in the Federal Register](#), that more resources are needed to conduct its educational campaign on privacy in personal health information exchange. ONC states that, as the use of mobile devices in health information exchange is increasing, more focus group hours are necessary for accurate data collection in the market. [*Government Health IT, February 23, 2012*](#)

HEALTH INFORMATION EXCHANGE

- ONC staff—C. Williams, F. Mostashari, K. Mertz, E. Hogin, and P. Atwal—published “[From the Office of the National Coordinator: The Strategy for Advancing the Exchange of Health Information](#)” in the March 2012 issue of *Health Affairs*. The article discusses the challenges around advancing electronic exchange in the current environment where very little electronic sharing is occurring, the high cost of existing approaches to exchange, the evolution of diverse models, and the important role trust plays in facilitating sharing of information. ONC sees its role as setting clear goals, leading development of policy and standards, and keeping the patient at the center of electronic exchange. Their strategy seeks to recognize the needs for different forms of exchange and the building blocks necessary to support it, setting specific 2012 priorities.
- In February, the Brookings Institution released a paper entitled “[Health Information Exchanges and Megachange](#),” by D. West and A. Friedman, analyzing factors that facilitate and impede “megachange,” like the establishment of state-based health information exchanges. Drawing on conceptual literature and case studies of five states—California, Indiana, Massachusetts, New York, and Tennessee—the authors identify drivers of policy and organizational change, discuss the effect of the existing

lack of consensus on strategy, and examine the local and regional aspects to the market in comparison to broad, state-level change. The authors highlight the need for a strong understanding of organizational dynamics, stakeholder consensus on strategy, and clear performance metrics for successful “megachange,” noting that no single approach will work for the whole country and that each state needs to work to its own strengths and weaknesses.

- Due to its growth and currently large size—3,000 providers and a coverage area of 65 million patients—the Nationwide Health Information Network (NwHIN), a pilot data exchange set up by ONC, is transitioning into a non-profit organization. The transition phase for the new entity, named [NwHIN-Exchange](#), will be complete by October 2012. [iHealth Beat, March 16, 2012](#)
- In February, the Department of Veterans Affairs issued a stop-work order on part of its integrated EHR system with the Department of Defense, which ASM Research is contracted to develop as a means of creating a hub between the two organizations, allowing them to integrate private vendor products. Information on what led to the stop-work order is not available. [Washington Business Journal, February 27, 2012](#)
- The National eHealth Collaborative conducted a short 2012 online [survey](#) asking industry stakeholders what the most significant benefits and challenges are to using health information exchange networks. The top three benefits reported are: 1) better care coordination; patients and providers having accurate information; and improved efficiency. The top three challenges reported are: 1) funding; 2) interoperability standards; and 3) provider adoption of health IT.
- States continue to pursue different strategies aimed at supporting exchange. For example:
 - In January, the District of Columbia accepted bids in response to their [request for proposals](#) for the building of an e-mail system for medical data exchange. This is to replace the HIE that was closed in late 2011 because of insufficient funding. [Washington Business Journal, January 3, 2012](#)
 - In January, the Illinois Office of Health Information Technology selected, for its health information exchange, InterSystems HealthShare, which is the same software Rhode Island and New York use. [InterSystems, January 3, 2012](#)
 - Maine is preparing to start a pilot program for its health information exchange. The system has been in place for three years and it is anticipated that the health information exchange will be ready for deployment at the end of the year. [Public News Service, January 9, 2012](#)

WORKFORCE PROGRAMS

- eHealth Initiative released “[How the HITECH Act is Helping Generate Jobs in Health Information Technology](#),” an issue brief that concludes that the number of health IT jobs is greater the number of people qualified to fill them. Findings also show that few survey respondents hired ONC workforce graduates. [Healthcare IT News, February 9, 2012](#)

- PricewaterhouseCoopers's [study](#), presented at HIMSS 12, says that 70% of health insurers, 48% of hospitals, and 39% of pharmaceutical companies intend to, over the next two years, add more health informatics staffing to their firms.
- Graham-Jones, P., Jain, S., Friedman, C., Marcotte, L. and Blumenthal, D., in a [Health Affairs article](#), emphasize the inclusion of health IT training in medical school and other professional development programs in six specific ways: 1) include exam questions on health IT in medical licensing board exams; 2) include health IT requirements in the accreditation of curricula; 3) require meaningful use of health IT as a condition of licensure; 4) integrate the assessment of health IT capabilities into board certification; 5) use health IT in continuing medical education; and 6) use electronic health record-generated practice profiles to customize continuing medical education.
- In March, ONC published their health IT training program curriculum at <http://www.onc-ntdc.org/>. The training materials include recorded lectures, instructor manuals, and an educational copy of the Veterans Affairs EHR, among other resources. [Health Data Management, March 29, 2012](#)

PROVIDER EHR ADOPTION, OTHER SOURCES OF SUPPORT, AND ISSUES

- In January, ONC submitted to Congress an “[Update on the Adoption of Health Information Technology and Related Efforts to Facilitate the Electronic Use and Exchange of Health Information](#).” The update reviews recent statistics and shows steady increases in use of EHRs among acute care hospitals and non-hospital-based physicians, citing that 44% of physicians currently use e-prescribing—an increase three times greater than the number of physicians who were using the feature in 2008. The report also states that over 120,000 physicians are signed up with RECs, but barriers to adoption still remain.
- In March, the National Institute of Standards and Technology (NIST), part of the US Department of Commerce, released a draft protocol for evaluating usability of EHRs. Entitled “[Technical Evaluation, Testing and Validation of the Usability of Electronic Health Records](#),” the report lays out the rationale for an EHR usability protocol and outlines procedures for design evaluation and user performance testing of EHR systems.
- In February, the Electronic Health Records Association (EHRA) published its “[Statement of Commitment to Patient Safety and a Learning Healthcare System](#),” in response to the Institute of Medicine’s report released last fall, “[Health IT and Patient Safety: Building Safer Systems for Better Care](#).” The statement says EHRs improve patient safety in ways that paper records do not, and that EHRA members are committed to identifying best practices to address the issue of patient safety. As a priority, they call for and support a multi-stakeholder demonstration project and commit to educating providers about patient safety and event reporting. EHRA represents 41 EHR vendors and the statement was signed by companies in its leadership including Epic, NextGen, Allscripts, Greenway, Siemens, CPSI, and GE Healthcare.
- Results from a Medical Group Management Association [survey](#) show that 51% of practices with 3+ physicians use EHRs. However, 34% of these practices use EHRs that include only basic functions like patients’ medical history and a list of allergies. [Information Week, February 1, 2012](#)

- The [West Health Policy Center](#), a new DC based organization, began operating in January with a commitment of up to \$10 million of funding from the Gary and Mary West Foundation, which develops and supports health technology projects. The new organization's ultimate goal is to identify technologies that will save \$100 billion in health care costs within the next 10 years. It will do this by researching reimbursement regulations, price transparency, and mobile health technology. The Center will also offer annual fellowships for research. The first fellow will be Dr. Peter Neuman from Tufts Medical Center. [The Washington Post, January 24, 2012](#); [U-T San Diego, January 24, 2012](#)
- Kaiser Permanente started offering its patients, in January, the ability to access their health information through mobile phones. This includes accessing lab results, refilling prescriptions, and e-mailing physicians. [Healthcare IT News, January 24, 2012](#)
- Newly disseminated informational tools include the following:
 - To assist physicians in determining how health IT can fit into their practices, the American Medical Association (AMA) made available on their website [three video tutorials](#) on the topics of e-prescribing, pre-visit planning, and point-of-care documentation practices. [Healthcare IT News, January 17, 2012](#)
 - The Rural Assistance Center and the National Rural Health Resources Center published an online [toolkit](#) to assist rural health care providers with health IT training and linking them to funding resources. The Department of Human Services' Office of Rural Health Policy funded creation of the toolkit. [AHA News, January 27, 2012](#)
 - A new online [toolkit](#) aims to provide physician practices with resources on various aspects of health information exchange, including business models, governance, and technical architecture. The toolkit was developed by the Healthcare Information and Management Systems Society, the Medical Group Management Association and the American College of Medical Practice Executives. [CMIO, March 1, 2012](#)
- The Agency for Healthcare Research and Quality (AHRQ) published a [notice in the Federal Register](#) for feedback on its [workflow assessment for health IT toolkit](#). AHRQ, upon approval from the Office of Management and Budget, will test the toolkit via two regional extension centers as well as carry out field tests in provider practices.
- The results from the first usability test of the [MyHealthVet program](#) showed a need for improvement in the program's design. The test looked at 24 first-time users (average age 55) and how they completed the registration, prescription refill, health tracker, and information search functions of the program. The majority of users (75%) did not complete registration. [Endocrine Today, January 11, 2012](#)
- Findings from an Accenture survey show that US physician attitudes toward health IT are not as positive when compared to other countries. The global consulting firm surveyed a total of 3,700 physicians in Australia, Canada, England, France, Germany, Singapore, Spain, and the US in August and September 2011. When asked if health IT will improve diagnosis; if it already has; and if has the potential to, only 45-47% of US doctors said yes, compared to an average of 59-61% of all surveyed doctors. [The Oncology Report, January 11, 2012](#)

- L. Wolf, J. Harvell, and A. Jha coauthored “[Hospitals Ineligible for Federal Meaningful-Use Incentives Have Dismally Low Rates of Adoption of Electronic Health Records](#)” in the March 2012 issue of *Health Affairs*, which found that adoption rates of EHR systems for long-term acute care hospitals, rehabilitation hospitals, and psychiatric hospitals—all of which are ineligible for the meaningful use program—were low. Respectively, 6%, 4%, and 2% of these facilities used a basic EHR. The authors recommend that the government include certification criteria that cater to these institutions, such as enabling them to participate in state HIEs.
- For an article in *Health Affairs*, David Brailer, National Coordinator for Health IT from 2004 to 2006, [interviewed](#) Farzad Mostashari, the current National Coordinator. Mostashari said that he anticipates that 40% of primary care providers in the nation will, by the end of 2012, use an EHR. In addition to provider adoption, Mostashari discussed meaningful use, health information exchange, privacy issues, job creation, public trust, the physician experience, marketplace issues, and public health involvement.

DEVELOPMENT OF STAGE 2 MEANINGFUL USE REQUIREMENTS

- On March 7, 2012, the [Stage 2 proposed rules](#) for the meaningful use program were [published in the Federal Register](#). ONC and CMS are accepting comments until May 6, 2012. Release of the final rules are anticipated for summer 2012. [Health Data Management, March 7, 2012](#)
 - In its [fact sheet accompanying the press release on the draft Stage 2 meaningful use rule](#), CMS emphasized the retention of almost all of the Stage 1 core and menu objectives and noted selective changes in Stage 1 criteria for Stage 2. The [CMS proposed rule](#) indicates that, in order to receive incentive payments, physicians will need to meet 17 core objectives plus three out of five menu objectives. Hospitals will need to meet 16 core objectives plus two out of four menu objectives. The proposed rules are also more applicable to specialists, which was a complaint for Stage 1.
 - The [ONC proposed rule](#) includes standards on EHR usability for vendors as well as a standard for EHRs to follow the same procedures as the Direct project. It also specifies that EHR products may be certified if they play a significant role in a provider meeting their objectives for the incentive program. [California Healthline, February 24, 2012](#)
 - The proposed rule was [presented, via PowerPoint, at the February 29, 2012 HIT Standards Committee meeting](#). The standards were also reviewed during the [March 27, 2012 HIT Standards Committee meeting](#).
 - During a March 6, 2012 [HIT Policy Committee Meaningful Use Work Group meeting](#), Robert Anthony of CMS [presented an overview of Stage 2](#).

EFFECTIVENESS OF HIT

- The March 2012 issue of *Health Affairs* includes a group of articles focused on health information technology, some of which have been referenced elsewhere in this quarterly report. Several focus on the effectiveness of health IT.
 - M. Gold, C. McLaughlin, K. Devers, R. Berenson, and R. Bovbjerg—in “[Obtaining Providers’ ‘Buy-In’ and Establishing Effective Means of Information Exchange Will Be Critical to HITeCH’s Success](#)”—examined the

roles of government and the private market in the mixed economy that HITECH programs operate in. They look at the drivers of EHR adoption and health information exchange to promote meaningful use—all of which are critical if health information technology is to improve patient care and outcomes. The authors conclude that, to fulfill HITECH's goals: 1) both providers and patients need to value and support health information exchange; and 2) technical challenges and issues related to privacy must be resolved. In order to do this, the authors say that it is necessary to have: well-aligned incentives; visionary and practical pursuit of exchange infrastructure; and realistic assumptions about how much time such change will take. Also necessary are: metrics that show the rate of adoption; more data exchange; and proof of improvements in care. The combination of these activities is what will motivate stakeholders to continue investing in the initiative.

- A study published by D. McCormick, D. Bor, S. Woolhandler, and D. Himmelstein entitled, "[Giving Office-Based Physicians Electronic Access To Patients' Prior Imaging And Lab Results Did Not Deter Ordering Of Tests.](#)" has generated much attention and controversy. The article states that providers in an electronic health system, versus those in a paper system, order medical tests at a greater frequency, and that cost reduction associated with electronic health systems adoption is unproven. Dr. Farzad Mostashari [criticized the study](#) during the March Health IT Policy Committee meeting, stating that the National Ambulatory Medical Care Survey data used in the study is from 2008 and does not take into account major changes in the health IT environment, like the meaningful use incentive program. Other critics also say that the authors' research is based on data from a survey that was designed for a different purpose—to evaluate medical care rather than the frequency of medical tests ordered. [New York Times, March 5, 2012](#) McCormick et al. reacted to Dr. Mostashari's comments by writing, in a [Health Affairs blog post](#), that they are "unaware of any...health IT developments in the past four years that would produce substantially different results if the study were repeated today." [Healthcare Informatics, March 7, 2012](#)
- Researchers at the University of Pennsylvania School of Nursing analyzed data from 16,000+ nurses in 316 hospitals in four states and found a correlation between use of EHRs and improved nursing care. [This research](#) adds to the currently small number of large-scale studies that have been conducted on possible EHR and quality of care relationships. [Infection Control Today, January 9, 2012](#);
- M. Fleurant, R. Kell, C. Jenter, L. Volk, F. Zhang, D. Bates, and S. Simon coauthored an [article in the Journal of the American Medical Information Association](#) that surveyed 163 physicians in three Massachusetts communities both before and after the implementation of an EHR. Physicians owning practices, compared to physicians without ownership, were more likely to say EHR implementation was difficult.

RELATED FEDERAL POLICY INITIATIVES

- In January, the Office of Personnel Management (OPM) [announced](#) that it requested Federal Employees Health Benefit Program (FEHBP) health insurers to include the "Blue Button" feature in their health record systems. This allows patients to download

and exchange their health information with family and physicians. Health insurers were required to notify OPM of their plans to add the feature by March 15, 2012.

- A Department of Health and Human Services (HHS) [interim final rule](#) was made effective January 1, 2012. The rule outlines standards for the electronic transfer of funds to a bank from a health insurer that is paying a claim to a health care provider. All HIPAA-covered health insurers must meet the terms of the rule by January 1, 2014. HHS estimates that, within the next decade, this change in regulation will lower costs by \$4.5 billion. [Healthcare IT News, January 5, 2012](#)
- On January 23, 2012, HHS submitted “[Quality Incentives for Federally Qualified Health Centers, Rural Health Clinics and Free Health Clinics](#)” to Congress, a report mandated by the HITECH Act. Prepared by the George Washington University Department of Health Services, the report reviews incentives for these providers and draws three conclusions: 1) these providers play a critical role in the primary care safety net; 2) they are ineligible for several quality-related and health IT-related financial incentives at both the federal and state levels (e.g. Medicare meaningful use incentive payments); and 3) while studies show that Federally Qualified Health Centers provide quality patient care and use EHRs more than physician offices do, there is little data on rural health clinics and free clinics, and the few studies that exist indicate that EHR use among them is low.
- New bills drafted and introduced include:
 - Senator Tom Udall is drafting a bill (anticipated to be introduced in Spring 2012) that will reform state telemedicine licensing procedures. [Government Health IT, February 2, 2012](#)
 - In February, [Congressmen Bill Cassidy and Mike Ross introduced HR 4095](#), legislation that calls for the FDA to establish a registry of online pharmacies to protect individuals from fraud. [The Hill, February 29, 2012](#)
- In February, HHS published a [report](#) describing its work to reduce regulatory burdens and its plans to publish four proposed rules and three final rules later this year. The proposed rules include an FDA rule revising standards for laser products and a Centers for Disease Control and Prevention (CDC) rule authorizing digital radiography use in lung disease screening for coal miners. The final rules include establishing a new telemedicine certification process for physicians as well as eliminating the mandate for new physicians to sign for clinical laboratory tests. [AHA News, February 1, 2012](#)
- The Peace Corps is planning to develop an electronic health record system. As stated in their [request for information](#), volunteers are spread across 77 countries and many are in areas where it is difficult to obtain reliable and fast Internet connectivity. Despite challenges, a pilot program is scheduled for September 2012 and deployment in 2013. [Government Health IT, February 3, 2012](#)
- In January, Illinois, Kentucky, Maine, Oklahoma and Rhode Island each received a federal grant of \$600,000 from the Center for Integrated Health Solutions (a Substance Abuse and Mental Health Services Administration and Health Resources Services Administration collaborative project). The grant is intended to support these states in connecting behavioral health with electronic health information exchange. [WPSD Local, January 31, 2012](#); [BDN Maine, February 7, 2012](#)

- In March, Senators Jeff Merkley, Charles Grassley, Michael Bennett, and Herb Kohl introduced the [Ensuring Safe Medical Devices for Patients Act](#), which calls for the FDA to implement, by the end of the year, the Unique Device Identifier (UDI) program that was developed five years ago. Under the program, it will be possible to trace medical devices even after they are given to patients through a unique number that will be assigned to each device by the FDA. [iHealth Beat, March 16, 2012](#); [Becker's ASC Review, March 15, 2012](#)
- The National Institutes of Health released a free [Genetic Testing Registry](#) that allows the public to access information on genetic tests available for certain diseases, as well as information on the providers who conduct the tests. [New Scientist, March 1, 2012](#)
- In March, the [Obama administration introduced the "Big Data Research and Development Initiative,"](#) which will work to discover innovative ways to use "big data" or data from diverse sources—including social networking tools—to further scientific research. The following agencies have pledged \$200+ million to the initiative: US Geological Survey, National Science Foundation, National Institutes of Health, Department of Energy, Department of Defense, and Defense Advanced Research Projects Agency.

OTHER (CONTEXTUAL ETC)

- In January, the Bipartisan Policy Center's Task Force on Delivery System Reform and Health IT issued a [press release](#) and [report](#) outlining ways to better spend health IT monies. The report highlighted six attributes of care relevant to high-performing organizations that require advanced health IT: 1) an organization-wide focus on patient needs; 2) strong organizational and clinical leadership; 3) access to information to support efficient, coordinated care; 4) timely access to care; 5) emphasis on prevention, wellness, and health behaviors; and 6) accountability, alignment of incentives, and payment reform. The report listed barriers to achieving health IT capabilities within these attributes as: 1) misaligned incentives; 2) lack of health information exchange; 3) limited consumer engagement using electronic tools; 4) limited levels of EHR adoption; 5) privacy and security concerns; and 6) multiple federal policies requiring attention. The recommendations aimed to address these barriers, for example calling for Stage 2 of the meaningful use program to support and promote exchange. More broadly, the recommendations include a call for HHS to assume leadership in the alignment of state and private sector policies on delivery systems and payment.
- President Obama released the [2013 federal budget](#), which designates a 2% increase in the health IT budget. This change in funding allocates a total of \$11.8 billion for health IT for 2013 compared to the \$11.6 billion which was allocated for 2012. [Government Health IT, March 5, 2012](#)
- The White House's first Chief Technology Officer, Aneesh Chopra, resigned in January. In March, President Obama named Todd Park, former Chief Technology Officer of the Department of Health and Human Services, as Chopra's replacement. [The Hill, January 27, 2012](#); [iHealth Beat, March 9, 2012](#)
- 2020health, a health and technology think tank in the UK, published a [report](#) in January that recommends that the UK National Health Service (NHS) model a telehealth system similar to that of the US Veterans Health Administration (VHA).

- The European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry (COCIR), a nonprofit trade association, published a [report](#) in January that states that Germany, France, Italy, Spain, and the UK spent \$3.2 billion on health IT in 2010, the majority (37%) of the funds spent on administrative IT. [Health Imaging, January 16, 2012](#)