February 2010 marked the one-year anniversary of the passage of federal stimulus legislation, the American Recovery and Reinvestment Act (ARRA) of 2009. Predictably, Washington policy makers clashed over whether the $787 billion stimulus had succeeded in preserving jobs or had amounted to pouring taxpayer dollars down a rat hole. But in one obvious area, health information technology (IT), there was no doubt that a kind of gold rush was under way. Under the so-called HITECH provisions of the stimulus law— for Health Information Technology for Economic and Clinical Health Act—the U.S. Department of Health and Human Services (HHS) announced the award of $750 million in grants and contracts in the latest step toward building the nation’s health information superhighway.

Specifically, the grants and contracts HHS announced 12 February 2010 went to agencies in forty states and to thirty nonprofit organizations, ranging from medical schools to foundations. The state agencies are supposed to facilitate the exchange of health information; the nonprofit entities are to provide technical assistance to health care providers installing health IT systems— electronic health records, computerized physician order entry systems, and related technology and equipment. Separately, the U.S. Department of Labor awarded $225 million in stimulus funds to fifty-five training programs in thirty states to help train people for jobs in the health care and health IT sectors.

Five Key Goals

As set forth under the stimulus law, the overall goals of HITECH are to spread the use of health IT to achieve five key goals. These include improving the quality, safety, and efficiency of health care while reducing health disparities; engaging patients and families; improving care coordination; ensuring adequate privacy and security protections for personal health information; and improving population and public health. Collectively, of course, these objectives are a tall order.

Doctors with their own practices, in particular, have resisted using electronic health records. According to preliminary data from the National Ambulatory Medical Care Survey conducted by the National Center for Health Statistics, only about 6 percent of physicians had fully functional electronic health record systems in 2009. Nearly 44 percent of physicians said that they had some kind of electronic health record, but many have been dissuaded from buying fully functional systems because of estimated up-front costs of $30,000 or more per physician.

The nation’s larger hospitals are somewhat further along, although not much. Small and rural hospitals, however, outnumber the large ones, and they are far less likely to have acquired electronic health records. As a result, the overall hospital adoption rate for EHRs in 2008 was 8 percent for basic systems and 2 percent for fully functional ones, according to HHS.

Congress placed much of the responsibility for implementing the HITECH provisions of the stimulus law in the HHS Office of the National Coordinator for Health IT, also known as ONC. Last June the Obama administration appointed David Blumenthal to head the Office of the National Coordinator. He immediately enlisted health IT experts to qualify the providers using them to earn the Medicare and Medicaid bonuses.
from around the nation to work on the many implementation issues. The coordinator’s office also had to team up with the Centers for Medicare and Medicaid Services (CMS), the HHS agency that administers federal health benefits programs for elderly, disabled, and low-income Americans, to define “meaningful use” of health IT.

Accomplishments To Date

The accomplishments to date have posed no small challenge, experts say. “We don’t even have a year to get this done,” says Deven McGraw, a health information privacy expert with the Center for Democracy and Technology, a Washington nonprofit, and a member of the Office of the National Coordinator’s Health IT Policy Committee. She was referring to the new definitions, rules, and metrics that must be in place by October 2010, the start of the federal fiscal year. “It feels like we’re moving very fast,” McGraw says.

Despite the speed, some observers like Stephen Lieber, president and chief executive officer of the largest health IT association, the Health Information and Management Systems Society (HIMSS), say that they are generally pleased with how the ONC is proceeding. “The level of professionalism and thoroughness that’s coming out of HHS and [the] ONC has just been admirable,” Lieber says of the program announcements and rules being issued.

Others, including the American Hospital Association, have taken issue with the proposed rules on meaningful use. Rick Pollack, the hospital association’s executive vice president, said in a statement that the rules require the hospitals to do too much, too quickly. Also, he says, the “payment incentives unfairly exclude physicians who practice in outpatient centers and clinics owned by a hospital.”

The Office of the National Coordinator’s own Health IT Policy Committee, created under the stimulus law, recommended that providers be given more time to comply with all of the proposed requirements for meaningful use. “Un fortunately, it is difficult to predict which objectives and measures will be most difficult to achieve for a given provider in the local environment,” the committee said in a draft letter to Blumenthal. “Therefore, we believe that the incentive program should contain some inherent flexibility, and that it should recognize providers who make good progress toward Stage 1 meaningful use.” Final regulations, spelling out precisely what providers must do to achieve meaningful use and how to claim their incentive payments, are expected this spring.

Certification And Meaningful Use

In March 2010 the Office of the National Coordinator also released its plan for certifying electronic health record systems. Under the stimulus law, bonus payments can go only to users of systems that have been certified as functional, interoperable, and secure. The ONC proposed an initial, temporary certification process so that certification can begin promptly.

Among the requirements for product certification and for health care providers using the certified systems is communicating with other providers to share patients’ health records. The ONC is gearing up to provide a secure and relatively easy-to-use way to connect providers with the Nationwide Health Information Network that the agency has been developing. But there may be technological obstacles to making that happen soon. Federal Communications Commission officials have raised the specter of inadequate communications capacity nationwide. In many rural areas, Internet access is limited to slow, dial-up lines or is available only through expensive means such as satellite links.

While finalizing the meaningful-use rules, the ONC is also managing an array of programs created under the stimulus law to support expansion of health IT. These include grant programs for developing curriculums for teaching health IT use; for short-term training programs for health IT workers; and for research into various topics, such as security of health IT and additional uses of data from electronic health records. The names of some recipients of these grants have been announced, while others are pending. The ONC also is preparing for another round of proposed meaningful-use rules next year, which will escalate the requirements for receiving the payments.

Meanwhile, some grant recipients are moving ahead to advance health IT in the states. For example, Maine will use $6.5 million in HITECH funds to expand its health information exchange network to all providers in the state. The network already serves half of the state’s population.

Health IT: Part Of The Solution

Has the prospect of billions in incentive payments accelerated the use of health IT? Not yet, according to HIMSS’s Lieber. He says that there is increasing interest among health care providers in acquiring the systems, but so far systems sales have not shown a sharp upturn.

Although passage of the HITECH Act was a victory for his industry, Lieber warned in an interview that health IT by itself cannot cure a troubled health system. “The IT incentives are not significant enough” to drive the inefficiencies out of the system, he said. “No matter how much information becomes available at their desktops to practitioners using health IT,” he continued, they “will continue to practice the way they are now. ...IT is not where we’re solving these issues” of health care in America.

In the broadest sense, the Obama administration agrees. But at the same time, the administration and other health IT advocates consider health IT a vital part of the platform on which a better U.S. health care system must be built. At the signing of the stimulus bill, President Barack Obama called it one of “the most meaningful steps in years toward modernizing our health care system.” The next several years will demonstrate whether that potential pays off.