

Vision for Electronic Health Record Adoption by Medi-Cal Providers

December 2009

Overview of the HITECH EHR Incentive Program

Congress has appropriated \$46.8 billion in Health Information Technology for Economic and Clinical Health Act (HITECH), a component of the American Reinvestment and Recovery Act (ARRA), to encourage Medicaid and Medicare providers, hospitals, and clinics to adopt and become meaningful users of electronic health records (EHRs.) The infusion of new funding towards EHRs represents a tremendous opportunity to improve the quality, safety, and efficacy of health care.

The bulk of this funding will support incentive payments for Medicare and Medicaid providers who meet certain criteria for patient volume and who demonstrate “meaningful use” of the new technology. Criteria for meaningful use and provider eligibility are currently being defined by The Centers for Medicare & Medicaid Services (CMS), and further guidance will be provided. Program components outlined to date include:

- Providers may only participate in either the Medicare or Medicaid incentive program
- A single provider can receive up to \$63,750 in Medi-Cal incentives over five years
- Providers must become “meaningful users” of EHRs based on criteria currently under development by CMS (Medicare) and the states (Medicaid). Goals of meaningful use will likely include improving the quality, safety, efficiency, and reduce health disparities; engaging patients and families; improving care coordination; improving population and public health data; and ensuring adequate privacy and security protections for personal health information. Specific requirements include the capability to exchange electronic health information, electronic prescribing for office-based physicians, and the submission of information on clinical quality and other measure¹
- The first EHR incentive payments may be issued in 2011

As the state agency charged with administering Medicaid payments, the California Department of Health Care Services (DHCS) is poised to play a significant role in the new EHR initiative. The DHCS is currently in the process of planning for this EHR Incentive program, and as of December 2009, has created a vision for the use of ARRA funds to increase adoption and meaningful use of EHRs among Medi-Cal providers.

Introduction to the Vision

This document contains the overall vision for the use of ARRA funds to increase adoption and meaningful use of EHRs among Medi-Cal providers in California.

The vision is ambitious. It is intended to inspire action by the DHCS, which will provide leadership for this effort, and by a broad set of stakeholders – health care providers, payers, government entities, legislators, and the people of California – who will share in the benefits of EHR adoption and meaningful use and who have a shared responsibility to ensure its success.

¹ A current, complete definition for “meaningful use” can be found at <http://healthit.hhs.gov>

The DHCS will provide leadership and rely upon stakeholders to realize this vision. This effort will also be closely coordinated with other Health IT-related projects and programs in the State of California.

The structure we have adopted for this vision is the meaningful use framework proposed by the HIT Policy Committee, thus ensuring all the planning efforts will be aligned with national requirements.

This vision will be used to guide detailed strategic and implementation planning by the DHCS, and as well as provide guidance for other stakeholder planning efforts.

Process to Date: Crafting the Vision

This vision was created by the DHCS in partnership with the California HealthCare Foundation and with assistance from FSG Social Impact Advisors. In developing the vision, FSG spoke with over 100 stakeholders including DHCS senior leadership, staff from 16 DHCS divisions, staff from six other departments of the California Health and Human Services Agency, and over 65 external stakeholders from provider, payer, and consumer communities (see Appendix 1 for the interviewee list).

A draft vision was vetted at an in-person Visioning Session that was attended by 38 individuals from multiple stakeholder groups and the DHCS (see Appendix 2 for the visioning session attendee list) and then revised during a comment period for vision session participants and all external stakeholders interviewed during the visioning process.

Next Steps: Creating the DHCS Strategic and Implementation Plan

The DHCS has engaged The Lewin Group and McKinsey & Company to lead Phase II of the EHR Incentive Payment Program planning process. The work of Phase II begins with a landscape assessment of California providers and EHR vendors. The landscape assessment will be followed by the development an incentive payment program plan with three components:

- Strategic plan: define program components and performance targets
- Campaign plan: approach to increasing awareness of the EHR incentive payment program
- Implementation plan: detailed guidance on implementing the incentive payment program

The strategic and implementation plan will use the vision as a guide but will focus specifically on the next five years for the EHR incentive program and DHCS activities. The Lewin Group and McKinsey & Company will continue to engage stakeholders throughout the secondary planning process and project implementation phase. The DHCS will establish a Health Enterprise Steering Committee and will ensure stakeholders continue to be engaged through current or newly established workgroups, webinars, and monthly updates.

The Vision

The Promise of the Electronic Health Records

Electronic Health Records are a key enabling technology for improving the quality, safety, and efficiency of the health care system. In creating the vision for the Medicaid incentive program, the DHCS is cognizant of the ultimate goals for promoting the adoption of this technology, as defined by the HIT Policy Committee:

- Improve quality, safety, and efficiency and reduce health disparities
- Engage patients and families
- Improve care coordination
- Improve population and public health
- Ensure adequate privacy and security protections for personal health information

Vision for the EHR Incentive Program

The health and wellbeing of all Californians will be dramatically improved by the widespread adoption and use of Electronic Health Records.

Vision Element 1: Provider EHR Adoption

By 2015, 90% of Medi-Cal providers eligible for incentive payments will have adopted EHRs for meaningful use in their practices.² The EHRs adopted are secure, interoperable, and certified.

Vision Element 2: Improve Quality, Safety, and Efficiency and Reduce Health Disparities

By 2015, 90% of Medi-Cal providers will have implemented clinical decision support tools within their EHRs. These tools are intelligent and initially target 3-4 conditions that are prevalent, costly, and drivers of high morbidity and mortality.

By 2013, statewide provider performance standards are used to improve health outcomes. These standards will increase quality and safety, reduce health disparities, and incentivize medical homes for Medi-Cal patients.

The use of EHRs results in cost efficiencies for payers by 2015 and for 90% of Medi-Cal providers by 2018. These savings will be generated through administrative and clinical process improvements enabled by EHRs.

² References to Medi-Cal providers throughout the Vision refer to Medi-Cal providers eligible for ARRA incentive payments

Vision Element 3: Engage Patients and Families

All patients of Medi-Cal providers with EHRs will have electronic access to their Personal Health Record (PHR) and self-management tools by 2015. Patient tools are affordable, actionable, culturally and linguistically appropriate, and accessible through widely available technologies. The PHR and self management tools enable patients to communicate with their providers.

Vision Element 4: Improve Care Coordination

Upon EHR adoption, Medi-Cal providers and patients are able to use available electronic information from patients' other clinical providers to make informed health care decisions at the point of care. Data will be standardized and integrated across providers.

Key partners will share information with eligible providers upon adoption of EHRs to ensure full access to health data. These partners include labs, pharmacies, and radiology facilities.

Vision Element 5: Improve Population and Public Health

By 2013, patient and population health data from EHRs will be shared bi-directionally between providers the DHCS, the Department of Public Health, the Office of Statewide Health Planning and Development, and other approved institutions to support the essential functions of public health, and to inform the effectiveness, quality, access, and cost of care.

De-identified data collected from EHRs is used to publicly report on trends in the quality of care provided to Medi-Cal beneficiaries by 2015. Consumers should be educated about the findings from such reports.

Vision Element 6: Ensure Adequate Privacy and Security Protections for Personal Health Information

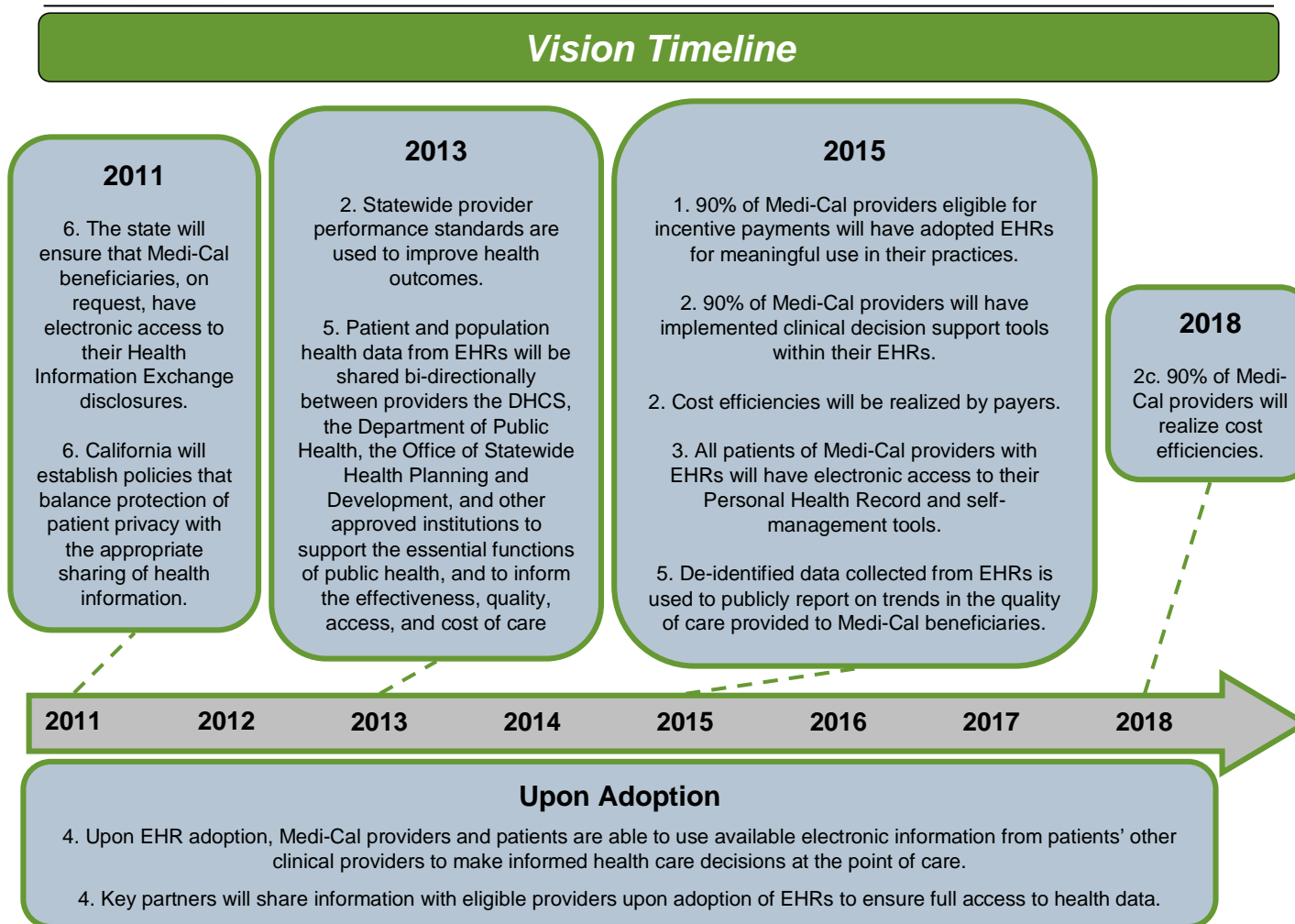
By 2011, the state will ensure that Medi-Cal beneficiaries, on request, have electronic access to their Health Information Exchange disclosures.

By 2011, California will establish policies that balance protection of patient privacy with the appropriate sharing of health information. Such policies will be consistent with national requirements and will protect health information accessed by providers, payers, other California public agencies, and other states. Policies apply to data in EHRs, PHRs, and health information exchange.

Contact Information

If you have questions comments about the Department of Health Care Services' Vision for EHR Adoption or ongoing EHR Incentive Program planning efforts, please email: Medi-Cal.EHR@dhcs.ca.gov.

The Timeline



Appendix 1 – Stakeholder Interviewees

External Stakeholder Perspectives

Provider Perspectives

- California Association of Health Facilities
 - Allan Crommett, Skilled Health Care
 - John Derr, Golden Living
 - Denise Furmanski, Shea Health
 - Jim Gomez, CAHF
 - Nancy Hayward, CAHF
 - Robin Jensen, Kennon Shea & Associates
 - Patti McVay, Riverside Health Care
 - Darryl Nixon, CAHF
 - Anthony Ramirez, Skilled Health Care
 - Michael Torgan, Country Villa
- California Association of Public Hospitals
 - Erica Murray, CAPH
 - Mary Gregory, CAPH
 - Ron Jimenez, Santa Clara Valley Health and Hospital System
 - Don Gonez,
- California Children's Hospital Association
 - Charity Bracy, CCHA
 - Diana Dooley, CCHA
 - Mark Headland, Children's Hospital of Orange County
 - Sherreta Lane, CCHA
 - Doug Leeper, Loma Linda University Children's Hospital
 - Laurie Soman, Packard Children's Hospital
 - Brenda Taylor, Loma Linda University Children's Hospital
- California Primary Care Association
 - Doreen Bradshaw, Shasta Consortium of Community Centers
 - Sharen Carey, Big Sur Health Center
 - Carlina Hanson, Women's Community Clinic
 - David Quackenbush, Central Valley Health Network
 - Ralph Silber, Alameda Health Consortium
- County Medical Services Program,
 - Lee Kemper
- LA County Department of Health Services
 - Jeff Guterman
- Long Beach Network for Health
 - Laura Landry
- Northern Sierra Rural Health Network
 - Speranza Avram (formerly affiliated)
- San Mateo Medical Center
 - Mike Aratwo
 - Susan Ehrlich
 - Chester Kunnappilly
- Shasta Community Health Center
 - Dean Germano
- Independent physician, Tulare County
 - Dr. James Foxe
- University of the Pacific, Arthur A. Dugoni School of Dentistry
 - Paul Glassman
- California Association of Physicians Groups, Managed Medi-Cal Committee
 - Zahra Movaghar, Preferred IPA of California
 - James Mason and Peter Winston, SynerMed
 - Kimberly Carey and Carrie Hasson, MedPoint

- California Association of Physician Groups
 - Don Crane
- California Academy of Family Physicians
 - Sandy Newman
- Sacramento Family Medical Clinic, Inc
 - Dr. Simon
- Network of Ethnic Physician Organizations
 - Valerie Berry, MPH
- California Medical Association
 - David Ford

Payer Perspectives

- Local Health Plans of California
 - John Ramey, LHPC
 - Howard Kahn – LA Care
 - Dr. Demend –LA Care
 - Patricia Tanquary – Contra Costa Health Plan
 - Brad Gilbert – Inland Empire Health Plan
 - John Hackworth – Health Plan of San Joaquin
 - Anne Warren – Community Health Group
 - Carol Sorrell – Kern Health Systems
 - Ingrid Laimirault - Alameda Alliance Health
- Blue Cross
 - Jeff Flick
- CalOptima
 - Richard Chambers and Dr. Greg Buchert
- HealthNet
 - David Friedman and Dave Meadows

Consumer Perspectives

- Consumers Union
 - Mark Savage
- The Children's Partnership
 - Terri Shaw

Field-Wide Perspectives

- Community Clinics Initiative
 - Kathy Ko
- Kaiser Permanente
 - Susan Fleischman
 - Andy Wiesenthal
- National Association of State Medicaid Directors (NASMD) Multi-State Collaboration
 - Anthony Rodgers
- Pacific Business Group on Health
 - David Lansky
- Manatt Health Solutions
 - Timathie Leslie
- County Medical Services Program
 - Lee Kemper
- California Pharmacist Association
 - Doug Hillblom
- University of California, San Francisco
 - Robert Miller
- Little Hoover Commission
 - Stuart Drown
- CalRHIO
 - Molly Coye

Department of Health Care Services and California Health and Human Services Agency Perspectives

DHCS Perspectives

- David Maxwell-Jolly, Director

- Toby Douglas, Chief Deputy Director, HCP
- Rene Mollow, Associate Director and Medi-Cal Tribal Liaison
- Kim Ortiz, Chief, Office of Medi-Cal Payment Systems
- Fiscal Intermediary and Contracts Oversight (MIS/DSS)
 - Lauren Gomez, Chief
 - Marylou Urquizo, Research Analyst II
- Fiscal Intermediary and Contracts Oversight (Provider Services)
 - Emilito Smith, Staff Services Manager III
- Long-Term Care
 - Mark Helmar, Chief (current)
 - Paul Miller, Chief (appointed)
- Medi-Cal Benefits, Waiver Analysis & Rates
 - Barbara Bailey, Chief
- Office of HIPAA Compliance (MITA)
 - Bob O'Neill, Chief
 - David Bass, Senior ISA
- Information Technology Services
 - Mike Nguyen, Deputy Director / Chief Information Officer
- Utilization Management
 - Doug Robins, Chief
 - Larry Sifuentes, Staff Services Manager III
- Pharmacy Benefits
 - Pilar Williams, Chief
 - Barry Handon, MD, Medical Consultant II (CalMEND)
 - Teresa Miller, Pharmaceutical Consultant II
- Audits & Investigations
 - Bill Alameda, Chief (Acting)
 - Anna NietoGomez
 - Dr. Bruce Tarzy
- Safety Net Financing
 - Jalyne Callori, Chief (Acting)
- Primary Care and Rural Health
 - Sam Willburn, Chief
- Office of Women's Health
 - Terri Thorfinnson, Chief
- Office of Multi-Cultural Health
 - Laura Hardcastle, Chief
- Systems of Care
 - Luis Rico, Chief
- Children's Medical Services Branch
 - Marian Dalsey, MD, Retired Annuitant
 - Harvey Fry, MD, Retired Annuitant
- Medi-Cal Managed Care
 - Tanya Homman, Chief (Acting)

California Health and Human Services Agency Perspectives

- Jonah Frohlich, Deputy Secretary of Health Information Technology
- Department of Public Health
 - Dr. Linette Scott, Deputy Director, Health Information and Strategic Planning Division
 - Gwendolyn Doebbert, Health Information and Strategic Planning Division
- Department of Social Services
 - Greg Rose, Deputy Director, Children and Family Services Division
- Department of Developmental Services
 - Bev Humphries, Chief Information Officer, and colleagues
- OSHPD
 - Ron Spingarn - Deputy Director Healthcare Information Division
 - Stephanie Clendenin, CIO and Administrative Services Deputy Director
 - Mike Kassis, retired Deputy Director, Healthcare Information Division
- CHHSA Office of Systems Integration

Appendix 2 – Vision Session Attendees

External Stakeholders

- Sajid Ahmed, LA Care Health Plan
- Greg Buchert, CalOptima
- Carmela Castellano-Garcia, California Primary Care Association
- Molly Coye, CalRhio / Health Technology Center
- David Ford, California Medical Association
- Nic Forde, Sacramento Family Medical Clinic, Inc
- Jonah Frohlich, CHHSA
- Dean Germano, Shasta Community Health Center
- Brad Gilbert, Inland Empire Health Plan
- Mary Gregory, California Association of Public Hospitals
- Jeff Guterman, LA County Dept of Health Services
- Ron Jimenez, Santa Clara Valley Health and Hospital System
- Kathy Ko, Community Clinics Initiative
- Sandy Newman, California Academy of Family Physicians
- John Ramey, Local Health Plans
- Anthony Rodgers, Arizona Medicaid
- Mark Savage, Consumers Union
- Linette Scott, California Department of Public Health
- Terri Shaw, Children's Partnership

DHCS

- Lisa Ashton
- David Bass
- Larry Dickey
- Toby Douglas
- Gregory Franklin
- Barry Handon
- David Maxwell-Jolly
- Rene Mollow
- John Kaylen
- Neal Kohatsu
- Kim Ortiz
- Lorenzo Sifuentes

California HealthCare Foundation

- Sam Karp
- Glen Moy
- Chris Perrone
- Bob Rebitzer

Consultants

- Kavita Choudhry, Lewin Group
- Amy Herr, Lewin Group
- Laura Furmanski, McKinsey
- Timathie Leslie, Manatt Consulting