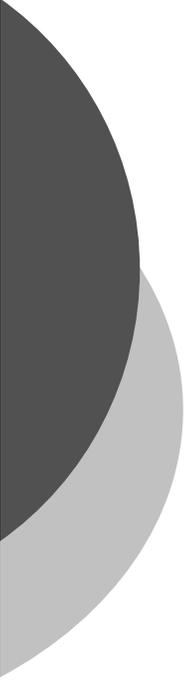


NHII  
Financial Incentives  
Track A

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Summary of Recommendations



# Current & Desired State

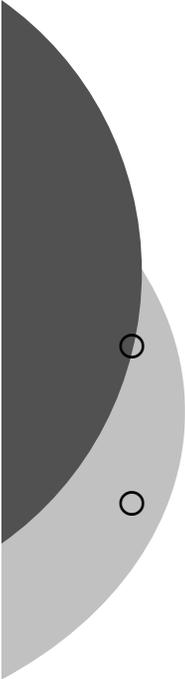
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## ○ Current State:

- Everybody wants change but nobody wants to fund it.
- Anything that gets funded benefits the funders' competitors.

## ○ Desired State:

- Broad national coalition to convince Congress that we need funding.
- Shared effort leads to shared gains for all – community-based development of NHII.
- \$10 Billion to START! (an easy number to remember)

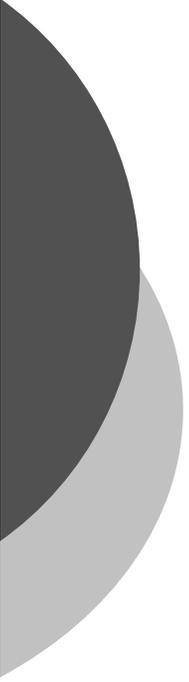


# Short Term Recommendation

## #1

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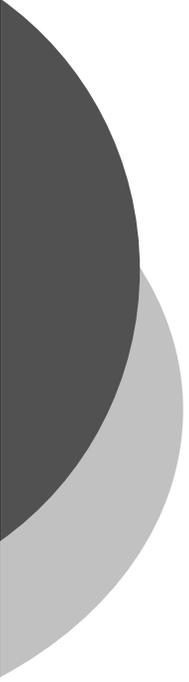
- The federal government should provide a stable source of funding for the development, implementation and maintenance of health information standards.
- This could be accomplished through an expansion of the Consolidated Health Informatics Initiative or development of a new public/private partnership entity for;
  - Tracking use of standards;
  - Coordination with states and private sector on standards development;
  - Defining “voluntary” strategies to support adoption of standards;
  - Providing education with respect to HIPAA on ability to share information;
  - Defining and developing strategies to remove barriers to adoption of standards and functional models.
- Collaborate with international standards organization to promote uniform international health information standards.



# Short Term Recommendation #2

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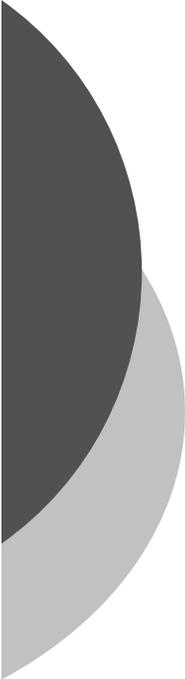
- Immediate federal action to create a safe harbor protecting and supporting investments in healthcare information technology from adverse scrutiny under fraud and abuse and anti-kickback statutes and regulations.
- Evaluation of whether antitrust restrictions need to be modified to promote investment in healthcare IT.
- Evaluation and modification of other legal barriers to investment in and the use and sharing of healthcare information.



# Short Term Recommendation #3

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- Increase federal and state support for education and training programs relating to health informatics in the health professions, including public health.
- Purchasers of healthcare should educate consumers in order to increase demand for health information technology.

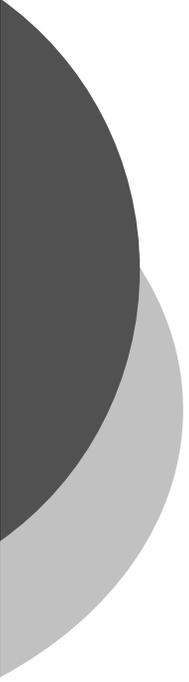


# Short Term Recommendation

## #4

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- The federal government should lead in the development of a national strategy for the investment in Healthcare IT. There should be rapid progress with public and private support for projects:
  - which allow communities to invest in Local Health Information Infrastructure (LHII) initiatives to establish regional data sharing. Projects should involve the full continuum of care.
  - which support healthcare provider entities and public health departments in becoming fully IT enabled.
  - which support chronic disease management and health maintenance.
- All projects should be evaluated with respect to their impact on quality and safety, as well as, with respect to their financial impact on all stakeholders.
- Projects should be consistent with national standards and evolving functional reference models, which are validated through a public consensus process.

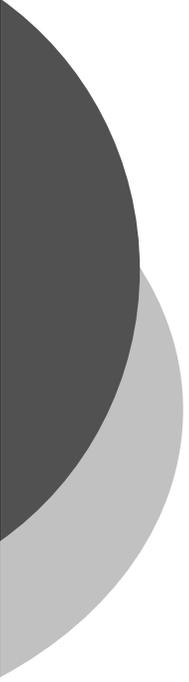


# Short Term Recommendation

## #5

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- Adoption of a coordinated set of payment incentives, led by CMS in its role as the major nationwide payer, and adopted voluntarily by private payers.
- The payment incentives should evolve over time. Incentives should encourage investment in and use of IT which is consistent with federal standards.
- The payment incentives should also support process improvements and improvements in patient care outcomes.



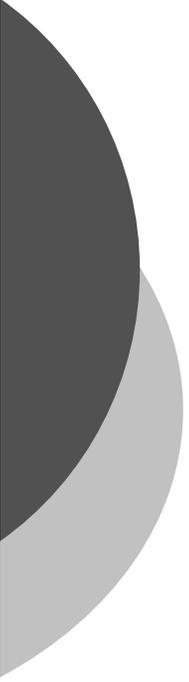
# Medium Term Recommendation

## #1

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Congress to enact legislation creating a public-private partnership financing vehicle (see Medium Term Goal #2) with the following characteristics:

- Vehicle to finance priority healthcare IT programs, which support the nation's public health goals and the administration of the Medicare, Medicaid and other federal programs.
- The source of funds for this program would involve both public and private resources. The federal government should contribute \$10B to establish the program; State governments should leverage federal funds through taxable/tax-exempt bonds;
- To obtain public funds the private entities will be required to match public funds and/or repay loan funds for reinvestment in additional qualified projects;
- 20% of funds should be available for grants to support rural health providers, safety net providers and private physicians and other caregivers.

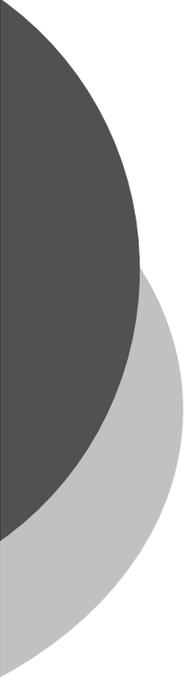


# Medium Term Recommendation

## #2

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- Create regional health information technology corporations (HITCs), which are organized as state certified, not-for-profit public-private entities.
- HITCs should be charged with coordinating and administering investment in local health information infrastructure (LHII) initiatives, subject to federal authorizing legislation and oversight (see Medium Term Goal #1).



# Medium Term Recommendation #3

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- The federal government should work with other healthcare purchasers and payers to develop payment approaches that will remove perverse incentives and reward quality enhancement through information technology.