

**EHR Demo  
Information**

To apply for or learn more about the Electronic Health Records demonstration, please email: [ehrdemo@prhi.org](mailto:ehrdemo@prhi.org)

## SWPA Selected as National Demo Site for Electronic Health Records



On June 11, HHS Secretary Michael Leavitt (L) announces Southwestern Pennsylvania's selection as a national demonstration site for electronic health records. Joining Leavitt (L-R) are Phil Magistro, Director of Information Technology for the Governor's Office of Health Care Reform, Don Fischer, MD, Chief Medical Officer of Highmark, and Karen W. Feinstein, PhD, President and CEO of the Pittsburgh Regional Health Initiative and the Jewish Healthcare Foundation.

A collaborative spirit among healthcare stakeholders and the pioneering work of the Pittsburgh Regional Health Initiative (PRHI) were the biggest factors in the Centers for Medicare and Medicaid Services' (CMS) decision to make

Southwestern Pennsylvania one of the first sites for a nationwide demonstration of electronic health records (EHR).

"If there is anywhere that can make it work, it's Pittsburgh," U.S. Health & Human Services Secretary Michael Leavitt told attendees at a June 11 meeting in Squirrel Hill where he announced PRHI's leadership role.

"We want you to be a model for other communities," he said.

As one of only four of 32 applicants selected for the first phase, PRHI will begin

the demonstration this year to test whether incentive payments for acquiring and using electronic health record technology can improve healthcare quality.

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## Physicians Cite Benefits of Implementing EHRs

In his speech in Pittsburgh June 11, HHS Secretary Michael Leavitt said he is certain that electronic health records will enhance patient safety and the quality of care. Increasingly, physicians seem to agree.

James King, MD, FAAFP, who heads the 94,000-member American Academy of Family Practice Physicians and who accompanied Secretary Leavitt, said his organization is promoting EHRs and 'medical homes' as the building blocks for better care. He noted that his own three-location practice benefited from EHRs when one of the

locations had a fire. With all records accessible from the other locations, patients from the shuttered office were rescheduled within a day to the open facilities and physicians weren't left without essential data.

Andrea Fox, MD, a geriatrician at the Squirrel Hill Health Center (SHHC), which Secretary Leavitt toured before speaking in the atrium of the Charles Morris Nursing and Rehabilitation Center, had a similar experience when her former employer, the VA Healthcare System, dispatched her to care for veterans in New Orleans after Hurricane Katrina.

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## SWPA Selected as National Demo Site for Electronic Health Records, from page 1

***"If there is anywhere that can make it work,  
it's Pittsburgh."***

***—Michael Leavitt***

***Secretary, U. S. Dept. of Health and Human Services***

"I like to think that our selection was recognition of a longstanding commitment to quality improvement, availability of clinical data, and the prevention and management of chronic illness," said PRHI President and Chief Executive Officer Karen Wolk Feinstein, PhD. "This novel demonstration gives primary care physicians better information systems and incentive reimbursements to reward best practices. Everyone wins: doctors will be able to improve care, patients will have better outcomes, and corporate purchasers and insurers should get a better return on their healthcare investment."

### PRHI's Distinguishing Features

Several features of PRHI's proposal enhanced its ability to land a coveted role in the EHR project, including collaboration with the region's largest insurer, Highmark Blue Cross Blue Shield; a focus on chronic care; and Perfecting Patient Care<sup>SM</sup> University, a training program in Toyota-based principles of improvement in health care.

For its part, Highmark will provide financial support for

physician practices to purchase technology needed for participation.

"Helping physician practices obtain and apply the electronic health record systems they need to measure and improve performance is a good investment for us and our customers," said Donald Fischer, MD, Senior Vice President and Chief Medical Officer for Highmark Blue Cross Blue Shield. "We're fortunate to have a regional health coalition whose trail-blazing work in quality improvement qualified Southwestern Pennsylvania to play a leading part in the federal initiative."

PRHI's proposal also emphasized chronic care. Participation in the electronic health records initiative is a perfect complement both to a PRHI demonstration aimed at helping physicians reduce emergency room visits, hospitalizations and readmissions by improving care for chronic diseases and to the leading role that Southwestern Pennsylvania will play in implementing recommendations of Governor Edward Rendell's Chronic Care Management, Reimbursement and Cost Reduction Commission.

Additionally, PRHI had a competitive advantage in having already trained more than 3,000 healthcare professionals in principles for Perfecting Patient Care<sup>SM</sup>, a Toyota-based process improvement method it developed for healthcare settings. With PRHI coaching, the principles have been successfully applied in dozens of demonstrations to eliminate healthcare-acquired infections, improve care for diabetes and depression, reduce pathology errors and lower

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*Incentive payments over the five year course of the demonstration range up to a maximum of \$58,000 per practitioner or \$290,000 per practice. Practices should note that this is not a grant program and there are no up-front payments. The maximum potential bonuses will be phased in as follows:*

<b>Basis of Payment</b>	<b>Years Applicable</b>	<b>Maximum \$ per Practitioner per Year</b>	<b>Maximum \$ per Practice per Year</b>
EHR Adoption (Office Systems Survey)	All 5 years	\$5,000	\$25,000
Reporting of Clinical Quality Measures	Year 2	\$3,000	\$15,000
Performance on Clinical Quality Measures	Years 3-5	\$10,000	\$50,000
<b>Total Potential Payment</b>	∞	<b>\$58,000</b>	<b>\$290,000</b>

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## Highmark Announces EHR Funding for Physician Practices

As the Centers for Medicare and Medicaid Services selected PRHI to help lead a nationwide demonstration of electronic health records, Highmark Inc. simultaneously announced plans to commit \$29 million toward helping physician practices in its health plan network acquire electronic health record systems and electronic prescribing capability.

“The confluence of these two initiatives will give physicians in our region a head start in adopting this technology,” said PRHI President and Chief Executive Officer Karen Wolk Feinstein, PhD. “Both initiatives also stand to enhance this region’s participation in the chronic care demonstration that will begin here in the fall under Governor Rendell’s Prescription for Pennsylvania.”

Highmark considers its initiative to be a critical step toward facilitating health information exchanges that will improve access to patients’ medical histories, including medications, test results and care-management programs. By enabling better patient monitoring and performance measurement and by eliminating handwriting interpretation and administrative tasks associated with paper processing, e-prescribing and electronic health records can improve patient safety and healthcare quality while lowering expenses.

The technology is considered particularly beneficial in managing patients with chronic conditions because it can help

flag or search patient records to ensure timely delivery of tests and treatment needed to prevent complications.

Highmark will pay up to 75% of the cost for a physician’s office to acquire, install and implement an electronic system, up to \$7,000 per physician, with the physician’s practice to pay the remainder. The commitment reprises an earlier one made in 2005 that had been tied up by an Internal Revenue Service question about Highmark establishing a separate nonprofit entity to distribute the funds. The insurer’s decision to directly fund the purchases circumvents the roadblock. Highmark said the money set aside is sufficient to fund purchases for all 4,000 practices whose applications have been pending since then.

Although the CMS demonstration provides no financing, Medicare is offering incentive payments for participating physicians. Potential bonus payments over the five-year demonstration could total up to \$58,000 per physician and up to \$290,000 per practice.

Although 200 physician practices will be recruited in each demonstration site, only 100 will be eligible for the incentives because 100 are needed as a control group. The demonstration is designed to determine whether added payments stimulate quality improvements in practices with electronic health records.

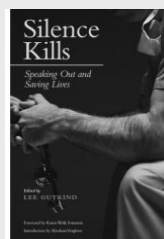


## Two Books Mark PRHI’s 10th Anniversary



**The Pittsburgh Way to Efficient Healthcare** compiles 5 years of case studies from different hospitals around SW Pennsylvania that successfully applied industrial principles to work, benefiting patients and employees alike. The book, by Naida Grunden, offers a history of the work of the **Pittsburgh Regional Health Initiative**.

Order your copy at: [www.productivitypress.com](http://www.productivitypress.com) or [amazon.com](http://amazon.com)  
ISBN: 9781563273674



The dozen personal essays in this collection, compiled by Lee Gutkind, Editor of Creative Nonfiction, from patients and their caregivers, nurses, social workers, and physicians, address the devastating consequences that can stem from a lack of communication or understanding among those in healthcare professions. The Jewish Healthcare Foundation provided funding for the book.

Order your copy at: [www.tamu.edu/upress/BOOKS](http://www.tamu.edu/upress/BOOKS) or [amazon.com](http://amazon.com)

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## PRHI Marks Another Milestone with Leadership Role in CMS Demo

The following remarks were delivered by Karen Wolk Feinstein, PhD, at a June 11 ceremony where U.S. Health & Human Services Secretary Michael Leavitt presented her with a banner marking the Pittsburgh Regional Health Initiative's participation in Medicare's nationwide electronic health records demonstration.



As we celebrate the 10th anniversary of PRHI, I can only marvel at what a difference a decade makes. When we first started talking about eliminating the waste, error and inefficiency in health care so that our dollars would go further and buy us better value, we were one of only a few voices crying out in what then seemed like a wilderness for these ideas.

Now, we seem to be standing in an echo chamber: quality is no longer an option; calls for better, safer, more efficient and more affordable health care are reverberating everywhere. Medicare is calling for providers to absorb the cost of certain errors and infections beginning in October and the government is poised to keep increasing performance standards; some states and private insurers are doing the same. Consumers also are beginning to receive more and more comparative information about quality—from the government, from regional coalitions and Chartered Value Exchanges established by the U.S. Department of Health & Human Services, and even from Consumer Reports and Angie's List. Not only will consumers be receiving this information, they'll be contributing to it, rating the care they receive during hospital stays under Medicare's new consumer survey requirements. It is nothing less than a vote-with-your-feet form of transparency.

Today, as it did when our community's healthcare stakeholders came together to form PRHI, Southwestern Pennsylvania has the chance to get ahead of the curve in making the improvements the current environment demands and in leading the way toward using technology needed to do so.

We believe our participation in Medicare's electronic health records demonstration will help accelerate our region's 10-year effort to perfect patient care and we thank Secretary Leavitt for inviting us to help spearhead the federal initiative.

This is a great opportunity for our region and for the Pittsburgh Regional Health Initiative as it embarks on its second decade. From the initiatives we've heard about today—Highmark's support for physician offices obtaining electronic health record systems, Governor Rendell's Prescription for Pennsylvania and its emphasis on chronic care and the federal demonstration in which we're going to participate—I think everyone can see we're facing the healthcare equivalent of a great harmonic convergence.

These developments are particularly timely for PRHI in light of a couple of exciting new demonstrations we have in the design stages. One of those demonstrations will focus on chronic obstructive pulmonary disease in an effort to keep patients healthier and free of the complications that can mean emergency room visits, hospitalizations or readmissions. When viewed both as a primary and secondary diagnosis, COPD is the second highest cause of readmissions in Pennsylvania within 30 days of discharge. We will be working with clinical partners at the primary care level and at the hospital level to avert complications and exacerbations of this illness.

The other demonstration is being structured to ensure screening and early intervention, at the primary care level, for depression and substance abuse problems that often go undetected in patients with chronic diseases, but stand in the way of stabilizing their illnesses. We will be working with primary care physicians to employ brief screening tools for depression and substance abuse that have been successfully piloted in eight states, including Pennsylvania.

The availability and spread of electronic health record technology would help doctors participating in these projects better monitor patients and measure outcomes. Stay tuned. We'll be giving you more details of these demonstrations in the weeks ahead.

### **What is the purpose of the EHR demonstration and how long will it last?**

The demonstration is designed to show that incentivizing adoption and use of EHRs will reduce medical errors and improve the quality of care.

### **What kinds of practices can participate?**

Small to medium-sized primary care practices—defined as family/general, internal medicine and geriatric practices are eligible. Although applications will be accepted from practices with up to 20 physicians, preference will be given to smaller practices with 10 or fewer physicians.

### **When does physician recruitment begin?**

Four phase-I communities, including Pittsburgh, will recruit doctors in the fall (September through November) of 2008; eight phase-II communities will begin recruitment in the fall of 2009.

### **Will CMS choose the doctors, or will community partners, like PRHI, make the selection?**

CMS will review all applications and be solely responsible for all decisions regarding eligibility and selection. CMS also will be responsible for randomly assigning practices to either the treatment or control group.

### **What roles do community partners, like PRHI, play?**

Community partners will assist with practice recruitment, education and outreach activities and also will collaborate with CMS on an ongoing basis to enlist private and public payers in the effort to bring about widespread adoption and use of EHRs.

### **How many medical practices will be involved, locally and nationally?**

Each of 12 locations where the demonstration is phased in through 2009 will recruit roughly 200 practices, or 2,400 nationwide. The combined patient population for the practices is expected to be 3.6 million. Half of the practices will use EHRs to improve both administrative functions and quality of care. The other half will serve as a control group.

### **For what administrative functions must participants use EHRs?**

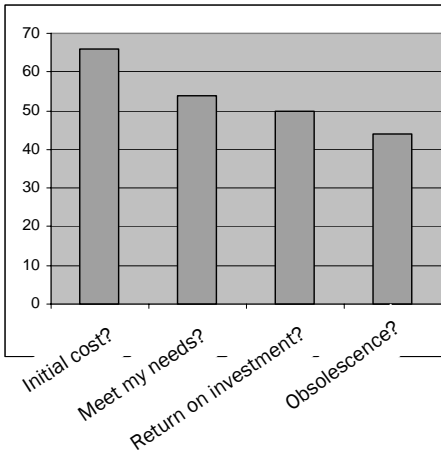
So-called core minimum functionalities include: clinical documentation, ordering and recording of lab tests, and recording of prescriptions.

### **What quality measures will be used?**

Practices will be required to report on 26 clinical quality measures: eight related to the care of diabetes mellitus, seven related to heart failure, six related to coronary artery disease, and five related to the provision of preventive care services such as immunizations and cancer screenings. These are the same measures that are being used in CMS' Medicare Care Management Performance (MCMP) demonstration. Detailed specifications for these measures can be found on the MCMP demonstration web site at: [www.cms.hhs.gov/DemoProjectsEvalRpts/MD](http://www.cms.hhs.gov/DemoProjectsEvalRpts/MD)

## Physicians Cite Benefits of Implementing EHRs, from page 1

### Top MD concerns about EHR



With the VA's EHR system, records that might have been inaccessible or even destroyed in the flooded city "were retrievable on a laptop," she said. Dr. Fox, who also uses EHRs at SHHC, said the legibility of electronic records improves safety, while the search functions can improve quality.

Physicians, however, have been slow to adopt EHRs. Survey results that the New England Journal of Medicine published online June 19 showed that fewer than one in five doctors (17%) uses EHRs and, of those who do, the majority have only basic systems without all of the functionality that can improve care. Doctors using the systems nonetheless gave them high marks for enhancing quality, safety and efficiency. Most using fully functional systems reported being alerted to a potentially dangerous drug interaction (71%) or critical lab value (90%); or having the quality of their clinical decisions enhanced (82%), (see chart).

Among physicians without EHRs, the most commonly cited barriers were capital costs (66%); not finding systems that met their needs (54%); uncertainty about return on investment (50%); and concerns about obsolescence (44%).

The CMS incentive payments and purchase assistance that Highmark Blue Cross Blue Shield announced should allay some, if not all, of the financial concerns of those participating in the PRHI-led demonstration. What's more, anecdotal information suggests that, in addition to improving care, EHRs can more than earn their keep with savings of both money and time.

### Early adopters

For example, two early adopters in the region, Dr. William Fera and Dr. Joel Diamond, said the EHR system they leased for their former practice more than paid for itself within a year, saving \$85,845 in staff costs, \$28,000 in transcription fees and \$60,000 in lease payments for insurance claims submission software that the EHR system replaced. The total — \$174,647 — exceeded the cost of leasing an EHR system by \$94,511. The savings grew in the second year, they added. Dr. Fera has since joined the University of Pittsburgh Medical Center as Vice President of Medical Technologies and Dr. Diamond has become Chief Medical Officer of DB Motion, an Israeli developer of software to integrate health information systems in which UPMC owns a stake.

Dr. Fera, who continues to see patients one day a

week, said the system also saved him at least an hour a day because he was able to do more administrative chores during the course of work, rather than leaving them for when the office closed or before it opened.

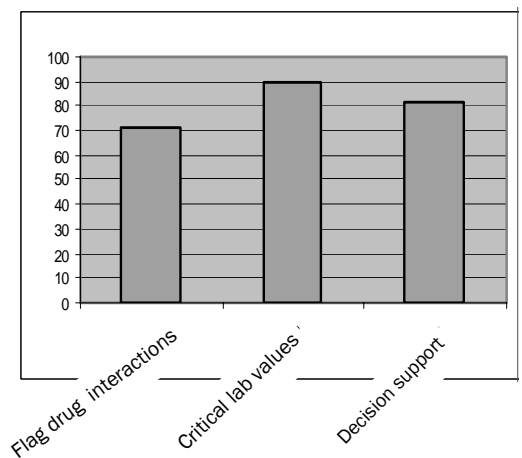
"When my last patient leaves, now I'm ready to leave, he said."

### Right timing

Dr. Fera, who attended Secretary Leavitt's announcement, said he thought the trend toward pay-for-performance would necessitate use of EHRs for more and more doctors.

Dr. Diamond said the timing of the demonstration is just right: "I think we're certainly at the tipping point," he said. "There are people who have just been waiting for that added incentive."

### EHR features MDs like best



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nursing turnover, among other clinical and operational improvements. The demonstrations have taken place in hospitals, outpatient clinics, physician practices and nursing homes.

### How the Program will Work

As regional leader for the EHR initiative, PRHI will work with Highmark, the region's medical societies and hospital associations to help CMS recruit and prepare 200 small physician practices in urban, rural and underserved areas to participate. Half of the practices will use EHRs to guide and measure quality improvements while the other half will serve as a control group. An application will be made available to interested practices on Sept. 2, 2008. CMS will provide financial incentives to participants based on their use of the technology and their ability to achieve quality improvements. In addition to Highmark's pledge of up to \$7,000 per physician for technology, additional support such as case management, learning collaboratives, vendor fairs, and on site coaching, may be provided with support from private contributors, including the insurer.

Electronic health records enable physicians to better monitor and manage the care patients are receiving, including entire groups with shared conditions, such as diabetes or chronic obstructive pulmonary disease. The systems have proven instrumental, for example, in ensuring that patients get recommended check-ups. Electronic health records also can help prevent errors, such as harmful drug interactions, and improve communication between clinicians in physician offices, hospitals, pharmacies and labs. Thus far, the technology has gained little market traction, in part because traditional healthcare reimbursement does not reward quality, Institute for Health Policy Director David Blumenthal, MD, wrote in a March 2006 report for the Commonwealth Fund.

Many of the nation's larger, well-financed hospitals have

electronic health records. But many physician practices, particularly smaller ones serving disadvantaged populations, have not been able to make the investment, which can cost tens of thousands of dollars depending on features.

"This is a tremendous opportunity for physicians in the region whose practices might otherwise not be able to obtain and implement EHR technology," said Allegheny County Medical Society President Adam Gordon, MD.



Illustration courtesy of Health Information Technology Summit 2005

"Electronic health records have the potential to provide the right information in real time to physicians, which is particularly helpful with chronic conditions that often translate into visits with multiple providers across multiple care settings," said PRHI Chairman Alan Guttman. Mr. Guttman, a business executive who heads the Guttman Group, also noted that a move to electronic information systems is long overdue in health care. "Health care requires the same technology as other industries if it is to achieve the same efficiencies," he said.

### String of Successes

PRHI's selection as a CMS demonstration partner represents the latest in a series of designations HHS has awarded it in recognition of the coalition's leadership role in advancing patient safety and healthcare quality. Earlier this year, HHS tapped PRHI as one of 14 regional organizations to form a network of Chartered Value Exchanges that the Agency for Healthcare Research and Quality is organizing to accelerate progress in key areas such as quality improvement, public reporting, and information technology. In 2006, HHS named PRHI a Community Leader in building support for the Four Cornerstones of Value-Driven Health Care—transparency of performance measures, incentives for high performers, interoperable EHR systems, and quality and efficiency initiatives. Founded 10 years ago on the premise that improving quality through the elimination of waste, inefficiency and error would help lower costs while improving the health of our population, PRHI is a national leader in work redesign, improving patient safety and healthcare quality and value purchasing.



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## ELECTRONIC HEALTH RECORDS DEMONSTRATION TIMELINE

September 2, 2008	Recruitment period begins
November 26, 2008	Final application deadline
March 2009	Notify practices of treatment/control group status
May 2009	Local kick-off meetings
June 1, 2009	Demonstration begins
May 31, 2014	Demonstration ends

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Please direct inquiries about the Electronic Health Records Demonstration to [ehrdemo@prhi.org](mailto:ehrdemo@prhi.org)

The PRHI Executive Summary is posted at [www.prhi.org](http://www.prhi.org).