ARRA STIMULUS FUNDING:
A GUIDE FOR THE MEDICAL PRACTICE PHYSICIAN

Unprecedented economic funding means unexpected opportunities for medical practices.
I. Stimulus Overview

The American Recovery and Reinvestment Act of 2009 (ARRA) and the section of ARRA on promoting information technology, Health Information Technology for Economic and Clinical Health (HITECH) Act, are unique economic developments that have resulted in unprecedented opportunities for growing small and medium healthcare practices: the chance to update technology and jumpstart electronic health record (EHR) adoption through substantial incentive payments.

Transitioning to an EHR platform and a new technology system might seem a bit overwhelming, which is why this informative guide aims to help you understand:

- What is ARRA and the HITECH Act—and what are their impact on the healthcare industry;
- What does this legislation mean for your practice;
- Why it’s smart to update your practice’s technology infrastructure and make the transition to EHR adoption now—not later;
- The penalties—and risks—of non-EHR adoption;
- What defines “meaningful use” in terms of technology and your EHR systems; and
- How to manage a smooth transition to an EHR system.

II. What is ARRA?

Incentive Payments, big advantages

Passed by Congress and signed into law by President Obama in February 2009, the American Recovery and Reinvestment Act (ARRA) is part of a targeted, strategic and far-reaching overall plan to jumpstart a sagging economy.

Designed to help “create new jobs, preserve existing jobs, spur economic activity, and invest in long-term growth,” the Act is a $787 billion infusion of funds for a huge range of critical-care areas—including a $224 billion increase in federal funds for entitlement programs like unemployment, as well as for education and healthcare.

Healthcare impact

While much of the Act is certainly focused on boosting the economy, it also includes provisions for many basic infrastructure programs that are designed for the long-term economic impact and well-being of all Americans. For healthcare in particular, this funding marks an incredible opportunity to transform the industry—including helping to reduce medical errors, improve quality, and dramatically decrease overall healthcare costs. If overall operations run smoother, physician practices can better concentrate on what’s important: providing the best patient care possible.

III. What is the HITECH Act?

Change at the front lines

The time for change is now—and ARRA is a transformative change agent that is designed to help, starting where it’s needed most—on the front lines, and at the physician/patient care level. ARRA has allocated approximately $36 billion for healthcare IT investments and upgrades alone—and most of that ($20 billion) is earmarked specifically to make it easier for small to medium practices to move toward required EHR adoption.

As a result, the Health Information Technology for Economic and Clinical Health (HITECH) Act, this critical portion of the ARRA bill includes financial incentives for EHR adoption that, in conjunction with HIPAA, will help further ensure patient privacy with more stringent data protection standards for the industry. And, those physicians and practices that implement and use eligible EHR systems according to HITECH guidelines sooner rather than later stand to reap substantial financial benefits.

Critical need: Technology help

There’s no question that, in a smaller medical practice, Information Technology (IT) is an ongoing expense and a time-intensive proposition. It’s hard enough to balance running a profitable business, providing the best in patient care and ensuring that you have a happy and productive staff without also having to worry about it.

But it’s a critical-care area that demands attention, diligence, compliance and quick response. The HITECH Act will help make that prospect a lot easier for medical practices by offering considerable financial incentives, if your practice acts now—not later.

As you can see by the EHR Stimulus Timeline below, the longer physician practices wait to adopt a comprehensive EHR system, the less incentive money is available—not to mention that practices will start seeing penalties in 2015. It’s wise to start implementing now, not only to get the full financial benefits, but also to ensure your practice stays at the forefront of technological advancement.

![EHR Stimulus Timeline](image-url)

Reimbursements for upgraded technology

Small to medium physician practices stand to reap benefits of early EHR system adoption as indicated in the HITECH Act, which is offering incentive payments to help practices offset the cost of implementing qualified EHR systems.

Provides with qualifying EHRs can start receiving HITECH Act incentive payments as early as 2011. In fact, your practice could receive up to $44,000 per practitioner when you adopt HITECH standards—and that’s a huge benefit.

These payments will come directly from ARRA funds to those physicians whose practices include Medicare and Medicaid patients and, while there’s a year delay for reimbursement once the EHR system is implemented, these funds can significantly offset the cost of such a system.

Better, faster technology infrastructure

Besides the attractive financial incentive for adopting HITECH standards, the overall technology benefits of such an adoption for medical practices can be significant, including:

- Increased data security;
- Increased productivity;
- Reduced maintenance costs because your practice has the latest systems;
- Newer applications that are easier to use; and
- Enhanced technical support.

In short, updating your practice’s technology infrastructure and making the transition to EHR adoption sooner, rather than later, makes a lot of sense both financially and from an operations perspective. A newer system gives your practice the power of the latest technology, while also ensuring compliance—so that you can concentrate on growing your business and meeting patient and staff needs.

What does this mean for your practice? Each section below explains the advantages of having a current technology infrastructure—giving you the edge for continued success.

Less risk, more secure data

There’s no doubt that the economic downturn affected businesses in every industry, and healthcare was no exception. As a result, many practices halted a large percentage of spending—and that included updating electronic and computer systems, software and hardware. Nearly 40 percent of the computers in small businesses are more than three years old, with many using older operating systems.”

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How to get the maximum financial benefit

As you can see from the timeline, incentive payments start for early EHR adopters in 2011 – which means that the time to implement an EHR system is now – to get the full practice benefit of $44,000. Practices who implement early will get staggered and partial payments each year through 2015, including $18,000 in 2011; $12,000 in 2012; $8,000 in 2013; $4,000 in 2014; and $2,000 in 2015 for a total of $44,000 – the maximum incentive payment.

After that, the financial incentives drop dramatically. For example, if your practice doesn’t have a qualifying EHR system in place by 2013, your overall incentive payment drops $5,000 to $39,000. Wait until 2014 and the total benefit drops to $24,000. After 2015, ARRMA/HITECH Act adoption incentives end completely.

Ignore EHR adoption – and compromise your Medicare payments

However, non-adoption goes for beyond getting government stimulus incentive payments to help pay for EHR systems. Practices who don’t adopt EHR standards are at risk of also having their Medicare payments reduced for each year of non-adoption. And it’s not a small percentage.

Penalties include a gradual, but significant, 3 percent reduction in Medicare and Medicaid payments over a period of three years. No practice can afford that kind of financial hit, and that’s a powerful source motivation for many. In the Insignex survey, 77 percent of physicians say that penalties for not adopting EHR technology by 2014, as prescribed by the provisions of ARRA, are likely to motivate them to implement the technology.

The bottom line? Start the EHR adoption process now, and your organization can mitigate the risk of penalties later.

V. Meaningful Use

Understanding what’s “meaningful”

As part of the HITECH Act, practices must meet specific guidelines for EHR systems that are designed to further information exchange and increase data security. Known as “Meaningful Use,” these requirements will be enacted in stages over the next five years. While final comprehensive guidelines are still in development, Stage 1 EHR guidelines will generally include the following categories/requirements:

Capturing the Right Data: All Stage 1 data must focus on specific elements, including field entries specific to the provider, such as Clinical Decision Support (CDS) rule parameters and specialty performance measure metrics. Your practice’s EHR system needs to have structured fields for each criteria, and the ability to acquire and load content databases, configure dataview templates that help and remind users to enter the correct data, and the ability to design/develop methods to download eligibility, test results and other data from other systems. There’s also a training component – training physicians and/or other users on how to accurately enter patient data.

Establishing Effective Workflows to Reinforce Data Entry (Including Medication Reconciliation): This means developing teams and assigning roles to ensure the right data is entered and captured. Everyone in your practice can play an active role in medication reconciliation by asking patients about medications and gathering medication information from patient transition records and notifications.

Encouraging Provider Involvement in EHR Adoption: Providers must become committed EHR users to meet the definition of “meaningful use.” So, to make sure your practice has consistent data, every provider must consistently use the system – and that requires a team and overall practice commitment.

V. Understanding the Penalties and Risks of Non-EHR Adoption

Adopt now, or pay the price later

Clearly, the financial incentive to adopt qualifying EHR systems soon is self-evident. That’s because these unique, one-time, “use it or lose it” incentive payments are on a strict schedule of diminishing returns for practices – implement now, and get more incentive money.

Many practices are starting to embrace that kind of thinking, citing financial incentives as a significant motivator. In a Ingenix survey of more than 1,000 physicians and practice administrators about their attitudes toward EHR technologies and how federal incentives might affect purchasing decisions, a whopping 82 percent say they are “more likely” to adopt an EHR system if they are reimbursed for their investment, including 34 percent who would be “much more likely” to do so.

However, if your practice waits, or you choose to ignore the stimulus fund incentive opportunity altogether, the cost will be staggeringly high. As you can see below, according to the HITECH Act Physician Reimbursement Plan, incentive money decreases dramatically if practices don’t act soon; by fiscal year 2014, that potential overall payment of $44,000 will have decreased by almost half.
Establishing Computer-Based Provider Order Entry (CPOE): This applies to all orders, including laboratory, radiology, referral, medication, physical therapy and other services. And, each qualified order has to be directly entered by the authorizing provider. So, in a practice setting, every ordering provider needs an understanding of how CPOE works, how to use it, and how to enforce its use.

Adopting E-Prescribing Now: Now’s the perfect time to start e-prescribing, since this is one area where practices have full control, including configuring the EHR with an e-prescribing module; subscribing to networks that help with transmission; training users; and ensuring consistent use of the system. Many providers are already e-prescribing; according a report by Supercripts, which operates an e-prescribing network, the number of prescriptions routed electronically grew from 68 million in 2008 to 191 million in 2009.7

Managing Clinical Decision Support (CDS): Stage 1 meaningful use requirements include five CDS rules that each eligible professional must demonstrate. In multispecialty and multiprovider practices, this may mean implementing a separate subset of rules for each specialty and/or provider, because those five rules also have to be relevant to the specialty, or a high clinical priority.

Implementing Patient Health Information Exchange Workflows: Patient health information exchange requires communication with patients’ prior providers and using the EHR, like patient notifications and sharing care information such as visit summaries and test results.

Formulating a Provider Health Information Exchange Strategy: This includes allowing for “testing of a certified EHR technology’s capacity to electronically exchange key clinical information.” So, EHR system exchange functions and features need to be installed, configured and ready to go.

Complying with Privacy and Security Requirements: An extension of HIPAA, this guideline makes sure that practices identify and address potential workflow security and other weaknesses, such as password protection of electronic patient records distributed via mobile media.

Initiating EHR-Based Quality Performance Measurement Support: The key to successfully meeting quality performance metrics is in capturing the data, so practices must make sure that every data element is captured or stored in the appropriate format.

There’s no question that transitioning to updated technology is essential for EHR compliance – and, while it’s also an intensive process, moving your practice to EHR adoption sooner rather than later has many benefits.

VII. How do you manage the transition?

Any sort of technology adoption or transition can be a daunting prospect for a smaller practice. In fact, in the Ingenix survey, 74 percent of those surveyed ranked disruption of workflow as one of the top three risks of EHR deployment.

However, implementing an EHR solution can greatly streamline workflow, save time, increase accuracy, and result in better patient care. The first step is to assess where your practice is now with a basic technology infrastructure. Knowing where you are now will help you make sound and practical decisions when it comes to choosing the right EHR system for your needs – and the one that will have the most benefit to your medical practice.

Part of that assessment process is gauging your organization’s level of “IT Maturity” – a mature infrastructure means that you have all the necessary technology pieces in place so that your practice runs smoothly; increases your practice’s overall efficiency, productivity and effectiveness; and delivers value – to you, and to your patients.

IT assessment for adoption success

A mature IT function in the medical practice facilitates a more seamless EHR adoption. But what does that mean? While every practice is unique, evaluating the following four core areas is instrumental in gaining a better understanding of your organizations IT status, including areas of strength and weakness.

- Network/Infrastructure: This is the most important part of your technology roadmap, since almost every function in your practice is supported by the network, including your EHR system, HR, finance, and security.
- Technical Support: This is the most important part of your technology roadmap, since almost every function in your practice is supported by the network, including your EHR system, HR, finance, and security.
- Database: The key “meaningful use” standards under the HITECH Act require proper data management, collection and organization, making this a critical component for any medical practice.
- Technology Management: Many practices rely on IT reactive, but it should be a proactive, mindful initiative that can effectively lead your practice – and help you deliver the best patient care possible.

Must-have EHR project management

Managing a successful transition to your EHR system – or any technological upgrade – also requires following key project management guidelines, including:

- Detailing and implementing a project plan so that everyone stays on track and understands what needs to happen and when;
- Assigning roles and responsibilities so that everyone in your practice is on board and committed to the success of the implementation process – and the practice’s overall success;
- Allowing for practice downtime, and planning for it in advance to minimize disruption; and
- Ensuring that everyone in your practice has access to the right training and development to ensure a smooth transition to your EHR system.

With a wealth of knowledge and support at your fingertips, the right technology partners on your team, and an understanding that better, current technology is the key that will take your practice to the next level of success, you can rest assured that you’ll implement an EHR system your practice can afford – and that your patients will appreciate.

VIII. Conclusion

Given the urgent timeline for taking advantage of incentive recovery funds, it’s critical for practices to take action for the future and implement EHR sooner, not later. The benefits for outweigh the risks, and stimulus funds through the HITECH Act are there to help defray your practice’s overall financial investment. The evolution of your practice should include technology that gives you:

- Increased data security;
- Increased productivity;
- Reduced maintenance costs;
- Newer applications;
- Enhanced technical support; and
- An EHR system that’s compliant – and that works for your practice.

It’s important to have a trusted, reliable, technology partner that gives you access to proven industry systems and platforms – the right EHR solution that meets the needs of your practice and puts the most innovative and cost-effective systems in place now – when you need them most. As an early EHR system adopter, your practice will reap the full benefits of ARRA/HITECH stimulus dollars, as well as an updated and efficient technology infrastructure.
IX. Resources

MEDICAL ORGANIZATIONS:
ADA: http://www.ada.org

GOVERNMENT ORGANIZATIONS:
Health Information Technology: http://healthit.hhs.gov/portal/server.pt
Centers for Medicare and Medicaid Services: http://www.cms.gov/
ARRA Site: http://www.recovery.gov/Pages/home.aspx

HP & INTEL LINKS:
Intel: http://www.intel.com/healthcare/
ARRA Site: http://www.recovery.gov/Pages/home.aspx

COMMON ACRONYMS:
ARRA American Recovery and Reinvestment Act
BCMA Bar Code Medication Administration
CCHIT Certification Commission for Healthcare Information Technology
CDSS Clinical Decision Support Systems
CPOE Computerized Physician Order Entry
EHR Electronic Health Record
EMR Electronic Medical Record
FQHC Federal Qualified Health Centers
HIE Health Information Exchange
HIPAA Health Information Portability and Accountability Act
HITECH Health Information Technology for Economic and Clinical Health
OIG Office of the Inspector General
ONCHIT Office of the National Coordinator of Health Information Technology
PHI Protected (or Personal) Health Information
PHR Personal Health Record
PMRI Patient Medical Record Information
RHIO Regional Health Information Organization

X. About HP in Healthcare

HP is the largest provider of business process management services for the healthcare and managed care markets and has long been an informed and trusted technology partner in the healthcare industry. In fact, more healthcare organizations depend on HP for healthcare technologies and services than any other vendor. Ninety-six percent of U.S. hospitals run on HP servers; HP supports and maintains healthcare IT for the Department of Veterans Affairs, the world’s largest healthcare integrated network system; and HP systems are an indispensable part of leading medical institutions including HCA, Inc., Kaiser Permanente, Mayo Clinic, Scripps and many others.

HP brings to the healthcare landscape a 50-year history of innovation; end-to-end, tailored solutions based on best-in-class technology; and rock-solid IT that delivers the high reliability, security and manageability that healthcare environments demand.

HP’s strategic partnerships with selected software partners offer options for flexible, tailored healthcare solutions, and HP is committed to helping the healthcare industry make a smooth and successful transition toward EHR adoption.