




**EHR, PHR, HIE, MU, HIPAA, ICD –  
So many letters,  
so much money,  
so little time.**

**May 20, 2011**



**hfma**  
healthcare financial management association





**Learning Objective of the  
Presentation**

After this session the participant will be able to deal more effectively with their peers in the information services area of their company, particularly as it relates to:



- Electronic Health Records
- Personal Health Records
- Health Information Exchanges
- HIPAA
- ICD-10

May 5, 2011


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## Autocorrecting Spelling In Microsoft Word 2007 Documents




## Stop Correcting EHR in Word 2007

- Click the **Microsoft Office Button**  and then click **Word Options**.
- In the **Word Options** dialog box, click **Proofing**, and then click **AutoCorrect Options**.
- In the **Replace** dialog box, type in EHR. If you have an autocorrect entry, it will appear and the **Delete** button will become active. If there is not an entry, you are done.
- If you see an entry that converts EHR to HER, press the **Delete** button.

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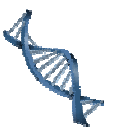
**Healthcare and Information Technology**



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**HIT Categories of Activities**



Information Systems is the Messenger RNA of the Enterprise



DNA Double Helix

- EHR related applications
- Other BCHS Initiatives - Service Line Support
- Patient-Provider Integration
- Enterprise Data Management
- Portals and Exchanges
- Administrative Systems
- Enabling Technologies
- Infrastructure
- EHR Global Elements
- New Areas and Facilities
- Research
- Education
- Disaster Recovery
- Business Continuity

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**Our Environment -  
US Healthcare System**



**Information Technology is  
Changing Rapidly**

- Virtualization of servers, storage, and workstations
- Remote hosted versus in-house
- Zero tolerance for downtime
- Data network bandwidth needs
- Convergence of voice, video, data
- Mobile computing
- Explosive demands for medical image storage
- Data security threats and prevention requirements
- Explosive growth in connectivity
  - Network society
  - Today – 5 billion people with 9 billion devices
  - 2020 – 50 billion devices


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## The Healthcare Industry is Changing Rapidly

- Health Care Reform
  - Data needs for new payment models (i.e. ACOs, Medical Homes)
  - Ubiquitous access to records and quality data across the continuum
  - Changes in organization models
    - Mergers
    - Acquisitions
    - Divestitures
  - Can we all function effectively at Medicare reimbursement levels?
- Health Information Exchanges (HIEs)
- ARRA Stimulus/HITECH Act
  - What will happen to HITECH as a result of the recent election?
  - Meaningful use
  - Quality reporting, a universal challenge
  - Obtaining certified products
  - HIPAA rule changes
- Implementation of ICD-10 (October 1, 2013) and 5010 (January 1, 2012)
- Patient accountability

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## Demand and Expectations Are Almost “Off the Chart”


“We can do anything. We can’t do everything.”




Category	Value (Approximate)
Demand	5
Available Resources	1.5

2009 Demand Versus Resources Based on BHCS Empirical Evidence  
 Collected as Part of Enterprise Project Management  
 Current Project Count: 180 (15 in initiation phase)

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 **What does increased demand in IS and IT mean?**

- Substantially increased IS and IT budgets




- Some increases are temporary, but you will see budgets at a new plateau
  - Old: 3%
  - New: 4%
- Savings must be found in other areas of operations



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 **Test: How does this relate to a healthcare CIO?**

Hint: 2 rapidly changing industries



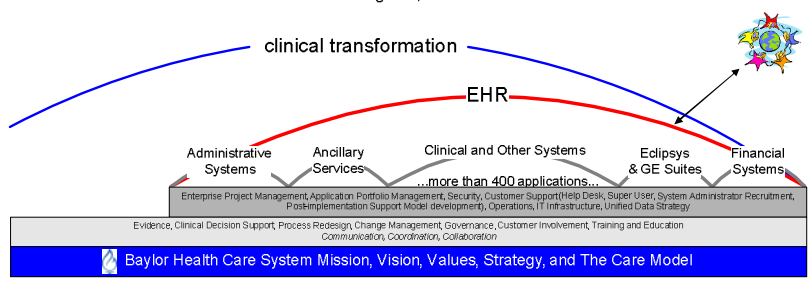
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**Transformation Is A Must**



**Relationship between clinical transformation, electronic health record (EHR), and information systems**

August 1, 2008




- The goal of all activities is to improve adherence to STEEEP (safe, timely, effective, efficient, equitable, patient centered care) which can be summarized as "hardwiring STEEEP."
- The number of applications will be reduced through a concerted effort to achieve Systemness with broad stakeholder involvement.

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**Clinical Transformation: Hardwiring STEEP\***



- People
- Processes
- Technology

\*IOM Model: Safe, Timely, Effective, Efficient, Equitable, Patient-centered care.


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 **Transforming Healthcare Delivery**

- Installation is hard, and mainly technical
- Implementation is really hard, and mainly organizational
- Transition (lasting change) is incredibly hard, and purely human
- **Transformation** is a state of profound new personal and enterprise behavior


Marc Overhage, Regenstrief Institute, Inc: A Healthcare Laboratory and a Community of Scholars

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 **Healthcare CIO Personality Test**

**Trick Question:**





Is this half-full or half-empty?

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**Health Information Exchanges (HIEs)**





**N.B. – Connection to an HIE is only part of Meaningful Use**

“We recommend that the ultimate goal of meaningful use of an Electronic Health Record is to enable significant and measurable improvements in population health through a transformed health care delivery system. The ultimate vision is one in which all patients are fully engaged in their healthcare, providers have real-time access to all medication information and tools to help ensure quality and safety of the care provided while also affording improved access and elimination of health care disparities. This ‘north star’ must guide our key policy objectives...”

HIT Policy Committee, 6/16/09, *Framing Statement*

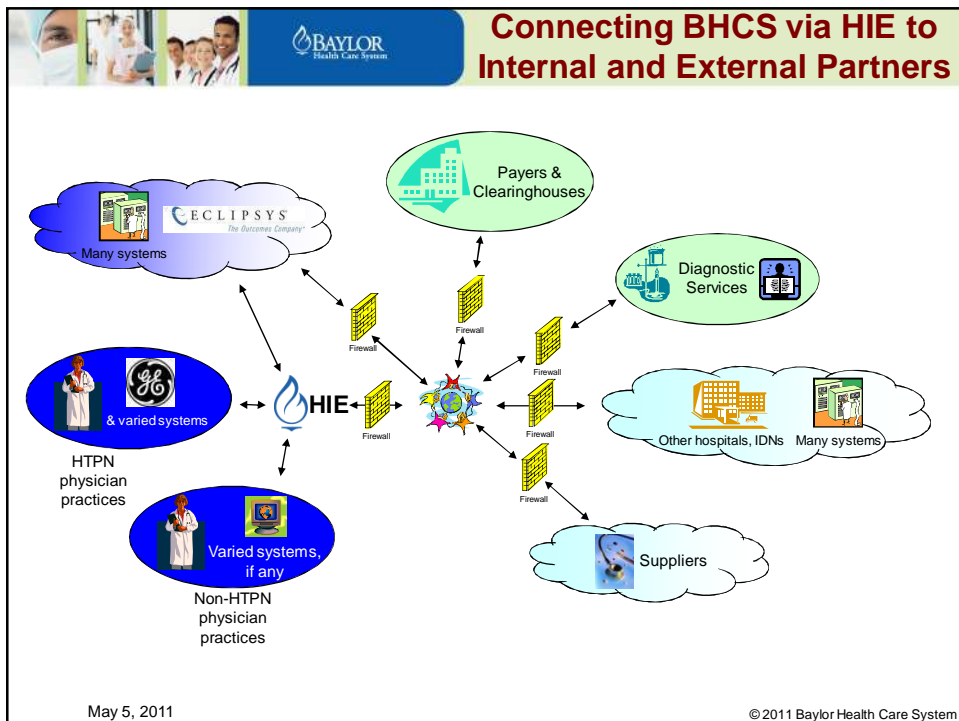
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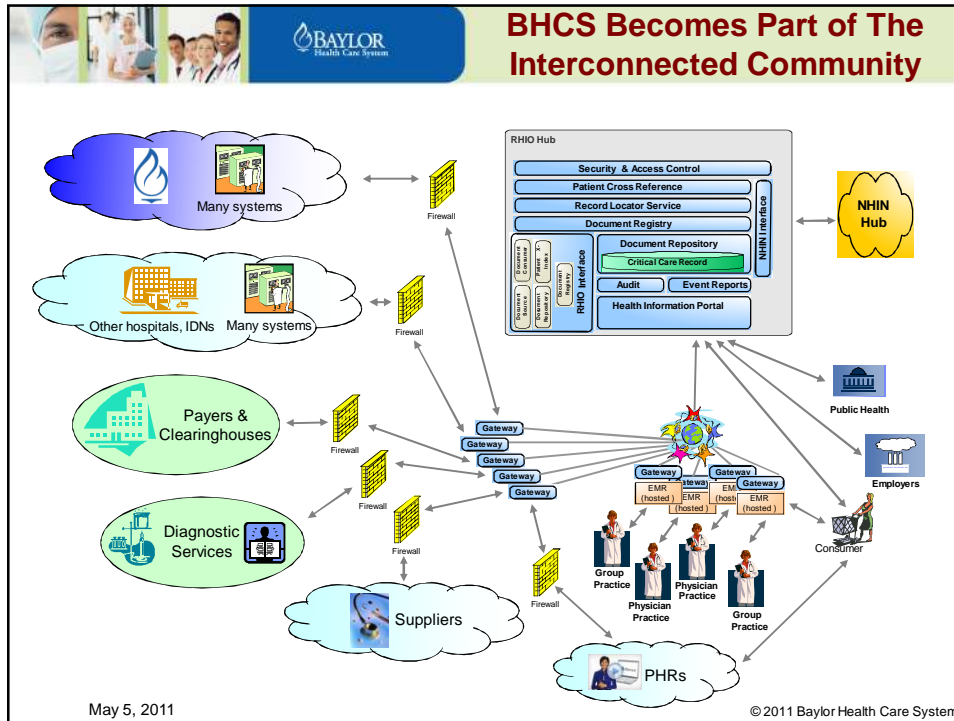



## Key Elements of Health Information Exchange

- Use of the private and public communications infrastructure
- **Participants: all providers, payers, patients, public health, and many others**
- **Identifiers**
  - Master person
  - Community
  - Provider
- Interface engine(s)
- Tools for end-user connectivity
  - Portals
  - Electronic Health Records
  - Personal Health Records
- Agreements to manage privacy, security, confidentiality
- Required information usage rules
- Involvement of key end user representatives in system design
- **Governance**
  - **Priorities**
  - **Policies/procedures**
  - **Mechanisms for program to encourage participation**
- Education
- Administration
- Customer Support structures
  - Local
  - Remote

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### Personal Health Records

- Custodian of records
- Ease of administration
  - Privacy
  - Confidentiality
  - Security
- Accessibility and convenience



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**Meaningful Use Summary  
As of November 8, 2010**



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**Meaningful Use  
Graphically**




Pumpkin




Meaningful Use of Pumpkin

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## Incentives

***“Getting an EMR for the ARRA stimulus is like having a baby for the tax deduction.”***  
*Anonymous*




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 **ARRA’s Text on Meaningful Use**

An EP (eligible professional) and an EH (eligible hospital) shall be considered a meaningful EHR user for an EHR reporting period for a payment year if they meet the following three requirements:


- Utilize certified EHR technology in a meaningful manner;
- Utilize certified EHR technology that is connected in a manner that provides for the electronic exchange of health information to improve the quality of healthcare such as promoting care coordination; and,
- Submit information on clinical quality measures and other measures in a form & manner specified by Secretary of HHS

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- Effective dates are different
  - Eligible professionals use the Calendar Year starting January 2011
  - Eligible hospitals and Critical Access Hospitals use Federal Fiscal Years starting October 2010
- Stages 2 and 3 have not been
  - Stage 2 has been proposed (please respond to NPRM – notice of proposed rule making)
  - If you're a Medicare eligible provider and skip a year, you cannot catch up
  - If you're a Medicaid eligible provider, you only need to be acquiring, implementing, or upgrading to reach Stage 1
- CPOE – significant controversy about “licensed professional”
- Meaningful use (MU) measures
  - Core Measures
    - 15 for EPs
    - 14 for EHs & CAHs
  - For 2011/FY11, EPs & EHs/CAHs choose 5 from a second “Menu Set” of 10 criteria
    - If one of the 10 does not apply, then participant may decrement the requirements by 1
  - **NOTE: your environment must have the ability to satisfy ALL measures criteria, regardless of how many you will demonstrate**
- Quality measures for all patients must be submitted regardless of payer

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- First year of MU requires combination of attestation and submission
- Still lots of discussion about multi-campus enterprises
- Certified software must be capable of calculating and reporting both operational and quality measures
- Certification
  - Any certifications issued by CCHIT (The Certification Commission for Health IT) or any other body will not be grandfathered
  - Virtually every hospital system uses multiple applications to construct an EHR
    - Multiple certifications will be required
    - Self developed or uncertified software will have to certified
  - Find the CHPL (Certified Healthcare IT Products list at <http://onc-chpl.force.com/ehrcert>)
  - Permanent certification expected to replace current temporary process by 2012
    - Separate testing and certification will be required by permanent process

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HIPAA



**If You Didn't Already Know...**

- Not many surprises from prior year publications
- A great deal of fine tuning
- Discussed but not detailed
  - Accounting for Disclosures
  - Audit log
  - Rights of State's Attorney General
  - Methodology by which harmed individuals are awarded damages


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**If You Didn't Already Know...**  
(continued)

- Individuals may now be the subject of prosecution
  - Criminal penalties now a possibility
- Secretary of HHS now has some discretion in terms of interpretation
  - Reasonable cause
  - Reasonable diligence
  - Willful neglect
- Penalties may be much higher than originally anticipated
  - Distribution of penalties or settlements to harmed individuals is proposed by 2012
- Additional entities including vendors are subject to same rules as entities
  - PHRs hosted by vendors
  - Health Information Organizations (RHIOs and HIEs)
  - e-Prescribing gateways
  - Patient Safety organizations (list of 85 on AHRQ website)



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**If You Didn't Already Know...**  
(continued)

- Patient may request an accounting of disclosures even in absence of breach
- Safe harbor for encrypted data
- Requirement to determine extent of harm has been rescinded
- Sales of information, marketing, and foundation activities impacts your consent agreements
  - Must make it easy for individual to opt out
- Patients can receive an electronic copy of their records if stored in an EHR at a reasonable fee
- Patient can request that NO information be sent to their health plan

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## Breach Notification Final Rule Update


The Interim Final Rule for Breach Notification for Unsecured Protected Health Information, issued pursuant to the Health Information Technology for Economic and Clinical Health (HITECH) Act, was published in the Federal Register on August 24, 2009, and became effective on September 23, 2009. During the 60-day public comment period on the Interim Final Rule, HHS received approximately 120 comments.

HHS reviewed the public comment on the interim rule and developed a final rule, which was submitted to the Office of Management and Budget (OMB) for Executive Order 12866 regulatory review on May 14, 2010. At this time, however, HHS is withdrawing the breach notification final rule from OMB review to allow for further consideration, given the Department's experience to date in administering the regulations. This is a complex issue and the Administration is committed to ensuring that individuals' health information is secured to the extent possible to avoid unauthorized uses and disclosures, and that individuals are appropriately notified when incidents do occur. We intend to publish a final rule in the Federal Register in the coming months.


**Until such time as a new final rule is issued, the Interim Final Rule that became effective on September 23, 2009, remains in effect.**

<http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/finalruleupdate.html>

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## International Statistical Classification of Diseases and Related Health Problems – Version 10

 **Regulatory Environment**

- Update to the HIPAA Electronic Transaction Standards and Code Sets
- Final Rule published January 2009
  - Calls for update to 5010 claims transaction
  - **January 1, 2012 compliance**
- Final Rule published January 16, 2009
  - Calls for adoption of ICD-10-CM to replace ICD-9-CM diagnosis codes and ICD-10-PCS to replace ICD-9-CM Volume 3 (procedure codes)
  - **October 1, 2013 compliance**


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 **Likelihood of delay: 0%**

Can't tell you what to do,  
but this is not what you should do.




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### Systems Likely To Be Affected

- Accounting systems
- Advanced Beneficiary Software
- Birth defect registries
- Billing
- Case management system
- Claims submission
- Clinical data reporting
- Clinical department systems
- Clinical protocols
- Clinical reminder systems
- Compliance checking systems
- Databases
- Decision support systems
- Disease management
- DRG grouper
- Electronic processing systems
- Encoder software
- E-prescribing
- Financial systems
- Hospital information system
- Interface engines
- Inpatient rehab facility patient assessment instrument data collection


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### Systems Likely To Be Affected (continued)

- Managed care (HEDIS) reporting system
- Medical abstracting system
- Medical necessity
- Minimum data set collection system
- OASIS system
- Outpatient Code Editor
- Pharmacy systems
- POA systems
- Provider profiling
- Quality management
- Reports
- Registration and scheduling
- Research databases
- State birth registration systems
- State reporting systems
- Test ordering systems
- Utilization management

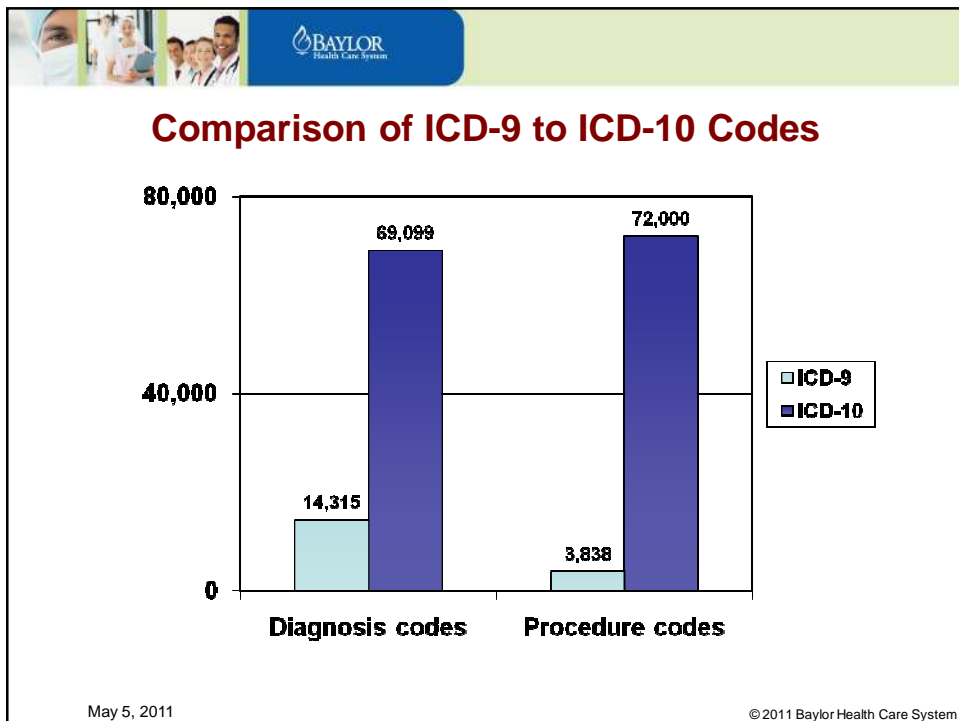
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### Clinical Coding Diagnosis vs. Procedure

- ICD-9-CM – Volumes 1 and 2, HIPAA standard diagnosis coding for all clinical care settings (e.g. hospitals, physicians, home health, skilled nursing, insurance)
  - **Upgrade to ICD-10-CM**
  
- ICD-9-CM –Volume 3, HIPAA standard coding for hospitals to report inpatient services
  - **Upgrade to ICD-10-PCS**
  
- CPT/HCPCS – HIPAA standard for reporting outpatient services by hospitals and both inpatient and outpatient services by non-hospital providers (e.g., physicians, therapists, clinics, insurance)
  - **No change**

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## Diagnoses

<h3>ICD-9-CM</h3> <ul style="list-style-type: none"> <li>• 3-5 characters in length</li> <li>• First digit is numeric or alpha (V or E)</li> <li>• Digits 2-5 are numeric</li> <li>• Always at least 3 characters</li> <li>• Decimal point: yes, after third digit</li> <li>• Dummy placeholder? no</li> </ul>	<h3>ICD-10-CM</h3> <ul style="list-style-type: none"> <li>• 3-7 characters in length</li> <li>• First digit is alpha, all letters except "U"</li> <li>• Digits 2 and 3 are numeric</li> <li>• Digits 4-7 are alpha or numeric</li> <li>• Always at least 3 characters</li> <li>• Decimal point: yes, after third character</li> <li>• Dummy placeholder: "x"</li> <li>• Alpha characters <u>not</u> case-sensitive</li> </ul>
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## Risks of Failure to Implement

- The failure to successfully implement ICD-10-CM/PCS can
  - Create coding and billing backlogs
  - Cause cash flow delays
  - Increase claims rejections/denials
  - Bring about unintended shifts in payment
  - Place payer contracts and/or market share arrangements at risk due to poor quality rating or high costs
- Inaccuracy in clinical coding creates distorted or misinterpreted information about patient care which can also result in faulty investment decisions to improve health delivery .
- Potential cash flow disruptions if trading partners are not ready to process



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## Opportunities

- More accurate physician profiling for quality reporting
- Providers can perform more precise evaluations of their own health care competencies
- Better data can help payers rate providers. Patients would be steered to providers that offered cost-effective health care.
- Improved documentation processes
- Development of more accurate clinical protocols to improve patient care
- Improved cash flow, shorter adjudication process
- Improved case identification for quality reporting


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## Opportunities (continued)

- Decreased administrative burden of record review for quality reporting
- Providers can perform more precise evaluations of their own health care competencies
- Hospital can more accurately determine what procedures it does well relative to its peer institutions and where it falls behind. It can use such information to reallocate its resources and promote itself to referring physicians.
- Providers may want to go back to discover the results of using a particular technique or device.


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"Computers are incredibly fast, accurate, and stupid;  
humans are incredibly slow, inaccurate and brilliant;  
together they are powerful beyond imagination."

- attributed to Albert Einstein -

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**Questions or Comments**

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