

H.R. 1952 National Health Information Incentive Act of 2007 Analysis and Interviews by Eric Fishman, MD

○ Increased Medicare payments to physicians who adopt health IT.

○ "The Federal government is going to have to recognize that it must play a role."

○ "Get the word out to these doctors. I want every doctor to be an advocate for HIT."

Study after study has shown that the slow adoption of EHRs by practicing physicians, particularly in small medical groups, can be attributed to a variety of factors. These factors include concerns about security HIPAA compliance, hesitancy to change the physician's workflow, lack of appropriate technology and, most frequently cited, financial concerns. Fortunately, Congress is addressing the financial barriers, and proposed legislation may significantly reward physicians who adopt approved HIT.

Currently, physicians pay for the technology, while other parties reap the greatest rewards. Thus, there is a disconnection between expenditure and return on investment. It is estimated that physicians spend an average of \$33,000 for their first year of implementation of an EHR and then thousands of dollars annually on a continuing basis.

However, while physicians currently bear the entire cost of an EHR, insurance companies reap the greatest rewards. The Rand study estimates that nationwide adoption of health IT would save at least \$81 Billion annually, and possibly many times that amount. These lower costs would benefit the insurance companies, and by extension, the Federal Government, clearly the largest insurer of all, paying for the medical care of an estimated 93 million Americans.

Light at the end of the Tunnel

Fortunately there are some in Congress who realize that this disconnect exists and they are willing to try to do something about it.

As discussed in the May edition of EHR Scope, HR 1952, or the National Health Information Incentive Act of 2007, sponsored by Congressman Charlie Gonzalez (D-TX) and Congressman Phil Gingrey (R-GA) is designed to provide substantial benefits to physicians who properly utilize health information technology. Similar legislation has been promoted previously, including HR 747 and HR 4641 both in 2005, and again, by Congressmen Gonzalez and Gingrey respectively. (For the full text of HR 1952, please see pages 94-100 of the May 2007 edition of EHR Scope.)

Congressman Gingrey, an Ob/Gyn physician states, "It (the amount of savings) is an amazing number. The number is based on things like reducing the duplicative services, unnecessary defensive medicine, lowering the numbers of claims for injuries sustained because of a wrong prescription that was just simply misinterpreted because of poor handwriting and on and on. But there is this opportunity to save lives and to save money with a fully integrated electronic health records system that the President had envisioned, and it is so important. It's real and it's understandable."

HR 747, introduced by Congressman Gonzalez, is entitled the 'National Health Information Incentive Act of 2005.' While it never left committee, many of the financial benefits envisioned for physicians have been carried over to HR 1952.

HR 4641, entitled 'Assisting Doctors to Obtain Proficient and Transmissible Health Information Technology (ADOPT HIT) Act of 2005,' sponsored by Congressman Gingrey provided for substantial tax benefits for physicians who purchase approved HIT.



Prospects for 2007 - 2008

While there is no guarantee that the National Health Information Incentive Act of 2007 (HR 1952) will be passed, everyone I've spoken with has clearly indicated that it has a substantially greater probability of passing than did the similar bills in 2005.

Why is this, and more importantly, what can we – as physicians – do to assist in its passage?

There are many reasons for optimism this year, not least of which is the bipartisan nature of the bill's sponsorship. Charlie Gonzalez, a Texas democrat and long time proponent of health IT, states "I think it has a better chance because we've got more Republicans and Democrats working together than in 2005. Maybe it won't be HR 1952 exactly, but it will be a combination of ideas that pass. Are we going to be able to do it, this session of the 110th Congress? I don't believe that we will accomplish it that soon but maybe we can look into next year, an election year, as there are many things that congress won't be doing because they are so controversial and divisive. But this is one area where we can all come together."

Further supporting this position is the introduction in the Senate of the 'Health Information Technology Act of 2007', or the 'HealthTech Act', (S. 1408) by Senators Stabenow (D-MI) and Snowe (R-ME). Even Senator Kennedy's extensive Medicare for All bill includes the following: 'ADDITIONAL PAYMENTS FOR QUALITY- The Secretary shall establish procedures to provide reimbursement in addition to the reimbursement under paragraph (1) to health care providers that achieve measures (as established by the Secretary in consultation with health care professionals and groups representing eligible individuals) of health care quality. The Secretary shall ensure that such measures include measures of appropriate use of health information technology.'

What is Proposed?

There are 3 different but complementary methods of facilitating health IT adoption in HR 1952. There are section 179 tax credit increases, as recommended by Congressman Gingrey. There are potential grants and loans, and there are recommendations for increased Medicare payments to physicians who adopt health IT. It is obvious that a lot of thought has been invested into addressing this last issue. For instance, the amount of additional payment is left to the discretion of the Secretary of Health and Human Services, but is to be based upon the degree of implementation. Implementation is divided into three categories; basic, intermediate and advanced, with each higher level category earning a greater amount of rewards. Congressman Gonzalez states in this regard "the fact is that the Federal government is going to have to recognize that it must play a role, one way or another, and work it into its own model in relationship to how it pays and provides for medical services in the united states."

Concerning what physicians could do to improve the chances of a health information incentive act passing in the near future, Congressman Gonzalez was extraordinarily pragmatic and direct, stating "when you are in a setting with that legislature and even with him or her as a patient they need to tell them how important health information technology and electronic medical records are and that the government will have to play a role."

When asked what I, as a physician and publisher of a health information technology magazine could do Gonzalez stated "I think what you need is to get the word out to these doctors. I want every doctor to be an advocate for HIT. They need to do it on that personal basis. You would be surprised at how attentive members of congress are to their doctors. Most of the time the doctors are going to talk about malpractice and they are going to talk about taxes, and about the SGR. I understand that. But health IT is something that is such an integral part of the way medicine is supposed to be practiced, it needs to be discussed."

○ "I think it has a better chance because we've got more Republicans and Democrats working together than in 2005."

○ Provide reimbursement for appropriate use of health information technology.



Collaborate with your Medical Society

○ | \$400 million in annual grants to practicing physicians

○ | "physicians within their own medical societies need to be spreading the word."

Moreover, Congressman Gonzalez suggested that "physicians within their own medical societies need to be spreading the word." With one bill providing for \$400 million in annual grants to practicing physicians, and both bills providing for increasing Medicare reimbursement for physicians, it is quite readily apparent that now is the time for medical societies to get involved in this process. While this will continue to be an uphill battle, Justin Barnes, VP of marketing and government affairs of Greenway Medical Technologies states: "If we can educate and motivate physicians and their practices to engage Congress by asking their Senators and Representatives to support this valuable legislation, we would have a real opportunity to pass these incentives in the 110th Congressional session. There is more momentum than ever before for HIT legislation as many inside and outside the beltway understand that HIT and EHRs save lives and reduce healthcare costs that have been dramatically rising over the past decade."

The evidence is clear that EHR will enable physicians to provide superior care at lower costs. Many in Congress are beginning to recognize these advantages of EHR, but many still are unaware of the enormous benefits of Health Information Technology. We encourage you to contact your congressional representatives, urging them to provide appropriate support for the widespread implementation of EHR. We also encourage you to contact your local medical society, encouraging them to promote government support for the implementation of EHR.

