



27 Sep 2006



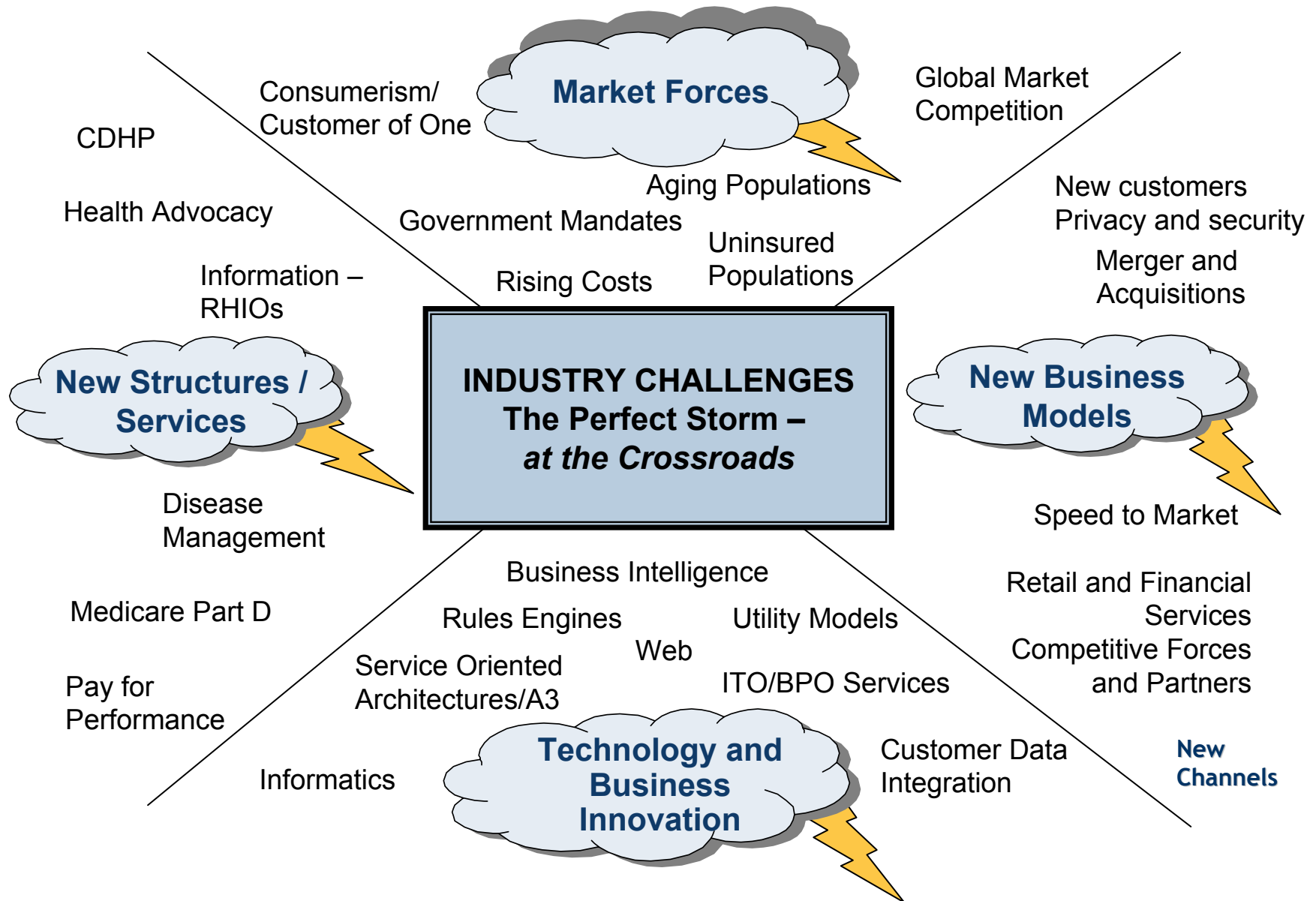
Funding the Transformation

EDS delivers transformational solutions to support health data exchange and improve quality, safety, and efficiency across the continuum of care

Agenda

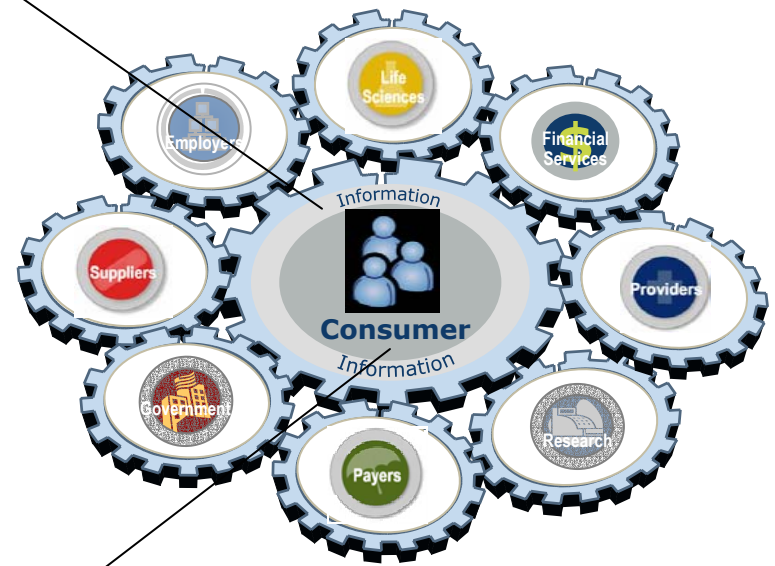
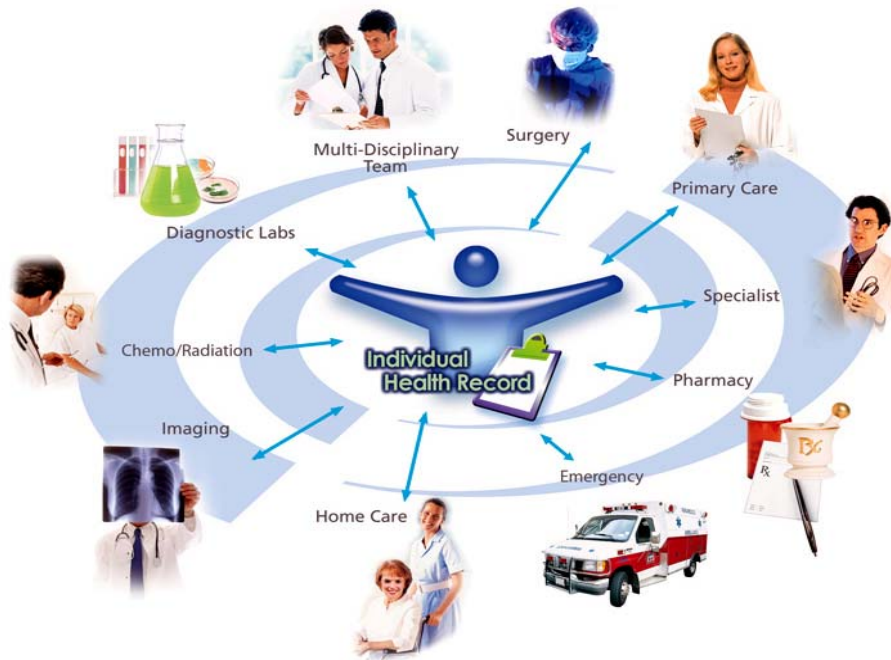
- The Perfect Storm
- The Transformation: A Care Network Ecosystem
- The Individual Health Record
- Emerging Roles
- Challenges, Approaches
- What is being funded?
- Funding Sources and Examples
- ROE(xpenditures)
- Funding the Transformation

The Perfect Storm



The Transformation: A Care Network Ecosystem

Seamless exchange of consumer-centered information among healthcare constituents that transforms Health care delivery, administration, access



Health care is about each person's individual experiences, whether as a patient receiving care or as a consumer making health and lifestyle choices

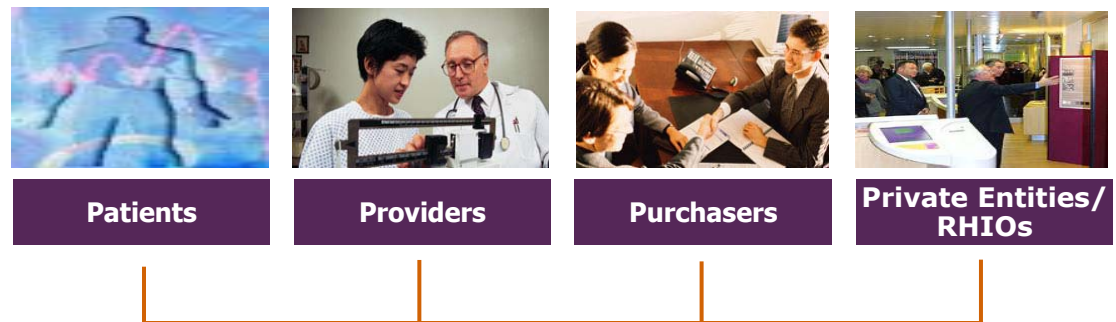
62% of patients don't know their medication's purpose, 86 % don't know the side effects; 58 % don't know their diagnosis – Mayo Clinic

The Individual Health Record (IHR)



- An individual-centric longitudinal repository of patient medical data including: personal health information, medical record information, laboratory, radiology, *prescriptions, immunizations, claims*, paper-based information
- Interoperable data exchange
- Guides clinical decision-making at the point of care
- Changes face of health care administration/delivery
- Different views for different stakeholders

An overarching structure that integrates information flow
to improve patient safety, quality of care and reduce cost



Individual Health Record

- Next evolution of the EHR combining personal health, electronic medical, claims
- Offers different views of the same information based on the requestor's role

Roles are Transforming

Today

Stage 1

Stage 2

- **Deliver** public health services
- **Purchase** citizen care delivery services
- **Regulate** care & insurance
- **Sponsor** Employee Health Insurance

Governance

- Inter-agency collaboration
- Stakeholder buy-in
- Standards, alignment to NHIN

HUB Facilitation

- Initial infrastructure for data sharing data with DR functionality (secure, flexible)
- Establish business metrics

Data custodian

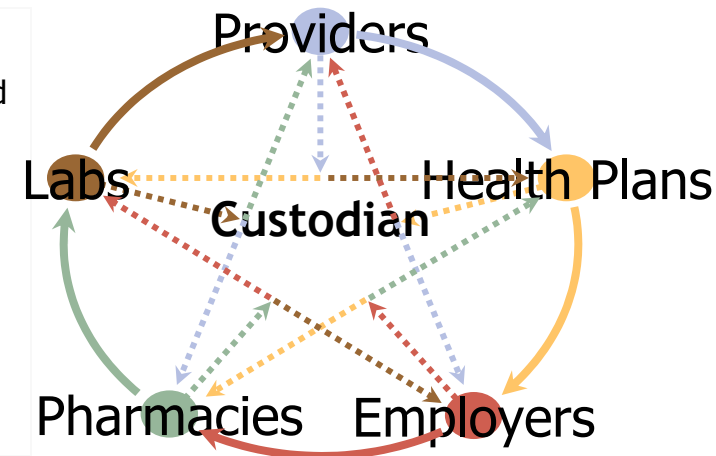
- Collect, transmit information (claims, registries, lab data)

Population health manager

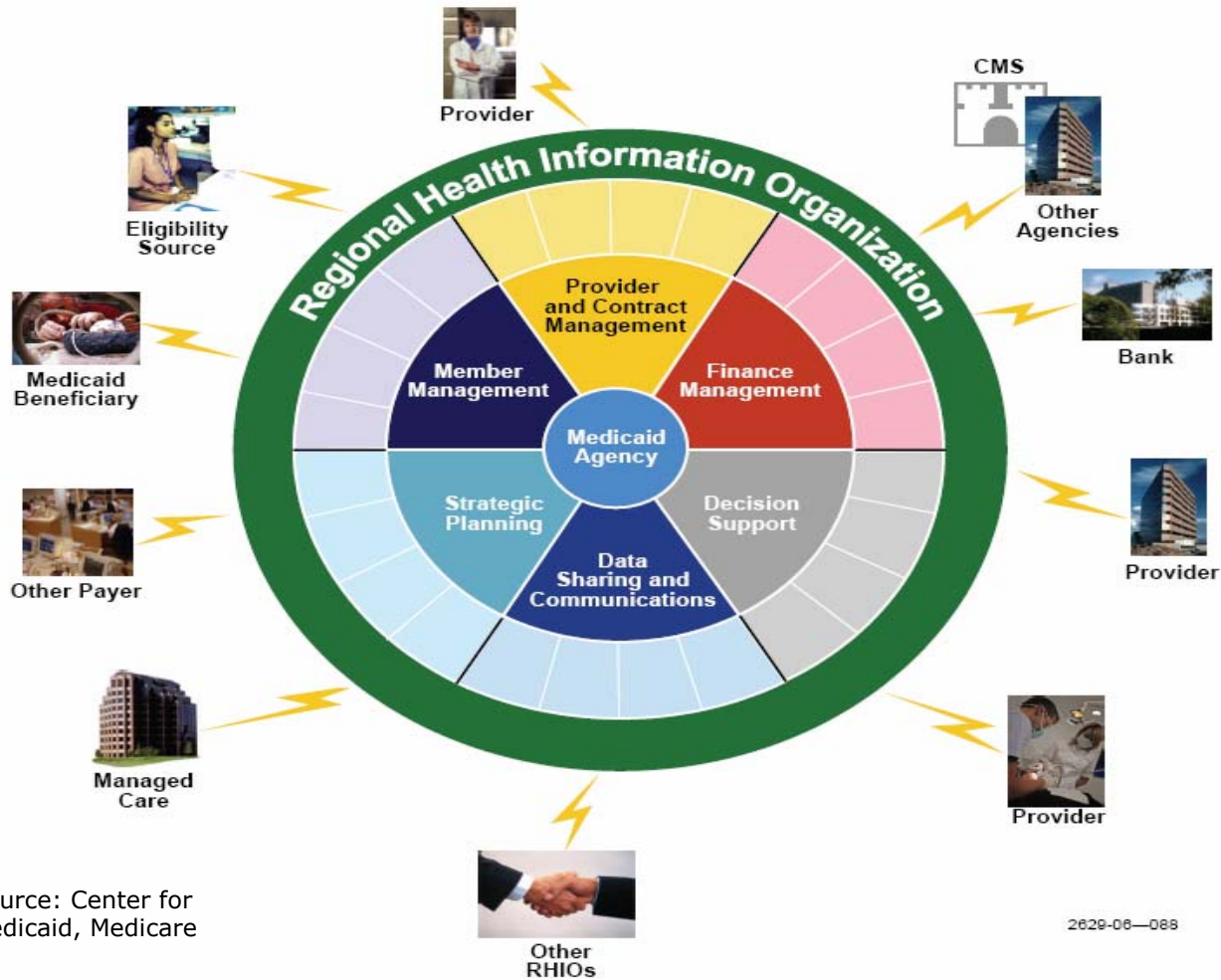
- Performance monitor and resource for policy makers, care providers, researchers, health plans
- Trend analysis for disease surveillance, bioterrorism, public health outcomes

Considerations

- Financing – funding models, implementation costs, payment and collaboration incentives
- Programmatic sustainability – organizational boundaries, stakeholder adoption, outcomes
- Solution effectiveness – private and public trust, evolving standards, care provision
- Participate in national goals for interoperability and program improvement



CMS Vision



Medicaid communications of the future will flow through a "hub". The State Medicaid agency can be the primary "owner" of the Regional Health Information Organization (RHIO), a hub, which it has established and shares with partners who agree to the required protocols.

— Medicaid Information Technology Architecture Framework, v2

Challenges

Supporting information exchange and quality improvements within current budgets

Stakeholder business case and incentives

Inconsistent standards

Lack of consensus and trust

Investment sources

Stakeholder readiness

Benchmarks and performance metrics

RHIO roadmaps

Cross-jurisdictional collaboration

Provider adoption, value proposition

Implementation best practices

Vendor consolidations

Long-Term Economic Model and Funding is the mortar

RHIO Approaches to Date

- Challenges:** 1) Governance and stakeholder buy-in;
 2) Initial and sustainable funding; and
 3) Unresolved technical issues, including standardization.

RHIO Characteristics	Variable Approaches
Initial Requirement	<ol style="list-style-type: none"> 1. Develop an initial structure for PHR start-up or for linking health records of an individual includes a Master Patient Index 2. Connect a variety of health organizations' EHRs together through a health data repository/clinical messaging 3. Implement a single functional component of an EHR, e.g. pharmacy, laboratory 4. Full scope EHR functionality, hosted or turnkey applications and services
Funding Sources	<ol style="list-style-type: none"> 1. Federal grants 2. Self-funding by provider groups 3. State grants such as Medicaid waivers 4. Per member fees
Governance Structures	<ol style="list-style-type: none"> 1. RHIO S Corporation 2. State Health Department-led 3. Combination of providers, purchasers, and state government in loose structure 4. Others are evolving — consolidation of the RHIOs is highly likely

How might we define EHR-enabled Success?

- Success must ultimately be measured in “business” terms
 - Evidenced reduction of preventable medical errors, duplicative lab tests
 - Improved chronic care management for at-risk populations
 - Institutional control, audit, and managed release of patient information
 - Organizational confidence of repeatable, consistent care practice and adherence to accepted protocols
 - Demonstrable shift from illness to wellness care
 - Are we better adhering to clinical best practices (protocols)?
 - Have we improved caregiver access to patient information?
 - Is our information [more] reliable and accessible?
 - Have we improved our service delivery (e.g. better care, better resource management, better workflow support)?
 - Has our EHR effort demonstrated a *return on investment*?

What is Being Funded?

Goal is improvement in health care quality, safety and value

- Innovation
- Operational and business structure
- Administration and delivery
- Infrastructure technology deployment
 - Hardware, SW, network
 - Customization, upgrades
 - New functionality
- Pilots
 - E.g. Florida, Central Florida, Tampa
- Marketing and education
 - Provider and consumer outreach
 - Adoption strategies for EMR, CPOE, EHR
- Research

Funding Sources

<p>Federal Government</p>	<ul style="list-style-type: none"> • HHS: Innovation; Pilot Projects e.g. NHIN; ePrescribing in long-term care settings; State-level RHIO best practices; Grants • Facilitate national standards, accelerate RHIO viability • HRSA: Office of TeleHealth – informatics, EMR, telemedicine; integrating practice management and EHR systems in health centers; community infrastructure for access for the uninsured • NIH (HIT research); Library of Medicine (data integration); Dept of Commerce (Technology Opportunity grant); CDC (registries and public health preparedness)
<p>CMS</p>	<ul style="list-style-type: none"> • Small setting physician adoption; Pay for use/performance HIT infrastructure, connectivity (Medicare and Medicaid) • MITA (community portal), DRA (medical efficiency and effectiveness)
<p>Agency for Healthcare Research and Quality (AHRQ), ONCHIT</p>	<ul style="list-style-type: none"> • THQIT – HIE activity; Intial funding; NHITR – special needs populations; technical assistance; privacy, security • RTI/NGA; Regional collaborations (hospital, providers, labs), initial funding
<p>States</p>	<ul style="list-style-type: none"> • Capital funds, Projects funded through legislative and bond funds, Federal matching funds, state appropriations, funding targeting underserved communities, Telemedicine

Funding Sources (continued)

<p>Payors</p>	<ul style="list-style-type: none"> • Grants for physician adoption of EMRs, expansion efforts • Measures progress (clinical, financial, operations)
<p>Private funding</p>	<ul style="list-style-type: none"> • NCHICA – in-kind services, membership dues • HIMSS education on RHIO development • Lifespan – RIQI • Shareholder contributions
<p>Employers, vendors</p>	<ul style="list-style-type: none"> • Investment in potential market
<p>Partners</p>	<ul style="list-style-type: none"> • Investors, data sharing partners, physician and hospital groups, member organizations – health plans, community organizations - in-kind donations, subscription fees
<p>Income</p>	<ul style="list-style-type: none"> • Commercial by-products (best practices, roadmaps, outcome analysis, research). Network user fees for consumer, provider, health plan access and maintenance; Risk/Reward models
<p>Foundations, Universities</p>	<ul style="list-style-type: none"> • Formalizing standards and best practices e.g. California Healthcare Foundation, Rasmuson Foundation, Markle Foundation, Rhode Island, RWJF pilot, Health and Wellness Trust, NC – local public health, disease registries • Nonprofit healthcare providers – governance, operations, infrastructure

EHR Initiative Funding Examples

- State Agencies are using MITA:
 - Financing: 90-10 development and implementation and 75-25 ongoing
 - IT Infrastructure: Internal Medicaid, state systems; collaboration with other clinical and administrative systems, payers, states, federal government to ensure
 - Identity management, enforcement of confidentiality and business rules
 - Single entry; multiple use
 - Consumer portals; immunization records
- RHIOs are innovating models:
 - User fees for health record maintenance, retains access control [FIX]
 - Physician gets % of fee for providing encounter data, deploy medical records
 - Some start-up costs deferred
 - Dependent on minimum threshold of committed enrollees

ROE(xpenditures)

- Revenue Generating Models
 - Income (Funds, initial)
 - Operational Revenue (Self-sustaining)
 - Costs:
 - Start-up costs, planning and development
 - Marketing, training and travel
 - Infrastructure and rollout to providers
 - Services (vendors, etc.)
 - Ongoing operations
- Break-even point for program integration
 - Reduced costs – duplicative services, cost avoidance
 - FTE reductions, administrative savings (accuracy, efficiency)
 - Reduced program outlays, better health
- Redeployment of funds
 - Funding critical initiatives
 - Addressing underfunded populations
 - Reduced premiums
 - Continual program expansion

Budget

Progress and benefits

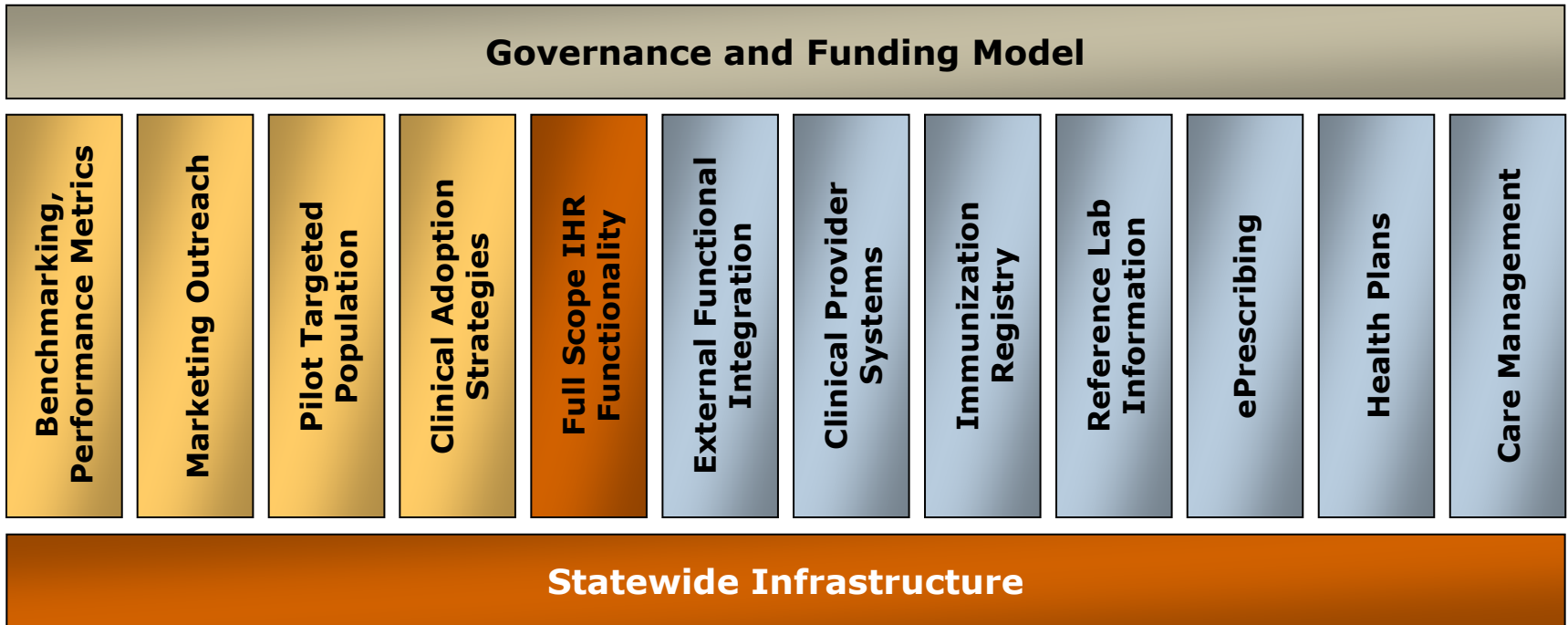
Efficiencies

Benchmarking

Outcome measures

Ongoing support

Achieving the Benefits



In Summary

- Number of funding sources
 - Government (Federal and state)
 - Partners (Employers, health plans, investors)
 - Foundations, Universities
- Initiatives must innovate with clear value
 - Start-up, implementation, operations
 - Self-sustaining models
- Focus early priorities on early returned investment
 - Identify and capture meaningful metrics – performance, payback
 - Validation should be “round trip” based upon observed impacts
- Redeploy savings



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Questions/Comments

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