



Answers for ARRA

Newt Gingrich

Former Speaker of the House &
Founder, Center for Health Transformation

David Merritt

Vice President and National Policy Director
Center for Health Transformation

Charlene Underwood

Director, Government & Industry Affairs,
Siemens Healthcare

Agenda

- Government & Industry Affairs
- Preparing for ARRA Update
- Healthcare Reform
- Questions & Answers



Government & Industry Affairs Investment Strategy

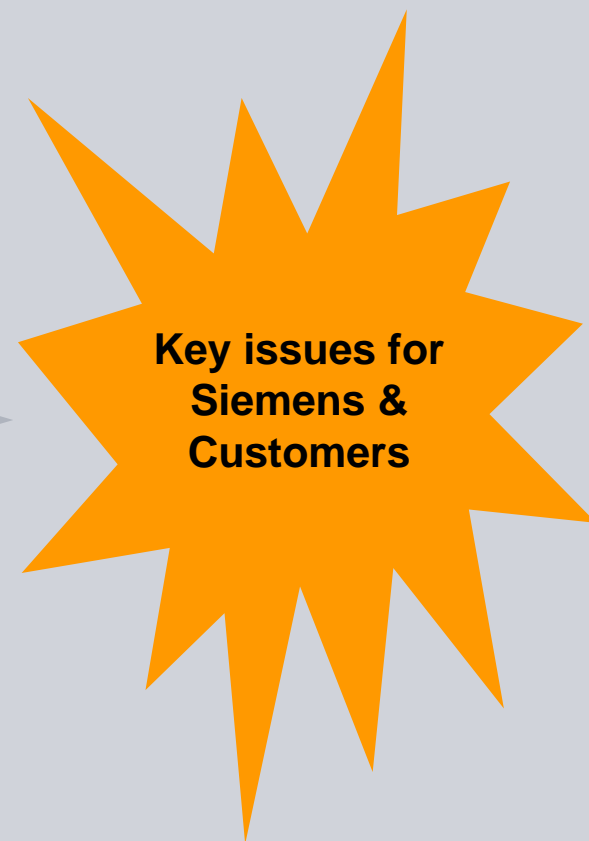
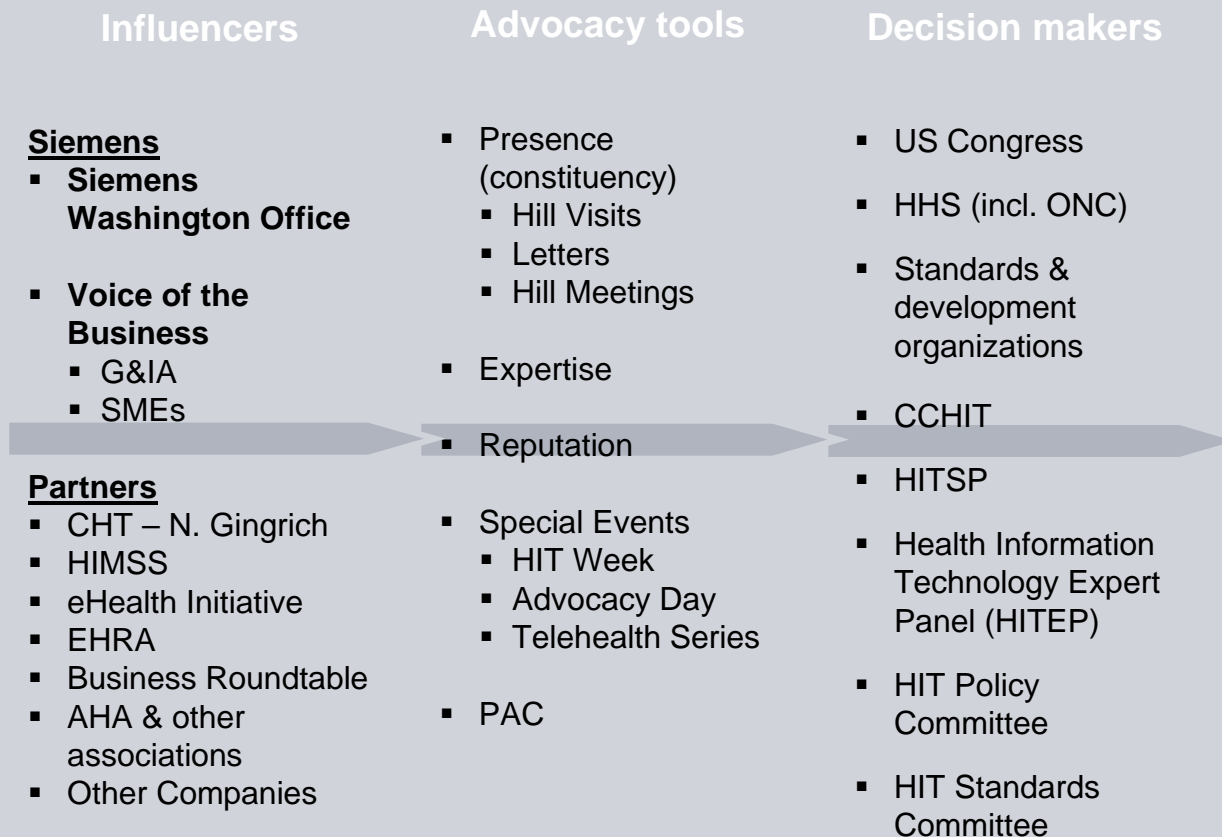
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- Shaping the Outcome
 - Position Siemens Medical Solutions Health Services and our customers in a leadership role in influencing and defining public policy and industry initiatives impacting the healthcare environment.
- Preparing for the Future
 - Drive the development of solutions and associated marketing deliverables that respond to the changing healthcare environment, advance patient safety, medical and clinical practice and support healthcare transformation.



Siemens Legislative & Regulatory Participation Processes

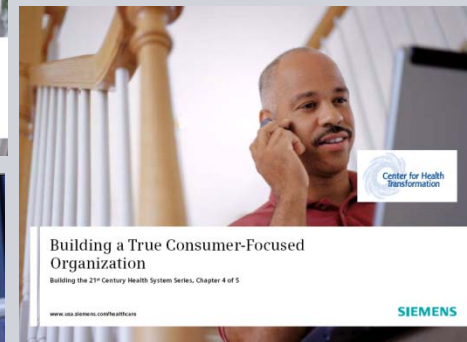
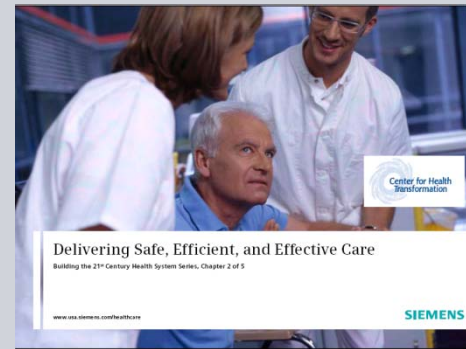
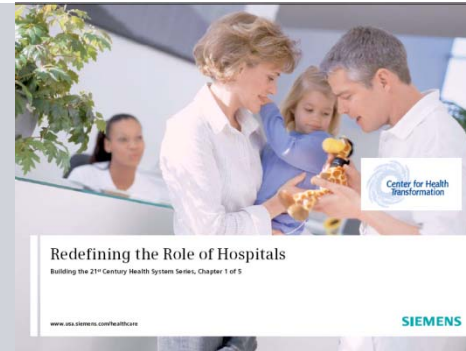
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Building the 21st Century Health System Series

This series highlights examples of excellence from across the country showing how hospitals are using information technology to prepare for the future as they embrace strategies which:

- Redefine the Role of Hospitals
- Deliver Safe, Efficient, and Effective Care
- Embrace Production Models of Delivery and Efficiency to Improve Outcomes
- Build a True Consumer-Focused Organization
- Create an Engaged, Motivated, and Passionate Workforce



Transforming Healthcare in America

New video highlights IT's role in transforming healthcare...

- Focused on the partnership between Alegent Health and Siemens Healthcare, a new video created for this year's HIMSS conference makes a powerful case for the transforming role IT will play in realizing the strategic vision for healthcare in the U.S.
- The video features remarks by Former House Speaker Newt Gingrich, Founder of the Center for Health Transformation; Siemens VP and CNO Gail Latimer, RN, MSN, FACHE; key members of the Alegent Health's clinical staff; and Siemens Health Services CEO Janet Dillione.
- Access the video at www.siemens.com/executivegateway

New ONC Leadership - David Blumenthal, MD, MPP & John Glaser, Ph.D.

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"The goals are quality and efficiency...If we encourage better performance, then physicians are going to find ways to improve. And health information technology is one crucial way to do that."

-David Blumenthal MD, MPP



- Physician and director of the Institute for Health Policy at the Massachusetts General Hospital/Partners HealthCare System in Boston
- Served as a senior advisor to the Obama campaign
- Co-wrote health IT chapter of Center for American Progress'2008 report, The Health Care Delivery System: A Blueprint for Reform

"This is a tall order. And it means that providers should start moving now even though the dust needs to settle on the specifics."

-John Glaser PhD



- Vice-President and Chief Information Officer, Partners HealthCare System, Inc.
- Fellow in HIMSS, CHIME and the American College of Medical Informatics.
- Awarded the John Gall award for healthcare CIO of the year and is a recipient of CIO Magazine's 20/20 Vision Award
- Founding member of National eHealth Collaborative

ARRA HITECH

■ Goals:

- Increase adoption of Health IT (HIT)
- Ensure systems are interoperable to support quality initiatives and improve care coordination

■ Tactics:

- More federal leadership to develop standards for nationwide exchange and use of health information to improve quality and coordination of care
- Net investment of over \$19B for HIT infrastructure, especially Health Information Exchange (HIE), and Medicare/Medicaid incentives to doctors and hospitals for “meaningful” use of certified HIT
- Savings through improved quality and care coordination, reductions in medical errors, and duplicative care
- Increased HIPAA regulations to further protect identifiable health information from misuse as use of HIT increases



As a result of this legislation, CBO estimates that approximately 90% of doctors and 70% of hospitals will be using comprehensive EHRs in the next decade.

Provider Incentives

- What the heck is “meaningful use”?
 - Certified
 - Connected
 - Quality measures
- Front-loaded incentives
 - \$44,000 over five years per physician from Medicare / Medicaid
 - Receive maximum for meaningful use beginning in CY2011 or CY2012
 - Providers may receive incentives under only one of the programs
 - Carrot first, then stick: reductions in Medicare fees for non-EHR users beginning in 2015
 - Added incentives for providers in underserved areas
- Hospitals can earn up to \$2,000,000 plus discharge bonuses (total payout could be \$10 million+)
 - Receive maximum for meaningful use for 3 years, beginning in October 2010
 - Providers may receive incentives under Medicare and Medicaid programs
 - Similar carrot and stick reductions

Medicare Hospital Payout Timeline

Performance Year -> Starting Year ↓	FY11	FY12	FY13	FY14	FY15	FY16	Total	Market Basket Penalties
FY11	\$2,114K	\$1,586K	\$1,057K	\$528K	0	0	\$5,287K	No Penalty
FY12		\$2,114K	\$1,586K	\$1,057K	\$528K	0	\$5,287K	No Penalty
FY13			\$2,114K	\$1,586K	\$1,057K	\$528K	\$5,287K	No Penalty
FY14				\$1,586K	\$1,057K	\$528K	\$3,172K	No Penalty
FY15					\$1,057K	\$528K	\$1,586K	¾ of increase reduced by 33.33%
FY16						\$0	\$0	¾ of increase reduced by 66.66%
FY17							\$0	¾ of increase reduced by 100%

Factor for Year 1 – Year 5 Payouts:

Year 1 – 100%, Year 2 – 75%, Year 3 – 50% , Year 4 – 25%, Year 5 - 0%

Medicare Physician Payout Timeline

Performance Year -> Starting Year ↓ v	2011	2012	2013	2014	2015	2016	Total	Fee Schedule Penalties
2011	\$18K	\$12K	\$8K	\$4K	\$2K	0	\$44K	No Reduction
2012		\$18K	\$12K	\$8K	\$4K	\$2K	\$44K	No Reduction
2013			\$15K	\$12K	\$8K	\$4K	\$39K	No Reduction
2014				\$12K	\$8K	\$4K	\$24K	No Reduction
2015					\$0	\$0	\$0	99% (1% Reduction)
2016						\$0	\$0	98% (2% Reduction)
2017							\$0	97% * (3% Reduction)

* Secretary may continue annual decrease to 95% if less than 75% of professionals have adopted
Physicians who provide services designated by the Secretary as health professional shortage areas will receive a 10% increase over payment amounts defined above.

HHS Discretionary Funds

- ONC to allocate \$2 billion to be spent by Sept. 2010
- Core areas of focus:
 - Standards requirements due before the end of this year
 - HIE Infrastructure, National Health Information Network (NHIN)
 - Regional Health IT Resource Centers
 - Federal grants through AHRQ, HRSA, CMS
 - Grants to the states in 2010
 - Promote advanced EHR – disease mgmt., quality care measures

What's Next?

Process, Process, Process

- NCVHS/ONC field hearing on meaningful use April 28-29
- HIT Policy Committee, May 11
- HIT Standards Committee, May 15
- ONC Strategic Report, due May 17
- Proposed rule on incentive eligibility
- Regional Centers draft description, due May 17
- FTC report on privacy/security/notifications, public comments due by June 1; final rule, due Feb 2010
- Clinical education grant report, due Feb 2010

A 21st Century Personalized Intelligent Health System

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4.

Financing to Enable
300,000,000-Payor
Insurance System

3.

Effective, Efficient and
Productive Health
Delivery System

2.

Maximize Cultural and
Societal Patterns
for a
Healthy Community

1

· Individual Rights,
Responsibilities
and Expectation
of Behavior

Transformative Health Agenda for 2009



- 1. Health-Based Health Reform:** healthcare that works; best practices to inform policy; data-driven healthcare
- 2. Eisenhower Electronic Health System:** a modernized, interoperable system
- 3. Fraud as the Pay-For:** electronically detect and prevent criminal fraud; \$70-200 billion a year in savings
- 4. Investment-based Budgeting:** change scoring models and budget rules to allow for long-term investment and forecasting savings; science and technology

Staying Informed

Webcast Replays

- Webcast featuring Honorable House Representative Alyson Schwartz & Meredith Taylor, HIMSS
- Webcast – Washington Update: Policies, Politics, and News Community Hospitals Can Use

Upcoming Events

- **August 8-12, 2009** – Siemens CPOE Symposium & Innovations Conference
- **Visit our Executive Gateway** (www.siemens.com/executivegateway)

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