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# How Health Plans, Health Systems, And Others In The Private Sector Can Stimulate ‘Meaningful Use’

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**ABSTRACT** Provisions of the American Recovery and Reinvestment Act authorize incentive payments to hospitals and clinicians who become “meaningful users” of health information technology (IT). We argue that various private-sector entities—commercial payers, employers, consumer groups, health care ratings organizations, large provider organizations, and regulatory bodies—can further accelerate health IT adoption by implementing strategies that are complementary to the Medicare and Medicaid incentive programs. This paper describes these strategies and potential approaches to implementation.

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The American Recovery and Reinvestment Act (ARRA) of 2009 authorized incentive payments to hospitals and clinicians who demonstrate “meaningful use” of health information technology (IT).<sup>1</sup> (The definition of *meaningful use* was set forth in regulations published in July 2010 by the Centers for Medicare and Medicaid Services.<sup>2</sup> These federal incentive payments are expected to stimulate the adoption of health IT. Yet some types of providers will not qualify for Medicare or Medicaid incentive payments because they do not treat a large enough number of patients who participate in those programs.

In addition, some providers have argued that these federal incentives, although substantive, are not adequate to encourage a transition to electronic health record systems.<sup>3</sup> Therefore, adoption of health IT may be uneven—a situation that has the potential to create disparities in access to health IT.<sup>4</sup>

We argue that various private-sector entities—commercial payers, employers, consumer groups, health care ratings organizations, large provider organizations, and regulatory bodies—can further accelerate health IT adoption by implementing strategies that are complementary to the Medicare and Medicaid incentive programs.

These strategies fall into five categories: enhanced incentive payments to providers from private-sector payers; benefit designs, such as lower copayments, that will steer patients to providers who are “meaningful users”; adopting other strategies to encourage consumers to see these providers, such as through a “star” rating system; requiring clinicians to be meaningful users to participate in payer contracts or qualify for hospital admitting privileges; and alignment between meaningful use and other regulatory imperatives.

If successfully implemented, these approaches could dramatically increase providers’ motivation to adopt and meaningfully use health IT.

## Enhanced Provider Incentives

Commercial payers have long been interested in encouraging providers to use electronic health record technology. They recognize the potential to improve quality, reduce costs,<sup>5</sup> and improve care coordination through properly implemented electronic health records.<sup>6–8</sup> These records also can improve patients’ access to health information and motivate their efforts to manage their own health care.<sup>9</sup> There is some debate about the true potential for electronic health record systems to improve care delivery.<sup>10</sup> How-

ever, the availability of clinical data in electronic form—accompanied by administrative claims data—can enable detailed data analysis, care management, and cost accounting that are otherwise not possible and that offer new opportunities to improve care delivery.

For several years, commercial payers have rewarded providers with incentive payments for use of electronic health record technology as part of their broader pay-for-performance programs.<sup>11,12</sup> Humana and Highmark Blue Cross Blue Shield, for instance, provide incentive payments to primary care physicians for using electronic prescribing technologies. Although these commercial incentive programs have helped induce providers to shift from paper to electronic systems, they have not often resulted in large-scale change because of the fragmentation in the payer market. Having only one payer in a market make incentives for electronic health record use available may not be enough to motivate broader provider adoption of the records.

Many experts anticipate that the substantial new federal incentive payments will drive more Medicare and Medicaid providers to make the transition to electronic health records.<sup>13</sup> Commercial payers and employers can further spur this transition by aligning their own incentive programs with the federal meaningful-use program. By standardizing incentive programs around meaningful use, health plans can simplify the administrative burden associated with qualifying for incentives, increase the likelihood of broad adoption, and help demonstrate that higher levels of implementation improve the quality and efficiency of care. A similar approach has been used in launching multipayer medical home demonstrations.<sup>14</sup>

Recognizing this potential, several payers—notably, Highmark Blue Cross Blue Shield, WellPoint, Aetna, and UnitedHealthCare—have announced programs to better align their existing incentive programs with the definition of *meaningful use* (based on personal communications with the firms' chief medical officers). Several smaller payers have expressed interest in developing these types of programs as well. America's Health Insurance Plans, the health insurance industry group, has voiced strong support for the concept of meaningful use and potential alignment around it.<sup>15</sup>

The health insurance industry could further support adoption and meaningful use of electronic health records by focusing its efforts on providers whose patients are generally covered by commercial health plans. Those providers would include obstetricians, gynecologists, and pediatricians—groups that typically will not benefit from the Medicare and Medicaid in-

centive program. The industry also could offer loans for small physician practices and hospitals that lack investment capital to purchase the health IT necessary to qualify for meaningful-use incentive payments. WellPoint, for example, has said it will launch in 2011 a zero-interest loan program for hospitals in rural, critical access, or medically underserved areas of California and Georgia to enable them to adopt health IT and achieve meaningful-use criteria.<sup>16</sup>

### Meaningful Use–Based Benefit Design

Polling data show that few patients are aware of whether their doctor or hospital uses an electronic health record system. But most patients would like their doctors to electronically record and exchange their health information across the health system, and would like to have personal access to their own data electronically.<sup>17</sup>

Both federal and commercial incentive payments will create incentives for providers to pursue meaningful use of electronic health records. Yet health plans, employers, and other purchasers can create additional momentum by designing benefits that motivate providers to invest in health IT. Plans and employers could offer patients lower copayments for seeking care from providers that have demonstrated meaningful use of electronic health record systems. In doing so, they could steer additional patients to clinicians and institutions that have committed to using health IT for improving care. We acknowledge that this strategy has yet to be tested.

However, even a small difference in copayments may motivate providers to embrace electronic health records and prompt patients to seek out physicians or hospitals that use them. Patients' awareness of and demand for electronic record systems could tip providers' interest in becoming meaningful users.

### Enhanced Consumer Information

Beyond reimbursement changes for providers and patients, other tools to activate consumers are available to health plans, purchasers, and entities that assemble directories of physicians for use by patients. For example, health plans' provider directories can highlight clinicians and hospitals that have demonstrated meaningful use.<sup>18</sup> Other payers can develop special recognition programs, such as using a star rating system, to identify meaningful users for patients.

Popular rating systems also can signal the importance of health IT in care delivery. For example, *U.S. News & World Report* could include health IT use in the criteria used to generate

its highly visible annual “Best Hospitals” issue. In fact, Castle Connolly’s *Top Doctors* is working to incorporate health IT use into its regional-market physician directories and ranking lists and its book *Best Doctors in America*.<sup>19</sup>

Health plans and employee benefit offices can also feature meaningful users and describe the importance of health IT in their online and print communications with members. Articles can profile providers with health IT success stories and highlight the benefits of meaningful use of electronic health records for patients. These communications vehicles can be used to stimulate broader public awareness of health IT and its role in health care delivery.

### Health System Mandates And Training Initiatives

Most hospitals and health systems have requirements that clinicians must meet to participate in payer contracts or qualify for admitting privileges. Hospitals, health systems, and physician networks can further encourage meaningful use of health IT by requiring it as a condition for participation in these contracts or as a condition of receiving admitting privileges.

Boston-based Partners HealthCare, the parent corporation of the Massachusetts General and Brigham and Women’s Hospitals, made waves in 2007 when it required all affiliated physicians to use electronic health records as a condition of network membership.<sup>20</sup> Three years later, Partners boasts a near 100 percent electronic health record use rate, compared to the 20 percent national average.<sup>21</sup> Partners has announced plans to increase requirements that network physicians comply with key elements of meaningful use, such as a baseline threshold of prescriptions written electronically.

Health systems can help stimulate progress by instituting equivalent requirements for their networks of affiliated physicians. Given the importance of “premium” payer contracting, under which physicians so designated get higher payments from plans, such requirements may represent an added financial incentive for providers to become meaningful users. The availability of federal incentive payments suggests that comparable requirements and payments from the private sector are likely to meet less resistance than they may have faced previously.

An additional option that health systems may consider is training programs to assist affiliated providers in becoming meaningful users both in their private offices and in the hospital setting. For example, Delaware-based Christiana Care Health System, one of the nation’s largest, is creating a training program through which it

will send its information specialists to train physicians in their own offices on how best to use their own electronic health record systems.<sup>22</sup> These and other types of programs—modeled, in part, after the federal Regional Extension Centers—could be an important tool in managing and maintaining strong relationships with affiliated providers. They can also help ensure that electronic health record systems are capable of facile clinical data exchange across multiple points of service, whether a physician’s office, testing facility, hospital, or clinic.

### Regulatory Alignment

Regulatory bodies have a major effect on technology investment by stipulating key structural aspects of health care facilities in their accreditation programs. Organizations such as the National Committee for Quality Assurance (NCQA) and the Joint Commission could affect health IT adoption if they incorporated meaningful-use criteria into their various accreditation systems.

The NCQA has already done so, in part, by incorporating electronic communication, electronic prescribing, and registry functions into the qualifying criteria for the patient-centered medical home. The American Board of Medical Specialties has announced that it will foster the development of new measurement tools and enhance existing activities to incorporate physicians’ knowledge and use of health IT into “maintenance of certification” criteria.<sup>23</sup> Further alignment with meaningful-use criteria for the patient-centered medical home and other key accreditations could again give added weight to the federal incentive program.<sup>10(p619)</sup>

### Conclusion

The meaningful-use program is the largest public or private pay-for-performance program in history, making billions of dollars in potential incentive payments available to the nation’s health care providers. The federal payments to hospitals and clinicians will contribute greatly to the adoption of health IT.

The private sector, too, can play an important part in the transition from paper to electronic records—by implementing incentives and benefit designs, enhancing consumer information, and instituting new meaningful-use requirements for providers that will drive changes in providers’ and patients’ behavior.

The transition to broad and meaningful use of electronic health records faces some obstacles. In addition to financial barriers, physicians and hospitals will require careful training, redesign of work flows, and new policies managing the

privacy and security of health information.<sup>24</sup> By aligning their own programs with the federal meaningful-use incentives, private-sector leaders—health plans, payers, health information agencies, hospitals and health systems, and regulatory bodies—can help meet some of these needs. Other efforts—by medical education and professional societies—can highlight for physi-

cians and others in health care that professionalism is synonymous with making meaningful use of health IT.<sup>25</sup>

The more closely all of these different sectors work together to spur the meaningful use of health IT, the more likely we will be to realize the potential of improved quality and efficiency in a transformed U.S. health care system. ■

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## NOTES

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