



TEXAS
Health and Human
Services Commission

**Presentation to the
Senate Health and Human Services Committee
Health Information Technology and Quality Initiatives**

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Implementation Goals

- **Health Information Technology**

The goal of the health information technology initiatives is to create the infrastructure needed to allow the exchange of sensitive health information between health care providers to increase the cost effectiveness and efficiency of the delivery of health care services in Texas.

- **Quality Initiatives**

The state is implementing several quality initiatives to transition the way Texas Medicaid and the Texas Children's Health Insurance Program reimburses providers to place increased emphasis on quality and less emphasis on the quantity of the services delivered. These changes are expected to produce healthier outcomes for the individuals eligible for these programs and over the long term reduce high cost healthcare expenditures.

Health Information Technology Background

- Health Information Technology is the use of information and communication technology in health care. Health Information Technology can include:
 - electronic health records
 - personal health records
 - e-mail communication
 - clinical alerts and reminders
 - computerized decision support systems
 - hand-held devices
 - other technologies that store, protect, retrieve and transfer clinical, administrative, and financial information electronically within health care settings

Health Information Technology Background

- Electronic Health Record (EHR) – An electronic record of health-related information on an individual that can be created, gathered, managed, and consulted by authorized clinicians and staff.
- Health Information Exchange (HIE) – The electronic movement of health-related information among organizations according to nationally recognized standards.
- Regional Health Information Organization (RHIO) – A health information organization that brings together health care stakeholders within a defined geographic area and governs health information exchange among them for the purpose of improving health and care in that community.

Legislative Initiatives: Health Information Exchange (HIE)

- Medicaid HIE Advisory Committee
 - H.B. 1218, 81st Legislature, established the Medicaid HIE Advisory Committee to provide input on the Medicaid HIE System, the Medicaid EHR incentive program, and Medicaid medical privacy and security policies.
 - Committee members represent a broad range of health care stakeholders.
- Medicaid HIE System
 - Claims-based electronic health record – The Medicaid Eligibility and Health Information Services (MEHIS) will serve as the platform for the claims-based EHR, scheduled to go-live in 2011.
 - Electronic prescribing – Web-based eRx tool to be implemented through MEHIS.
 - Standards – HHSC will follow HIT standards developed by the Centers for Medicare and Medicaid Services.

Legislative Initiatives: Health Information Exchange (HIE)

- Local/regional HIE pilot
 - HHSC will establish a pilot project to determine the feasibility, costs, and benefits of exchanging secure electronic health information between the commission and local or regional HIE initiatives.
 - Initially, the HIE pilot will be limited to the exchange of medication history.
 - HHSC has identified eight local HIE organizations for potential participation.
 - Report due to the legislature on the pilot and the Medicaid HIE System by January 1, 2011.

Related Health Information Technology Activities

- Statewide Health Information Exchange
 - Funding authority from the American Recovery and Reinvestment Act for planning and implementation grants to states or qualified state-designated entities to facilitate and expand HIE
 - In March 2010, the Office of the National Coordinator (ONC) for Health Information Technology awarded the Health and Human Services Commission \$28.8 million over four years for the Texas Statewide HIE Cooperative Agreement Program.
 - Implementation will be a coordinated effort between HHSC and Texas Health Services Authority.

Related Health Information Technology Activities

- Medicaid Electronic Health Record (EHR) incentive program
 - Incentives for eligible providers and hospitals to encourage the adoption and use of EHRs. Providers must make ‘meaningful use’ of the EHRs to qualify for the incentives.
 - Authorizes a 100% federal match for incentive payments to providers.
 - Authorizes a 90% federal match for state’s administrative costs to establish process for incentive payments.
 - Will be included in the State Medicaid HIT Plan.
- HIT Regional Extension Centers (RECs)
 - Federally-funded organizations structured to help primary care physicians select, adopt, and make ‘meaningful use’ of EHRs.
 - Four Texas consortia were awarded funds and designated as RECs.
 - Coordination among RECs, state HIE planning process, and Medicaid HIT planning process.
 - No explicit role for the state in selecting or operating RECs.

Legislative Initiatives: Payment Reduction for PAE's in Medicaid

- Senate Bill 203, 81st Legislature, directs the Health and Human Services Commission (HHSC) to establish in Medicaid the ability to deny or reduce reimbursements when a preventable adverse event occurs in a hospital setting.
- A preventable adverse event (PAE) is when a medical intervention causes an injury or other harm to a patient. It includes any unintentional harm to a patient arising from any aspect of healthcare management.
- The bill requires HHSC to:
 - Adopt necessary rules.
 - Impose the same reimbursement denials or reductions for PAEs as the Medicare program imposes.

Legislative Initiatives: Payment Reduction for PAE's in Medicaid

- Medicare denies all payments, including those to physicians, for the following surgical procedures:
 - Wrong (i.e. unintended) surgical procedure.
 - Surgical procedure on the wrong side of the body or on the wrong body part.
 - Surgical procedure on the wrong patient.
- In addition to the above procedures there are 10 categories of hospital acquired conditions that Medicare reduces reimbursement for if they were not present on admission.

Legislative Initiatives: Payment Reduction for PAE's in Medicaid

Proposed Implementation:

- Claim system will automatically audit claims with procedure codes of preventable adverse events and deny payment.
- For inpatient claims, hospitals will be required to bill two claims:
 - First claim - covered services or procedures unrelated to the erroneous surgery.
 - Second claim (a no-pay claim)- non-covered services/procedures.
- For outpatient claims, providers will be required to submit claims that identify all details related to the erroneous surgery or procedure.
- Target implementation date is September 1, 2010.

Legislative Initiatives: Preventable Adverse Events Reporting

- **Senate Bill 288, 80th Legislature**
 - Directed the Department of State Health Services (DSHS) to develop the Healthcare-Associated Infections (HAI) Reporting System
 - Required DSHS to publish summaries by facility
 - Established the HAI Advisory Panel
- **Senate Bill 203, 81st Legislature**
 - Expanded reporting to include Preventable Adverse Events
 - Added PAE responsibilities and two additional members to the Advisory Panel

Legislative Initiatives: Preventable Adverse Events Reporting

- DSHS is in the process of developing the HAI reporting component
 - Reporting of selected infections including central line bloodstream infections
 - HAI reporting begins in 2011
 - DSHS is planning expansion of the reporting of PAE to include the 28 serious reportable events included in the list of PAEs identified by the National Quality Forum
- Present on Admission indicators will supplement information on HAI and PAE
 - Rules for Present on Admission presented to DSHS Council in January 2010

Legislative Initiatives: Preventable Adverse Events Reporting

- Facilities will use the summary reports to analyze trends and improve quality of care for Texas patients.
- Patients will use the summaries to make informed choices about where they receive health care.
- DSHS is working closely with stakeholders in developing the HAI/PAE Reporting System.

Legislative Initiatives: Potentially Preventable Readmissions

- House Bill 1218, 81st Legislature requires HHSC to adopt rules for the:
 - Identification of potentially preventable readmissions (PPR) of Medicaid recipients
 - Exchange of confidential data with each hospital regarding the hospital's performance with respect to PPR
- A PPR is a clinically related readmission that may have resulted from either the:
 - Process of care and treatment during the prior admission (e.g., readmission for a surgical wound infection), or
 - Lack of post-admission follow up care (e.g., lack of follow-up arrangements with a primary care physician).
- The likelihood of a PPR is dependent on severity of illness, extremes of age, and the presence of mental health diagnoses.

Legislative Initiatives: Potentially Preventable Readmissions

- Medicaid claims data will be used to identify hospital readmissions.
- Analysis will determine whether the reason for readmission is clinically related to a prior admission, and therefore potentially preventable.
- HHSC will provide hospitals the necessary data to understand and improve performance in serving the Medicaid population.
- In the future, payment incentives and reductions will be tied to improvement of readmissions rates.

Legislative Initiatives: Potentially Preventable Readmissions

Proposed Implementation:

- After Medicaid inpatient claims have been processed for payment the claims will be analyzed for PPRs.
- The PPR rate for hospitals will be calculated and each hospital will be provided with a confidential report.
- The report will provide the hospital with the calculated state PPR rate, relative to Medicaid data, and the hospital specific PPR rate.
- The hospitals will then be required to distribute the report to the health care providers providing services at the specific hospital.
- Target implementation date of January 1, 2011.

Legislative Initiatives: Nursing Home Incentive Payment Program

- DADS Rider 45 of the General Appropriations Act (81st Legislature, Regular Session, 2009) and H.B. 1218, Section 531.912, direct the Executive Commissioner to establish a quality of care health information exchange with nursing facilities that choose to participate in a program designed to improve the quality of care and services provided to Medicaid recipients.
- The Department of Aging and Disability Services (DADS) has issued a request for proposal (RFP) to assist in the development and implementation of an incentive payment program for nursing facilities in Texas that demonstrate superior performance.
 - The RFP was released on February 16, 2010. Vendor proposals were due April 9, 2010 with an anticipated contract start date of May 5, 2010.
- The Incentive Payment Program requires the vendor to develop the Program, conduct nursing facility resident and family satisfaction surveys, and implement the program.