

# HHS News



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## **HHS Secretary Names Madison One of 12 Sites Selected for Major Medicare Demonstration of Electronic Health Records**

Madison, Wis. -- At an event today, HHS Secretary Mike Leavitt announced that the Madison area has been selected to take part in a national Medicare demonstration project that provides incentive payments to physicians for using certified electronic health records (EHR) to improve the quality of patient care. The five-year, first-of-its-kind project is expected to improve the quality of care provided to an estimated 3.6 million Americans.

"I congratulate Madison on this achievement, which demonstrates the strong commitment of this community to improving health care starting at the local level," Secretary Leavitt said. "Indeed, the use of electronic health records, and of health information technology as a whole, has the ability to transform the way health care is delivered across our nation. We believe that EHRs can help physicians deliver better, more efficient care for their patients, in part by reducing medical errors. This project is designed to demonstrate these benefits and help increase the use of this technology in practices where adoption has been the slowest -- at the individual physician and small practice level."

"With better use of information technology, we can transform our health care system to improve the safety and quality of health care. Investments in EHR initiatives are vital in providing health care that is patient centered, safe, and cost effective," said Governor Jim Doyle

"The Wisconsin Medical Society, MetaStar, and the Wisconsin Collaborative for Healthcare Quality share a commitment to improve the quality of health care in Wisconsin by expanding the use of health information technology," said Susan L. Turney, M.D., CEO/EVP of the Wisconsin Medical Society. "We are confident our partnership -- along with our past experience and strong relationships with other private and public sector healthcare stakeholders -- comprises the foundation needed to help advance this goal."

The other communities selected to work with the Centers for Medicare & Medicaid Services (CMS) on the Medicare EHR demonstration project range from county- and state- level to multi-state collaborations. These include Alabama; Delaware; Jacksonville, FL (multi-county); Georgia; Maine; Louisiana; Maryland/Washington, DC; Oklahoma; Pittsburgh, PA (multi-county); South Dakota (multi-state); and Virginia.

The project will be implemented in two phases. CMS will begin working with partners in four Phase I communities over the coming months to develop site-specific recruitment strategies, and recruitment of physician practices will start in the fall. For Phase II sites, these activities will begin in 2009.

The sites were selected through a competitive process from a field of more than 30 applicants. Criteria for selection of communities included active community collaboration among stakeholders; likelihood that incentives like Medicare's would be implemented by private employers or health plans in the community; and adequate size to recruit a sufficient number of practices. Those already part of a similar existing CMS demonstration were not eligible, which excluded communities in several states.

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“While the number of sites selected was limited to 12, we are greatly encouraged by the substantial multi-stakeholder initiatives ongoing across the nation,” Secretary Leavitt said. “It is my hope that those communities not selected and others that were not yet prepared to apply will continue working together to improve health care – and consider creating their own incentive-based projects to advance the use of EHRs.”

Findings from the demonstration will help determine the role of EHRs in delivering high-quality care and reducing errors. The demonstration will also assess the role of incentive payments in adoption and correct use of EHRs.

“Broad adoption of EHRs has the potential to transform health care and the way medicine is practiced in our nation,” said Acting CMS Administrator Kerry Weems. “Medicare’s EHR demonstration can help measure that potential, and at the same time help bring about change.”

Over the five-year demonstration project, financial incentives will be provided to as many as 1,200 physician practices in the selected communities that use certified EHRs to improve quality as measured by their performance on specific clinical quality measures. In addition to the incentive payments, bonus payments may be awarded based on a standardized survey measuring the number of EHR functionalities a physician group has incorporated into its practice. Total payments under the demonstration for all five years may be up to \$58,000 per physician or \$290,000 per practice.

In addition to practices chosen to receive incentive payments, another set of practices will be chosen in each community to be observed but not receive payments. They will serve as “controls” for the demonstration in order to objectively measure the effect of the incentive payments and EHR use.

The EHR demonstration project is an important step toward President Bush’s goal of most Americans having a secure, interoperable electronic health record by 2014. For more information on the project, visit [http://www.cms.hhs.gov/DemoProjectsEvalRpts/downloads/2008\\_Electronic\\_Health\\_Records\\_Demonstration.pdf](http://www.cms.hhs.gov/DemoProjectsEvalRpts/downloads/2008_Electronic_Health_Records_Demonstration.pdf).

This initiative is also part of HHS’ bold vision for health care reform built on the four cornerstones of value-driven health care. These include: adopting interoperable health information technology; measuring and publishing quality information to enable consumers to make better decisions about their providers and treatment options; measuring and publishing price information to give consumers information they need to make decisions on purchasing health care; and promoting incentives for high-quality, efficient delivery of care.

To learn more about *Connecting to Better Health Care*, please visit [www.hhs.gov/secretary/connecthealthcare](http://www.hhs.gov/secretary/connecthealthcare).

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