



For Immediate Release
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**BAUCUS, HARKIN COMMEND NEW RULE
ON HEALTH INFORMATION TECHNOLOGY INCENTIVES**

*Finance, HELP Chairmen lead broad coalition in asking for flexible approach
to encourage hospital, physician participation in incentive program*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Senate Health, Education, Labor and Pensions (HELP) Committee Chairman Tom Harkin (D-Iowa) led a broad group of 37 Senators in commending a proposed rule published by the Centers for Medicare and Medicaid Services (CMS) to distribute stimulus funds for health information technology (HIT). The Senators are also requesting improvements to the rule that will increase flexibility and encourage participation among providers. In a letter to Health and Human Services Secretary Kathleen Sebelius, yesterday the Senators emphasized the importance of HIT in lowering costs and improving patient care and requested a temporary deferral for certain requirements to boost participation in the long term.

“These days, some hospitals have more people filing paperwork than doctors caring for patients, but by moving toward paperless health information technology, we can cut costs and focus on high-quality patient care,” Baucus said. **“Health care reform will create incentives for doctors and hospitals to use health information technology to lower premiums and allow doctors to spend less time filling out paperwork and more time treating patients. I am pleased to see CMS is on the right track with its new proposed rule by establishing clear, meaningful objectives for the funds we reserved for health technology in the Recovery Act. By allowing doctors and hospitals to temporarily defer a limited set of health IT goals, we can improve the guidelines HHS has set in way that will encourage widespread use of basic, functional IT tools and improve patient care.”**

“Strengthening health information technology is critical to improve the quality and efficiency of patient care,” said Harkin. **“We ask that the final rule provide flexibility to ensure that Recovery Act funding is available to help providers as they adopt this important technology.”**

The broad coalition asked Sebelius to address a glitch in the hospital identification system that could create disparities in incentive payments to hospitals. The Senators also encouraged Sebelius to work to amend a portion of CMS’ proposed rule that would limit certain physicians from receiving HIT incentives. A legislative fix to that portion of the rule was included in the American Workers, State, and Business Relief Act that the Senate approved on March 10.

CMS published the proposed rule to encourage meaningful use of HIT on January 13. The rule outlined specific objectives that hospitals and eligible professionals must meet in order to receive incentive funds provided by the Health Information Technology for Economic and Clinical Health (HITECH) Act, included in the American Recovery and Reinvestment Act of 2009. Baucus and Harkin were leaders in writing the Health Information Technology incentives passed as part of that legislation.

The full text of the letter appears below:

March 30, 2010

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

We commend your work to advance the adoption and meaningful use of health information technology (HIT) by health care providers. The potential of HIT to promote high-quality patient care and to reduce waste is widely viewed as a necessary and vital component of the future of American health care.

The American Recovery and Reinvestment Act, enacted in February 2009, included significant new investments to encourage the meaningful use of health information technology through the Health Information Technology for Economic and Clinical Health (HITECH) Act. As a result of HITECH, the Congressional Budget Office has estimated that health information technology adoption rates will be 70% in hospitals and 90% among physicians.

We are encouraged by the Notice of Proposed Rule Making published by the Centers for Medicare & Medicaid Services on January 13, 2010 regarding meaningful use of HIT. The proposed rule requires hospitals and eligible professionals to satisfy specified objectives in order to be considered a "meaningful user" and to receive incentive payments. We strongly support the proposed rule's fundamental goals of improving quality, safety and efficiency while reducing health disparities, engaging patients in their health care, improving care coordination, and ensuring adequate privacy and security protections for personal health information. We believe the proposed rule lays important groundwork for achieving these goals.

To help ensure success in achieving meaningful use, we recommend that the proposed rule be modified from its current "all-or-nothing" approach to one that allows providers to defer a limited set of criteria under Stage 1 of meaningful use while preserving a floor of mandatory functional use requirements, as recommended by the HIT Policy Committee. The deferment would only be temporary, as all criteria should be met over the course of the incentive payment program. This approach would make significant advancements toward adoption and meaningful use of HIT while allowing an appropriate amount of flexibility for eligible professionals and hospitals. While we believe that the general implementation framework outlined in the proposed rule should be preserved, starting with a phased, flexible approach to meaningful use would be a constructive change.

In addition, despite legislative intent, outpatient physicians practicing adjacent to hospitals were excluded from HIT incentive eligibility, making it more challenging for these providers to receive the HIT incentives. A technical correction to ameliorate this oversight has been included in the American Workers, State, and Business Relief Act which recently passed the Senate.

However, we ask that you use your administrative flexibility to rectify this concern, regardless of the outcome of the pending legislation.

Finally, the use of Medicare provider numbers to distinguish hospitals for the purpose of receiving incentive payments for meaningful use may create some unintended inequities. A single provider number can sometimes encompass multiple campuses for a hospital system. Therefore, a hospital system with multiple provider numbers will be eligible for more incentive payments than would be a hospital system of equal size with a single provider number. We urge you to consider how this shortcoming could be best addressed.

We appreciate your consideration of these concerns and your assistance in appropriately addressing them in the final rule. We look forward to working with you to ensure that the implementation of HITECH delivers on the promise of HIT to improve quality and efficiency in the health care system.

Sincerely,

Senator Max Baucus
Chairman, Committee on Finance

Senator Tom Harkin
Chairman, Committee on Health, Education, Labor, and Pensions

Senator Carl Levin

Senator Tom Carper

Senator Chris Dodd

Senator Debbie Stabenow

Senator Jeff Bingaman

Senator Maria Cantwell

Senator John Kerry

Senator Frank Lautenberg

Senator Jay Rockefeller

Senator Mark Pryor

Senator Barbara Mikulski

Senator Robert Menendez

Senator Kent Conrad

Senator Sherrod Brown

Senator Daniel Akaka

Senator Robert Casey

Senator Byron Dorgan

Senator Sheldon Whitehouse

Senator Patty Murray

Senator Jon Tester

Senator Ron Wyden

Senator Richard Durbin

Senator Tim Johnson

Senator Jack Reed

Senator Mary Landrieu

Senator Charles Schumer

Senator Blanche Lincoln

Senator Bill Nelson

Senator Mark Udall

Senator Tom Udall

Senator Mark Warner

Senator Jeff Merkley

Senator Roland Burris

Senator Ted Kaufman

Senator Michael Bennet

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