

# MUSIC]

So the Federal Government, which pays a great deal of the cost of healthcare in the United States, through Medicare and another program called Medicaid, saw that the United States was spending far more than other countries on healthcare, getting poor results.

And stimulated by the Institute of Medicine's call for action, its vision of how we could achieve a better system through the use if Informatics, stepped in and created some programs, which we'll discuss now. At this end of this lesson, you'll be able to recognize and understand the basics of the federal programs to incent wider adoption of informatics and it's appropriate use.

## 0:47

So as I just said, the critical first step in achieving a learning health system is adoption of electronic records by providers and hospitals. Now in 2008 and 2009 a very important pair of papers was published in the New England Journal of Medicine, which many people feel is the leading medical journal. And even for people like me, who'd been in the field for a long time and knew that adoption was low, the results of these papers were surprising.

### 1:20

The first paper in 2008 showed that only about 4% of physicians had a clinically significant electronic medical record system, a system that might lead us to a learning health system.

## 1:33

The next year the second paper came out and said that only about 1.5% of US non-federal hospitals had such a system. The federal government operates the Veteran's Administration and the Military Health System.

And both of those had electronic medical record systems for quite some time now. So this call by the Institute of Madison, and things like this pair of papers showing just how low adoption really was in the United States, led to federal action.

#### 2.03

Again to the surprise of many, including your instructor, in 2004 President George W Bush in his State of the Union Address, that's a picture of him delivering it over there,

#### 2:17

raised computerizing health records as a major national priority.

And said that by doing that, we can avoid mistakes, reduce costs, and improve care.

In fact, addressed the problems, I just described.

So President Bush's goal was universal adoption of

electronic records within ten years, by last year, 2014.

A new federal goal got introduced by

President Obama, as part of the Affordable Care act, to move the incentives.

Remember we said the incentives were to do more.

## 2:53

And move them toward incentives to create better results, something that's often called value-based healthcare.

In fact, it turned out that the initial efforts by the Bush administration weren't

very well funded, and despite good intentions didn't achieve much.

But in 2009 as part of the American Recovery and

Reinvestment Act, the stimulus to get the US economy moving again,

some \$20 to 30 billion was set aside for

a program called HITECH to spur adoption of electronic records.

This is a picture of President Obama signing that legislation.

# 3:33

Now the money was divided roughly into two parts.

The substantial majority of the money created incentives for providers to adopt electronic records.

And these incentives were paid out through the Medicare

program we discussed earlier and the Medicaid program I mentioned briefly.

Which basically pays for the care of poor or disabled US citizens.

\$2 billion was set aside for the Office of the National Coordinator itself.

#### 4:04

The Office of the National Coordinator,

which is headed currently by Karen Disalvo shown here, created a program

### 4:12

to manage the spending of all this money to achieve adoption.

And that program has several key parts.

We won't be discussing all of them here.

The first is the certification of electronic health records systems.

What do they have to be able to do before the federal government might reimburse providers for putting them in.

So these are vendor requirements.

The second is a program called Meaningful Use which says that this is what providers have to do with those systems in order to qualify for being paid to use them.

And then there were several other programs

to promote health information exchanges, to set up regional extension centers,

to help physicians in poor, rural areas adopt electronic health systems.

There are a number of efforts to help establish standards and promote

interoperability and there were a number of research and demonstration projects.

In this course our focus will be on these first two programs.

#### 5:13

Before we get into them, I'll just briefly mention some of the demonstrations and research projects, particularly the SHARP program,

## 5:23

which was aimed at problems that impede the adoption of health IT. And out of that program one project, the SMART platform, is something we're gonna talk about quite a bit later on in the course. So, to spur adoption, to review again briefly, vendors had to show that their EHRs could do certain things, providers had adopt them and use them in certain ways. And then the providers would get what are called incentive payments, which could easily equal the cost of the system itself. [SOUND]