



Center for Health Transformation E-Newsletters

If you are interested in receiving the Center for Health Transformation's E-Newsletter, please contact us at info@healthtransformation.net

October 2005

► In this issue:

- [Newt Notes](#)
- [Project Spotlight](#)
- [CHT in the News](#)
- [New Members](#)
- [Transforming Example](#)
- [Upcoming Events](#)

Newt Notes

The momentum toward health IT adoption and Medicaid transformation continues to grow.

Last week, Representatives Nancy Johnson and Nathan Deal, two important leaders in the House, introduced a health IT bill that could be a real vanguard for health transformation. The bill (HR 4157) codifies the Office of the National Coordinator of Health Information Technology by statute and includes a charge to develop interoperability standards with the private sector. Moreover, this strong bill lays the groundwork for federal preemption of state privacy laws to create a uniform regulatory framework and creates workable exceptions to Stark and Anti-kickback statutes, provided that support complies with data standards within three years.

We have also seen strong leadership on health IT from others in Congress, including efforts from Senator Tom Coburn and Representatives Lacy Clay and Michael Burgess. Congressman Lee Terry of Nebraska has also been working to accelerate consideration of Nancy Johnson's bill – he planned to offer the bill as an amendment to the Energy and Commerce Committee's Medicaid markup, but the bill was not ruled germane.

With the end of the legislative session approaching, Medicaid legislation is working its way through Congress during the budget reconciliation process. One component of the House Energy and Commerce Committee's approved budget package which deserves mention is the provision of \$100 million for Medicaid Transformation Grants. These grants, a direct result of Rep. Tim Murphy's leadership on the issue, will be used for health IT, asset recovery, and reducing waste, fraud and abuse.

The states are beginning to move forward in a bold manner with Medicaid reform. With the recent CMS approval of its Medicaid waiver request, Florida is certainly emerging as the model for Medicaid transformation. The Florida waiver has created a system which will allow states much-needed flexibility in the amount, duration and scope of services offered under Medicaid. With a clear focus on saving lives and saving money, Florida is tackling the Medicaid crisis head-on and including the sickest and the poorest in the American health system at large.

Governor Jeb Bush should be applauded for his hard work to create a Medicaid system that will improve the lives of those it serves, while at the same time, saving taxpayers' money. Incentivizing patient behavior with appropriate rewards will accelerate our transition into a 21st Century Intelligent Health System, and the result will be well worth our efforts. Better health outcomes will, in the long run, be cheaper.

Our principles of health transformation are taking root across the country as the efforts to reform Medicaid evolve toward a new model for real change. Beyond the work being done in Florida, Idaho Governor Dirk Kempthorne has requested for a Medicaid waiver to divide Medicaid into three distinct programs: one for the healthy poor (children and adults), one for people with disabilities and chronic needs, and one for the elderly.

Finally, it should be noted that we are now entering the traditional flu season. Particularly after Katrina, there's mounting uncertainty about America's capacity to handle a pandemic such as the avian flu. While the avian flu strain now ravages poultry across Asia and Europe, one scientifically plausible scenario is that the H5N1 virus could "cross over" as a highly dangerous influenza virus capable of human-to-human transmission. This happened before on a devastating scale in 1918 – killing the equivalent, in terms of the United States' current population, of perhaps as many as two million Americans. The H5N1 virus' rapid evolutionary progression in recent years and its extreme lethality have led many experts to conclude that this scenario represents a significant and growing risk.

Any comprehensive response to a pandemic must include the private sector. As business leaders have learned more about the avian flu, they have begun to consider what implications a pandemic could hold for their global workforce and their operations. They have also begun to ask exactly what support they could expect from the government in the event of a pandemic, and what actions they must be prepared to take on their own. However, to date there have been few answers to these questions.

At our December 8th member meeting here in Washington, the Center is going to address the vital issue of preparing business leaders for a pandemic. We will draw upon top experts to help us evaluate the risks posed by the avian flu, its implications for business, the adequacy of current government plans and capabilities, and the implications for senior executive and board-level decision making. For more information, please contact Robert Egge at REgge@gingrichgroup.com.

[Back to Top](#)

New Members

The Center for Health Transformation would like to welcome our newest Premier members: [Johnson & Johnson Health Care Systems Inc.](#), [Key Family of Companies](#) and [MedicalWeb](#), and our newest Associate member, [Surescripts](#).

We would also like to recognize [Humana](#), [Novo Nordisk](#) and [Sutter Health](#), who have renewed their Charter memberships, and [PricewaterhouseCoopers](#), who has recently renewed as a Platinum member.

Please visit the [list of members](#) often to keep abreast of who is joining the Center or the "[Member News](#)" page to learn about the awards or honors won by our members.

[Back to Top](#)

Project Spotlight

"CHT Connectivity Conference: Accelerating Transformation through Health IT"

Nearly 100 healthcare industry and policy experts joined us in Washington for our October 18th event. The conference, sponsored by IDX Systems Corporation, a CHT Charter Member, was a resounding success in bringing together those with proven and practical strategies for accelerating the adoption of healthcare information technology and creating a 21st Century Intelligent Health System.

CHT's program provided an opportunity for leaders of successful health information exchanges and regional networks to share best practices with policymakers, community leaders and technology experts. Discussing a variety of models for securely sharing patient health information among disparate providers, conference speakers provided concrete recommendations and best practices for securing financing, leveraging patient data for health management, ensuring privacy and security, and addressing technical interoperability issues.

The conference showcased successful healthcare connectivity initiatives from urban and rural areas around the U.S., including regions with a dominant healthcare provider organization and those with multiple competing providers. Examples included:

- **Indiana Network for Patient Care** – Through the network, healthcare organizations collaborate on community-wide clinical messaging and patient data exchange.
[*View the presentation](#)
(J. Marc Overhage, MD, PhD, President and CEO, Indiana Health Information Exchange)
- **PeaceHealth Community Health Record** – This three-state health record serves 1.5 million patients and helps drive proactive disease management and preventive care.
[*View the presentation](#)
(John L. Haughom, MD, Senior Vice President, Healthcare Improvement Division, PeaceHealth)

- **HealthBridge** – A community-wide physician portal that delivers cost-savings and increased clinician efficiency.
*[View the presentation](#)
(*Robert C. Steffel, Executive Director, Greater Cincinnati HealthBridge, Inc.*)
- **CalRHIO** – Building on successful regional data-sharing initiatives across California, healthcare providers have tackled improved ED care.
* [View the presentation](#)
(*Lori L. Hack, MBA, Executive Director, Health Technology Center*)
- **The Nebraska Statewide Telehealth Network** – This statewide network which offers powerful tools for public health emergencies and improved collaborative care.
* [View the presentation](#)
(*Rick Sheehy, Lieutenant Governor of Nebraska; Harold M. Maurer, MD, Chancellor of the University of Nebraska Medical Center; Steven S. Martin, President and CEO of BlueCross BlueShield of Nebraska; Todd Sorensen, MD, CEO of Regional West Medical Center; Harris W. Frankel, MD, Chairman of the Nebraska Medical Association Electronic Records Task Force; James Canedy, MD, President of SimplyWell; and Vice Admiral C.R. “Bob” Bell, Vice President of Business and Community Development, UNeMed Corporation.*)

After general and breakout sessions had concluded, conference attendees rejoined to consider chief recommendations, including: stronger measurement and documentation of technology ROI; cost-sharing among participants based on the value benefit each constituency achieves from the data exchange; and ensuring patients have complete access to personal data and the ability to authorize others to view their information.

A [webcast](#) of the event, as well as other [conference materials](#), are available at CHT's website, www.healthtransformation.net. A full report will be available in early November.

The Center for Health Transformation looks forward to further collaboration with our Members on this vital issue. For more information, please contact Health Information Technology Project Director David Merritt at DMerritt@gingrichgroup.com.

[Back to Top](#)

Transforming Example

HERAE's Direct Deposit for Healthcare™

Through its unique focus on physician healthcare claim payment challenges, HIPAA compliance issues, and electronic remittance advice, HERAE has developed a patent-pending paperless process with standardized online explanation of benefits (EOB) forms, detailed reporting and process workflow enhancement capabilities that improve collections, reduce costs by up to two-thirds, and complete the payment to deposit cycle in 24-48 hours.

HERAE's research identifies the average cost to a physician's office for traditional, manual processing of each payment envelope received from insurance companies at \$6.00 - \$9.00. This means physician offices in the U.S. spend as much as \$5.5 billion a year to manually process claim payments. In addition, at an average cost of \$0.42 per envelope, payers spend another \$252 million a year to issue the payments by mail. Most physician offices also find that they spend on average of five minutes per EOB envelope posting payer payments to their billing ledger systems.

HERAE implements a consistent, HIPAA-compliant, electronic payment process and direct deposit system using standardized online remittance forms, HIPAA 835s, with an automatic re-association of claims and payments, and finally a direct deposit into the physician's account. HERAE's patent-pending process facilitates the movement of money from insurers (payers) to healthcare providers' accounts electronically, typically reducing the time for providers to receive insurance payments by as much 5-10 business days, while diminishing fraud and embezzlement risks.

HERAE's Web services-based offering is a low-hassle, low-cost solution requiring nothing more than a browser on staff PCs. Cash posters also utilize HERAE's browser tiling software, ViewPoint. HERAE's Electronic File Cabinet™ will eliminate the need to archive thousands of EOBs and payment records every month, which can fill two to five file cabinet drawers each month in a physician or group practice office.

For more information, visit the CHT website and view the [Transforming Example](#).

[Back to Top](#)

CHT in the News

Congressmen Promote Health Transformation:

Representatives Tim Murphy, Phil Gingrey and Tom Price discuss CHT health transformation ideas on the floor of the U.S. House of Representatives (10/19/05).

10/19/05: [Transcript](#) (Murphy, Gingrey)

10/20/05: [Transcript](#) (Price)

The Budget Scoring Impediment

CHT Project Director David Merritt argues that outdated government scoring mechanisms are a barrier to health IT legislation. (*[Healthcare IT News](#)*)

Building a Better Medicaid

Jim Frogue, Director of CHT's Medicaid Transformation Project, joins an NPR discussion on Medicaid reform. (*[Listen](#)*)

CHT Connectivity Conference: Accelerating Transformation through Health IT

On October 18th, the Center for Health Transformation and IDX Systems Corporation hosted more than 100 industry experts and government leaders at a conference in Washington, DC.

(*[View the webcast](#); [Event details](#); [CHT press release](#); read the [Healthcare IT News](#) story)*

Katrina, Avian Flu Underscore Need for Health IT

At an Oct. 11th Markle Foundation conference, CHT Founder Newt Gingrich calls for rapid HIT adoption ([Healthcare IT News](#)).

Industry Needs To Lead E-Health Records Adoption

Jill Aitoro from *VARBusiness* discusses Speaker Gingrich's keynote speech at a Washington, D.C. conference sponsored by the Markle Foundation on October 11th.

Include Pets in Emergency Planning

In Hurricane Katrina's aftermath, Newt Gingrich and Nancy Desmond call for a more humane recovery process.

Gingrich Calls for Major Changes in Healthcare

At a speech in N.H., Speaker Gingrich discusses the challenges of bringing healthcare into the 21st century.

JCAHO Establishes Healthcare Information Technology Advisory Panel

CHT Project Director Laura Linn is appointed to the JCAHO Healthcare Information Technology Advisory Panel. [Read Press Release](#)

[Back to Top](#)

Upcoming Events

November 2005

Newt Gingrich to join in Launch of Novo Nordisk's National Changing Diabetes Program

11/9/05

Washington

Newt Gingrich to speak at the World Health Care Congress

11/10/05

Washington

GA Republican Party event for Governor Perdue on Health

11/16/05

Atlanta

Newt Gingrich to speak at Novo Nordisk Changing Diabetes Roundtable

11/21/05

Chicago

Newt Gingrich to speak at Novo Nordisk Changing Diabetes Roundtable

11/30/05

Baltimore

December 2005

CHT Charter Summit

12/7/05

Washington

CHT Member Meeting

12/8/05

Washington

Newt Gingrich to speak at Novo Nordisk Changing Diabetes Roundtable

12/14/05

Nashville

[Back to Top](#)
