MeHI
MASSACHUSETTS eHEALTH INSTITUTE

at the MassTech Collaborative

TO: Senator Karen Spilka, Chair, Senate Committee on Ways and Means
Representative Brian Dempsey, Chair, House Committee on Ways and Means
Senator James Welch, Senate Chair, Joint Committee on Health Care Financing
Representative Jeffrey Sánchez, House Chair, Joint Committee on Health Care Financing

FROM: Massachusetts Technology Collaborative (MassTech)

DATE: March 31, 2016

RE: **Report on the Massachusetts eHealth Institute pursuant to Section 240 of Chapter 224 of the Acts of 2012**

This report serves to provide an update on the work of the Massachusetts eHealth Institute (MeHI) at the Massachusetts Technology Collaborative (MassTech) as required by Section 240 of Chapter 224 of the Acts of 2012. Section 240 requires MeHI to "conduct an evaluation of the effectiveness of expenditures authorized under section 6D of chapter 40J of the General Laws". This letter, and the enclosed MassTech Annual Reports from FY13 – FY15 detailing MeHI's programmatic activities, satisfy the requirements of this report. In addition, the 2016 statewide eHealth Plan, developed by MeHI and the Executive Office of Health and Human Services, also includes a deeper review of these issues and will be made available to the Legislature and the public when it is finalized later this spring.

MeHI Goals and Initiatives:

MeHI is the designated state agency for promoting Health IT innovation, technology, and competitiveness to improve the safety, quality and efficiency of health care. Our mission is to engage the healthcare community and catalyze the development, adoption, and effective use of Health IT. MeHI's activities are structured to support our four main goals of 100% adoption of interoperable electronic health records, support for ongoing health reform, increased consumer engagement in their own health, and economic development in eHealth in Massachusetts.

Our four key initiatives are:

- **Connected Communities.** Focused on developing a statewide, referral community-based approach to driving the use of health IT to support healthcare cost and quality improvements. This initiative builds broad-based expertise and grass-roots stakeholder engagement with health IT.
- **eHealth eQuality.** Focused on the Behavioral Health and LTPAC provider communities, this initiative supports providers who have not yet adopted interoperable EHRs with funding and technical assistance to do so.

- **eHealth Services & Support.** Focused on supporting providers with their compliance with federal incentive programs and other value based services, this initiative helps all types of providers and has a diverse funding stream with support from private, federal, and state funds.
- **Digital Health Cluster Development.** Focused on developing economic opportunities for entrepreneurs and innovative software-based technologies supporting healthcare, this initiative is building a broad coalition of stakeholders to improve market access for digital health startups, increase healthcare data transparency and availability, and convene stakeholders to promote and grow the cluster.

Impact on EHR Adoption and Meaningful Use:

According to the Office of the National Coordinator, national EHR adoption rates in 2011 were 34% across healthcare practices with 35% of hospitals using EHRs.[1] Since that time, the federally funded Meaningful Use program largely accomplished what it was intended to in Massachusetts. Encouraged by incentive payments between January 2011 and September 2015, 65 hospitals and 16,733 Eligible Professionals received a total of $840 million from the Centers of Medicare and Medicaid Services (CMS) to adopt and meaningfully use certified electronic health record technology (CEHRT). Details for Massachusetts hospitals and providers are as follows for the time period January 2011 – September 2015:[2]

- Two Eligible Hospitals received incentives from Medicaid, four Eligible Hospitals received incentives from Medicare, and 59 Hospitals received incentives from both agencies;
- 5,884 Eligible Providers received incentives from Medicaid, 10,849 Eligible Providers received incentives from Medicare;
- Eligible Hospitals and Providers received $570,820,827 from Medicare and $269,048,560 from Medicaid;
- Hospitals and providers that implemented EHR systems were aided by the Regional Extension Center program which was operated by MeHI and its private sector partners and funded federally by the Office of the National Coordinator for HIT (ONC) through a Cooperative Agreement totaling $13.4 million.[3]

In 2014, MeHI sponsored a Provider and Consumer Health IT Research Study to provide comprehensive information on the use, needs, and attitudes towards health IT among Massachusetts healthcare providers and consumers. The survey confirmed the success of the Meaningful Use program as well as other state funded programs aimed at promoting health IT adoption, and found that EHR adoption is very high among Massachusetts providers with 79% of overall healthcare practices currently using an EHR. The focus of the federal HIT adoption programs on hospitals and primary care providers is reflected

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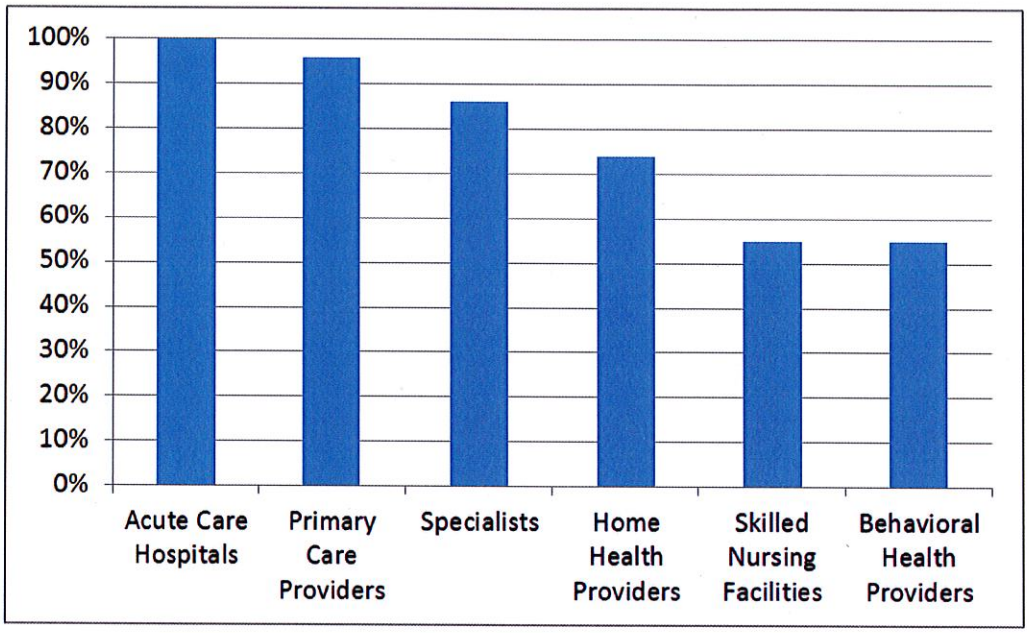
[1] Office of the National Coordinator for Health Information Technology, Accelerating Progress on EHR Adoption Rates and Achieving Meaningful Use, https://www.healthit.gov/buzz-blog/meaningful-use/ehr-adoption-rates-and-achieving-meaningful-use/

[2] Center for Medicare and Medicaid Programs, Data and Programs Report, September 2015, https://www.cms.gov/Regulations-and-guidance/legislation/EHRIncentivePrograms/DataAndReports.html

[3] Office of the National Coordinator for Health Information Technology, State Health Information Exchange Cooperative Agreement Program, HealthIT.hhs.gov, Health Information Exchange Strategic and Operational Plan Profile for Massachusetts, https://www.healthit.gov/sites/default/files/ma_state_hie_profile.pdf

in the high adoption rates within these segments in Massachusetts. Skilled nursing facilities and behavioral health providers lag their peers, however, with just over ½ of providers adopting and using EHRs. Figure 1 outlines the Massachusetts EHR adoption rates by provider type:

Figure 1: MA EHR Adoption Rates by Provider Type[4]



MeHI, as part of its ongoing effort to track the impact of federal and state programs on health IT adoption rates in Massachusetts, provides reports on its website including up-to-date Meaningful Use statistics and Mass HIway connections. For more information, visit: mehi.masstech.org/ehealth/ma-ehealth/landscape.

Impact on Health Care Cost Containment:

MeHI's progress supporting health IT adoption across the healthcare landscape has provided the foundational infrastructure necessary to help reign in the state's healthcare cost growth. The Health Policy Commission (HPC) has identified advancing the use of enabling technologies as a central priority of its care delivery policy and investment programs, in particular the use of these tools to support care coordination and care transitions as well as analytics and telehealth. The HPC views such investment in eHealth as a central component of an integrated strategy to reduce total health care expenditures in Massachusetts.[5]

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[4] Hospital EHR adoption derived from the Executive Office of Health and Human Services Mass HIway data. All other provider types derived from "2014 Provider and Consumer Health IT Research Study," Massachusetts eHealth Institute, http://mehi.masstech.org/sites/mehi/files/documents/MeHI-Research-Report-final.pdf

[5] Commonwealth of Massachusetts Health Policy Commission, 2015 Cost Trends Report, http://www.mass.gov/anf/budget-taxes-and-procurement/oversight-agencies/health-policy-commission/publications/2015-cost-trends-report.pdf

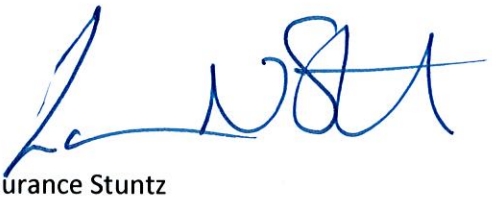
One of the strategies for reducing healthcare cost growth is the transition away from traditional Fee-For-Service (FFS) and Capitation payment models to using global budgets to encourage efficiency, cost savings, and administrative simplification coupled with performance bonuses to encourage high quality care delivery and to protect against underuse. The five Massachusetts organizations participating in CMS's Pioneer Accountable Care Organization (ACO) program realized earned shared savings totaling $71.8 million in the first three years of the program. This growing shift to value based purchasing (VBP) programs, and their resulting savings, is supported by, and driving the increased use of, health IT. As more and more patients are shifted to VBP contracts and these contracts grow to become the dominant payment models in each hospital and practice, provider organizations are demanding more sophisticated and interconnected health information systems to coordinate patient care. Although our work over the past four years has established EHR systems within individual organizations, there is now greater need to reconcile patient information among organizations as patients transition from one care setting to another.

Next Steps:

Massachusetts is a national leader in healthcare reform and much progress has been made statewide on implementing and interconnecting eHealth technology since the passage of our landmark health reform bills in 2008 and 2012. However, there is wide agreement that there is more work to be done to help healthcare organizations "retool" their systems with 21st century information technology to achieve shared goals for providing higher quality at lower costs, and with better care experiences for patients. MeHI's work over the coming years will align with the four high-level, overarching goals identified in the 2010 Health IT Strategic Plan and with the four tactical goals agreed to by MeHI and EOHHS and identified in the 2016 statewide eHealth Plan, set for release this spring.

We are proud of the progress Massachusetts has made since the enactment of Chapter 224 of the Acts of 2012 promoting the adoption and use of interoperable EHRs. There is still work to be done, however, as we look to a future state where the patient and care-teams are fully supported by integrated health information systems.

Respectfully submitted,



Laurance Stuntz
Director, Massachusetts eHealth Institute at the Massachusetts Technology Collaborative (MeHI)