

# **A Public Policy Update for the Western States Health-e Connection Summit**

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**Monday, March 2, 2009**

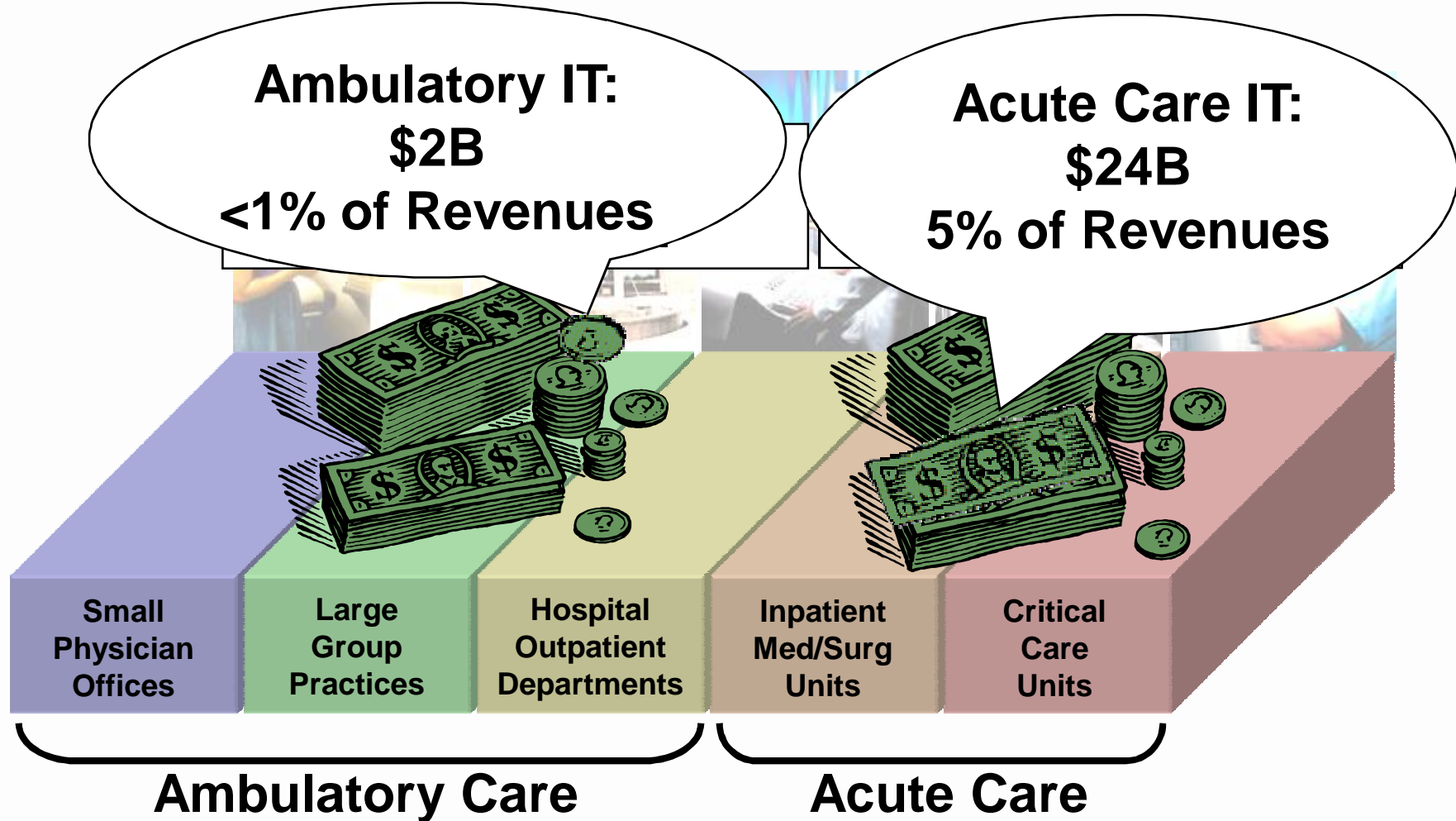
# Agenda

- Bush Administration – What Policies Will Remain?
- Obama Administration – What Will “Change” Look Like?
- Influence of the 111th Congress?
- What’s Next?

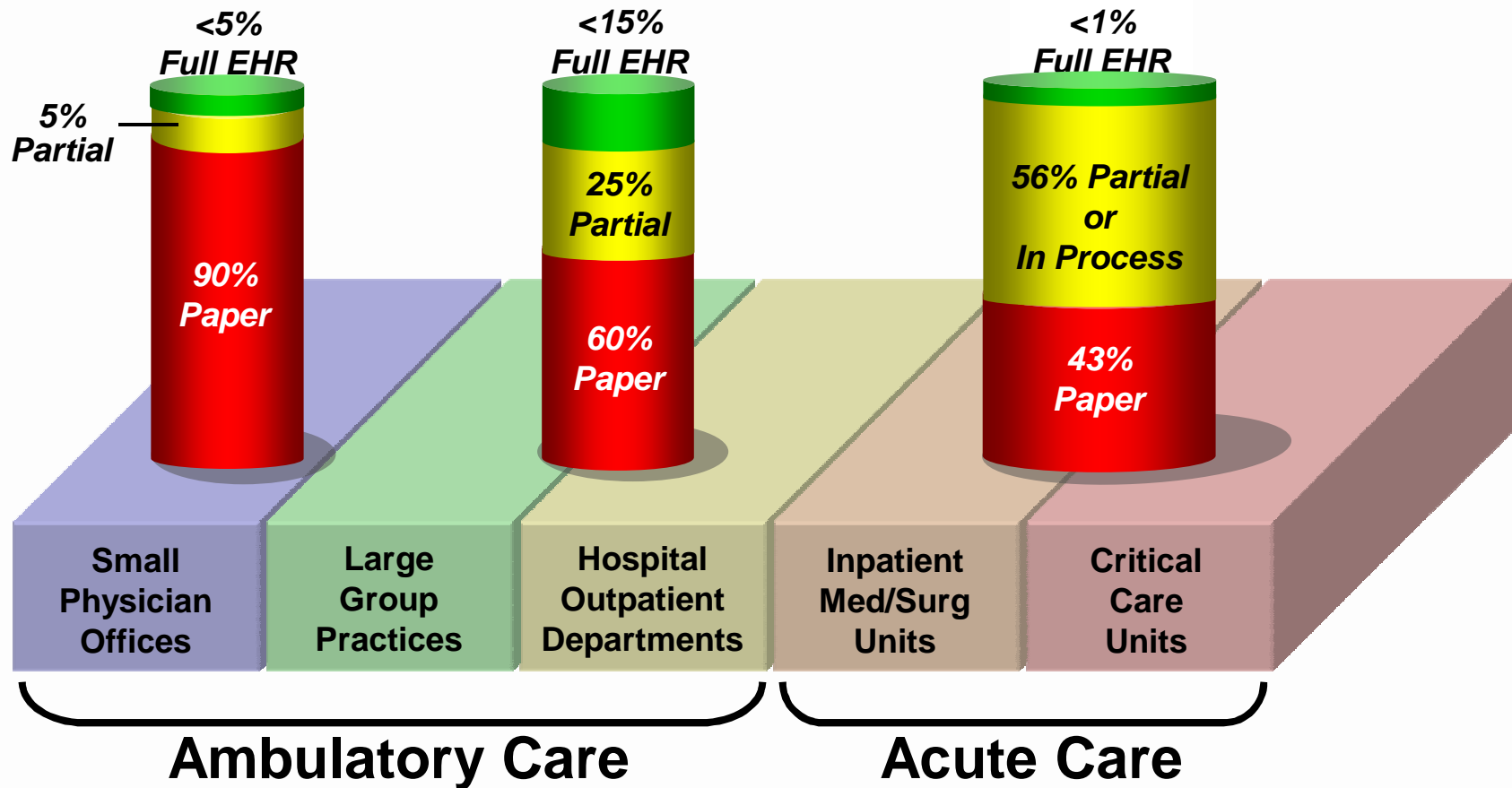
# National Health Spending Facts

- In 2008, US healthcare spending reached \$2.4T; projected to reach \$3.1T in 2012; \$4.3T by 2016
- In 2008, U.S. spent 17% of GDP on healthcare; projected to reach 20% by 2017
- Healthcare spending is 4.3 times the amount spent on national defense
- Although nearly 46M Americans are uninsured, the United States spends more on health care than other industrialized nations, and those countries provide health insurance to all their citizens

## Macroeconomic View: U.S. Healthcare IT Investment



# State of EHR Adoption



## President Bush's Goal

*“Medicine ought to be using modern technologies in order to better share information, in order to reduce medical errors, in order to reduce cost to our health care system by billions of dollars... Within ten years, every American must have a personal electronic medical record. The federal government has got to take the lead in order to make this happen by developing what's called technical standards.”*

*President George W. Bush  
April 26, 2004*

# Bush Policy

## Executive Orders

- ü April 2004 – Establish Office of the National Coordinator (ONC)
- ü August 2006 – Interoperability; Quality & Cost Transparency

## Regulation/Guidance

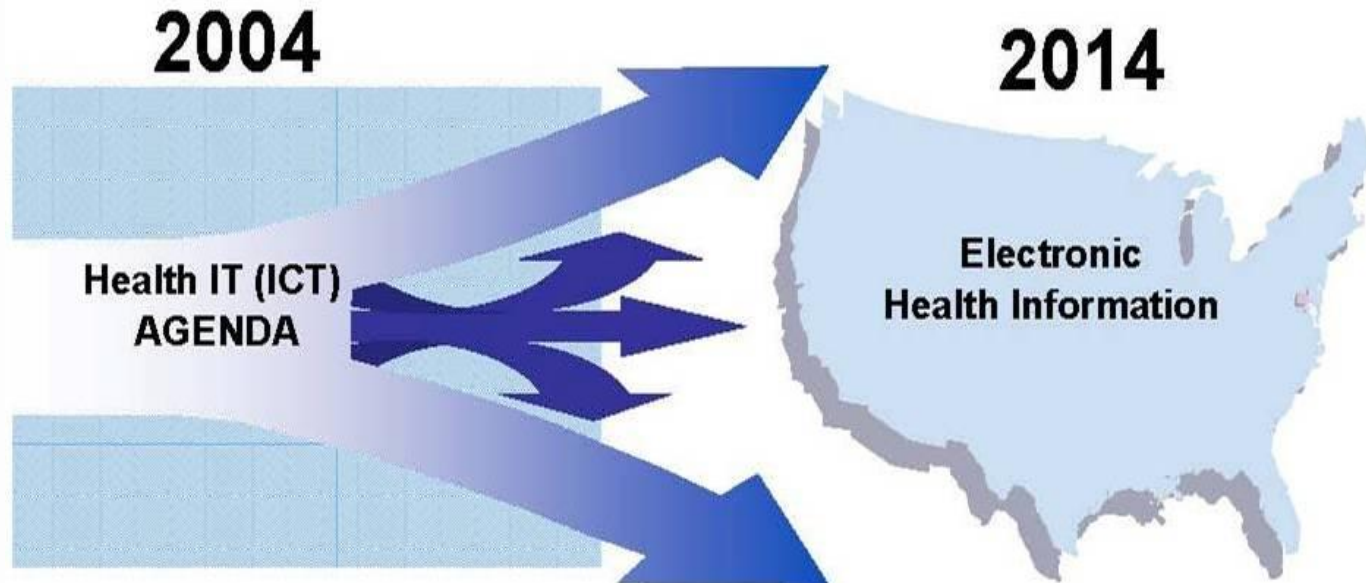
- ü Donation of EHR software to hospitals and clinicians
- ü Guidance on recognizing certification bodies for health IT
  - Update regulations for electronic exchange of laboratory results

## Licensure and Liability

- ü AHIC identified state-level licensure and liability as barriers to adoption
- ü State Alliance for e-Health convened the Health Information Protection Task Force
  - AHIC to consider recommendations on liability
  - State Alliance builds consensus for common state solutions



# The Framework for Transformation



Widespread adoption of interoperable electronic health records by 2014

- Improve quality and efficiency of health care
- Improve individual and population health

EHRs PHRs Public Health  
Home Telehealth

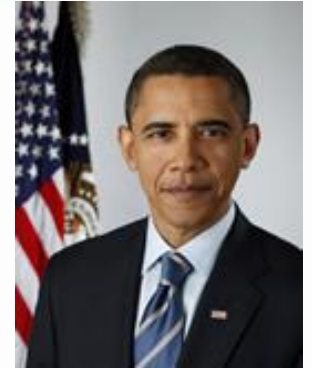
Standards...Interoperability

Nationwide Health  
Information Network

# Bush Administration Legacy?

- Office of the National Coordinator for Health IT (ONC)
- Health Information Technology Standards Panel (HITSP)
- Health Information Security and Privacy Collaboration (HISPC)
- Certification Commission for Health IT (CCHIT)
- National Health Information Network (NHIN)
- E-Prescribing

# President Barack Obama



- Born in 1961; Father from Kenya; Mother from Kansas
- Father died in car accident in 1982 and Mother died of ovarian cancer in 1995
- Obama lived in Hawaii with maternal grandparents
- Obama studied at Occidental College in Los Angeles for two years. He then transferred to Columbia University in New York, graduating in 1983 with a degree in political science. Graduated Harvard Law School in 1991

# President Barack Obama

- 1996 – Elected State Senator from Chicago
- 2000 – Lost Democratic Primary for U.S. House
- 2004 – Elected U.S. Senator - only the third African-American elected to the U.S. Senate since Reconstruction
- 2008 – Elected President
- S. 1576 - Minority Health Improvement and Health Disparity Elimination Act (Introduced on June 7, 2007 by Senator Ted Kennedy)

# HIT: Significant Part of Obama Health Reform Plan

- During and after campaign, Obama talked about benefits that IT brought to the way healthcare is organized and financed:
  - Avoiding waste and duplication
  - Providing clinicians with technical support they need to implement new information systems
  - Recognizing how societal modes of communication have changed
  - Altering reimbursement methodologies

## Obama Quotes

- **Inaugural Address**

*"We will restore science to its rightful place and wield technology's wonders to raise healthcare's quality and lower its costs."*

- **January 24<sup>th</sup> Weekly Radio Address**

*"To lower health care costs, cut medical errors, and improve care, we'll computerize the nation's health records in five years, saving billions of dollars in health care costs and countless lives. And we'll protect health insurance for more than 8 million Americans who are in danger of losing their coverage during this economic downturn."*

# Health Leaders

- HHS Secretary-Designate
  - TBD
- Deputy Director of White House Office of Health Care Reform Jeanne Lambrew
  - Georgetown University Professor of Health Policy
  - Master's/PhD in Health Policy from University of North Carolina-Chapel Hill
  - From 1997 to 2001, analyzed health issues and developed proposals as program associate director at OMB and as senior health analyst at the National Economic Council



## Day 1 Action



- January 20, 2009
- Rahm Emanuel, Chief of Staff, issued Directive to all Government Heads
- Stop processing all Federal Regulations for review by agency heads
- Withdraw all final or proposed regulations until further notice and review

# 111<sup>th</sup> Congress

- **U.S. House**
  - Speaker Nancy Pelosi
  - 256 Democrats
  - 178 Republicans
  - 1 Vacant Seat
- **U.S. Senate**
  - Vice President Joe Biden
  - Majority Leader Harry Reid
  - 56 Democrats
  - 41 Republicans
  - 2 Independents
  - 1 Undecided



# Key Committees

- **U.S. House**

- Appropriations – Chair David Obey
- Energy & Commerce – Chair Henry Waxman
- Ways & Means – Chair Charles Rangel

- **U.S. Senate**

- Appropriations – Chair Daniel Inouye
- Finance – Chair Max Baucus
- Health, Education, Labor, and Pensions (HELP) – Chair Ted Kennedy

# Looking Ahead – Policy Implications



- 111<sup>th</sup> Congress convened on January 5, 2009
- New President and Administration inaugurated on January 20, 2009
- Economic Stimulus
- Reauthorization of SCHIP
- Stem Cell Research Funding
- Healthcare Reform Legislation
- Will Legislation from 110<sup>th</sup> Congress get re-introduced?

## 2009 Senate Plans

- Senate Democrats proceeding with healthcare reform
- Senator Max Baucus (D-MT) unveiled blueprint, will be working towards consensus when Obama takes office
- Senator Ted Kennedy's HELP team is also working on a plan - Kennedy will take his “cues from the Obama White House”
- Healthcare reform is “the first, second and third item on HELP committee’s agenda”

## 2009 House Plans

- House Energy & Commerce Committee is one of the two key House committees with jurisdiction over healthcare issues and has a new Chairman in Rep. Henry Waxman (D-CA)
- Six 2009 priorities for healthcare reform
  - Universal coverage
  - Passing Health IT legislation
  - Increase competition in the insurance market
  - Address public health issues including workforce issues
  - Long-term care services
  - Investment by everyone in the system

## 2009 House Plans (cont.)

- Medicare's physician pay fix
- Working with Obama Administration on general healthcare reforms
- Rep. Pete Stark (D-CA) said one 2009 goal is to promote widespread use of health IT

# Economic Stimulus (HR 1)

- Almost \$20 billion for Health IT
- Multiple Pieces of Legislation rolled into one bill
  - House Appropriations - \$2 billion
  - House Energy & Commerce
    - Buy American amendment (Murphy)
  - House Ways & Means
    - 10,000 Trained by 2010 (Wu)
  - Senate Finance
  - Signed by President Obama on February 17

# Budget Update

- Obama coming into FY09 mid-year
- Congress needs to decide remainder of FY09 funding
- FY10 Budget due to Congress
- Bottom line: Except for a few critical issues (Economic Stimulus and Iraq) any significant impact to most programs is not likely to be fully realized until FY11 (October 1, 2010)

# State Children's Health Insurance (HR 2)

- SCHIP twice vetoed by President Bush
- Congress Passed Reauthorization and signed into law by President Obama
- New name is CHIPRA
- \$25 million for health IT

# Healthcare Reform

- Senators Kennedy, Baucus and Mikulski to lead Senate efforts
- Rep. Dingell to lead House effort
- President wants all Americans to have interoperable electronic medical records within 5 years
- Longer term effort

# What's Next?

1. SCHIP implementation
2. Economic Stimulus implementation
  1. FY09 Budget
  2. FY10 Budget
  3. FY11 Budget
4. Congressional Healthcare Reform
5. White House Office of Healthcare Reform



# Questions?

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