

Kentucky e-Health Network Board

April 8, 2009

Minutes

Meeting No. 30

Capitol Annex – Room 129

3:00 pm – 4:30 pm

Board Members in Attendance:

Dr. Carol Steltenkamp, Co-Chair – University of Kentucky
Jim Barnhart – Commonwealth Office of Technology
Betsy Johnson, Commissioner - Kentucky Department of Medicaid Services
Dr. David Bensema – Kentucky Medical Association
David Bolt – Physician Practice Managers
Murray Clark – Kentucky Hospital Association
Deborah Clayton – Kentucky Department of Commercialization & Innovation
Rep. Bob DeWeese – House of Representatives
Senator Julie Denton – Senate
Dr. William Hacker, Commissioner - Kentucky Department of Public Health
Bruce Klockars – Kentucky Hospital Association & Rural Hospitals
Ron Carson, Proxy for Robert King - Kentucky Council on Postsecondary Education
Janna Meek, Proxy for Jack Lord – Health Insurance Business Headquartered in Kentucky
Janie Miller, Secretary – Cabinet for Health and Family Services
Larry Mott – Business with Large Scale e-Strategy & Computer Information Technology
Bill Nold, Proxy for Sharon Clark - Department of Insurance
Dr. Kimberly Williams – Kentucky Medical Association (via phone)

Absent:

Dr. Larry Cook, Co-Chair – University of Louisville
Barbara Haunz Asher – Citizen at Large
Dr. Ford Brewer – Associated Industries of Kentucky
Senator Katie Stine – Senate President Pro Tem
Rep. Tommy Thompson – House of Representative

Staff:

Barbara Baker, Policy Advisor
Laura Cole, Project Manager
April Smith, Project Manager
Donna Venio, Assistant

Welcome and Introductions

The meeting was called to order by Dr. Carol Steltenkamp, Co-Chair. Betsy Johnson, Commissioner of the Department of Medicaid announced that she is currently involved in the Cabinet's stimulus planning. Dr. David Bensema, with Central Baptist Hospital, is working on e-prescribing with their EMR system at the Brannon location. They are currently looking into more effective solutions. Jim Barnhart, Commonwealth Office of Technology, is also working with the stimulus planning and the health information exchange RFP. Deborah Clayton, Commissioner of the Department of Commercialization and Innovation, reported that the Commonwealth signed an agreement with Argonne National Laboratory to set up an R&D Research initiative to focus on lithium-ion battery technology and other energy storage technologies. This is the first national laboratory presence in Kentucky. Dr. Carol Steltenkamp attended the Healthcare Information Management Systems Society meeting in Chicago and noted there was much excitement in regard to stimulus funding opportunities. Dr. Kimberly Williams announced that the Northeast Kentucky RHIO was awarded an \$85,000 HRSA grant for planning.

Review and Approval of January Board Minutes

David Bolt moved to approve the January board minutes; Deborah Clayton seconded the motion. Motion carried.

Project Reports

Health Information Security and Privacy Collaboration – Provider Education Toolkit (PET)

Laura Cole reported on the provider education toolkit. This project was federally funded and ended as of March 31, 2009, however a project extension has been requested. Collaborative activities focused on development of tools to educate providers on security and privacy that can be achieved with electronic health records. A national PR firm has provided a national-level website at <http://secure4health.org> to engage, promote and educate providers. Lt. Governor Mongiardo is one of two national physician champions featured on the website. A video with Dr. Kibbe and Dr. Mongiardo discusses how health information exchange benefits physician practices. A set of resources is included for physicians to help them learn about and get connected with health information exchanges. Provider meetings have been conducted around the state. Some of the PET funding was utilized to expand and update the e-health website at <http://ehealth.ky.gov>. A calendar with board meeting dates and materials has been added.

Annual Report

The draft annual report was distributed to board members. Dr. Steltenkamp requested that the report be reviewed over the next ten days for comments.

Stimulus Package for HIT

Gary Ozanich reported on ways Kentucky can potentially take advantage of the American Reinvestment Recovery Act (ARRA) funding opportunities. Another working group includes the Council on Postsecondary Education (CPE) e-health stimulus subcommittee where every university and institution of higher education in the Commonwealth is involved. The group is tracking any announcements from the Department of Health and Human Services and the Office of the National Coordinator. An educational series is available on the Healthcare Information Management Systems Society (HIMSS) website. Opportunities for e-health funding fall into two categories: (1) traditional funding coming from agencies; and (2) funding coming from Title XIII, also known as HITECH; money designed to encourage the adoption of electronic health records and provider incentive payments to physicians and hospitals to the adoption of electronic health records. Agency funding includes traditional type grants going to the National Science Foundation (NSF), National Institutes of Health (NIH), and National Institutes for Standards and Testing (NIST) and no clear or broad statements on how the funding will be administered. The Office of Management and Budget is committed to more details on April 15, and the agencies will then submit a recovery plan. To date, stimulus grants that have been available through the agencies have been challenge grants, construction and renovation grants, and instrumentation grants aimed at institutes of higher education. Most interesting is the NIH stimulus funding; \$200M being spent right now. Challenge grants are due April 27 with 70-100 grants for each one funded. Institutes of higher education are actively going after these grants.

HI-TECH funding, Title XIII, provides \$19.2B essentially targeted toward meaningful use of qualified electronic health records; \$17.2B will be going through provider incentives through the Centers for Medicare and Medicaid and \$2B spent by the Office of the National Coordinator of Health and Human Services. Title XIII's objectives include: (1) every citizen has EHR availability for 2014; (2) qualified EHR; (3) described qualified use of an EHR; and (4) codified the Office of the National Coordinator for Health Information Technology. Funding available for physician incentives is not available for hospital-based physicians. Hospitals have a different pool of money. There is a sliding scale of payments based upon the year you start using it. Seventy-five (75) percent of qualified Medicare billings up to the annual ceiling amount is the formula being used. Penalties for not using begin in 2015. Each physician in an office, practice, or clinic would get \$18,000 for a meaningful use of an EHR for the first year beginning in 2011. Therefore, physicians would need to put their EHR plans together immediately in order to be operational by 2011. If by 2015 you are not using, you will get a 1% reduction in your Medicare reimbursement which can go down to 95% losing up to 5%. Incentives would be from \$40,000 to \$60,000 per physician.

Hospitals incentives to adopt EHR will be up to \$11M over 4 years beginning in 2011. It is formula based; \$2M, plus number of patients discharged, minus \$1,150, times 200, times Medicare patient percentage. Penalties kick in for 2015 for non use. In addition, funds will be available for state loans for hospitals that have problems affording EHRs.

Direct HITECH funding includes: HIE planning and development to establish a national health information network; EHR loan program; healthcare enterprise information integration research centers (6-8); one national HIT research center; HIT extension centers and programs, workforce training grants and R&D grants.

Carol asked for a brief comment on the vision of how the state is anticipating responding to some of these opportunities and how this board can facilitate that vision. Gary Ozanich responded that the state has assets and resources. The greatest asset is that Kentucky is organized with a board, vehicles for universities to collaborate and work together, and two medical schools and regional universities that do very good applied research. In addition, Kentucky has some of the best HIEs in the nation and the Medicaid Transformation Grant. Kentucky has the ability to connect the dots between assets and is currently awaiting further detail from the federal government on how to connect those dots in the context of those funding opportunities. Barbara Baker stated that there have been meetings with the Office of the National Coordinator and staff of the White House Office of Health Reform. In addition, a video, produced by Northern Kentucky University, was shown to the board and will be available on the e-health website at <http://ehealth.ky.gov>.

Ron Carson informed the board that there are Title XIV funds, State Fiscal Stabilization Fund, available to Kentucky in the amount of \$600M+, 82% is directed to education, and the rest is directed to other state government functions. The question was raised as to whether this board could qualify for support activities as well as other activities in the Cabinet.

Kentucky Healthcare Infrastructure Authority Update

Dr. Martha Riddell reported for Dr. Julia Costich regarding options for strengthening this board's conflict of interest policy. Article V in the KEHN Board Bylaws includes the Code of Ethics which includes information on conflict of interest, contracts and agreements. One action the board may want to take is to make it more visible in terms of operationalizing by sharing with new board members, annual reminders verbally, or a written sign off on the policy. Carol Steltenkamp reminded the board that when the ethics policy was previously reviewed, it was suggested that the Executive Branch Ethics Commission policy not be required to be signed off by board members. The board discussed the ethics policy and requested that staff put together conflict of interest options to act on at the next board meeting which will include not only board members but all groups, committees and sub-committees constituted by this board.

Kentucky Healthcare Infrastructure Authority Annual Report

Carol Ireson reported on major accomplishments and recommendations on behalf of Dr. Bob Esterhay. KHIA collaborated on an initial set of recommendations to Lt. Gov. Mongiardo. In April, the Authority was expanded to include the regional universities (Northern Kentucky University, Eastern Kentucky University and Morehead State University) to collaborate on planning the Kentucky e-Health Network Strategic Planning Retreat in July. A wiki was developed to make information and decision making open and transparent to the stakeholders that were involved in the KHIA. A strategic planning and development process began in July/August and has not been completed. A process has been developed to look at the goals which came out of the retreat and priorities for those goals. KHIA was also involved in the Health IT Inventory and Needs Assessment and the Kentucky Medicaid Trade Area Analysis and Mapping Project. There are plans to publish some of the date. A new vision and mission was finalized and received board approval. KHIA also facilitated the board's Ad Hoc Governance Group which recommended the dissolution of the Kentucky e-Health Corporation and research into a stronger ethics policy. A draft of guiding principles for the planning process is included in the appendix of the annual report. The principles include: (1) key strengths - legal statute in SB2, (2) key weaknesses - lack of funding, (3) key opportunities - positioning Kentucky favorably with the new administration and as a national e-health laboratory; and (4) key threats - e-health infrastructure

funding will be obtained by competing state with possibly more advanced development of e-health or regional and national corporations. The next recommended step includes the completion of the strategic plan. The KHIA Annual Report will be placed on the e-health website.

Next Board Meeting

Next meeting of the Board is scheduled for May 6, 2009 from 3:00 – 4:30 PM at the Capitol Annex, Room 129.

Submitted by Donna Veno
April 2009