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HHS Secretary Invites Communities to Apply for An Innovative Electronic Health Record Demonstration Project Use of EHRs Can Improve the Quality of Health Care and Reduce Errors

HHS Secretary Mike Leavitt today called on community leaders across the country to apply for a new demonstration project that provides Medicare incentive payments to physicians for the use of certified electronic health records (EHRs) to improve patient care.

The project, which will be open to small- and medium-sized primary care physician practices, is expected to reduce medical errors and improve the quality of care for an estimated 3.6 million Americans.

“Communities have a tremendous opportunity to help transform health care delivery from the local level on up,” Secretary Leavitt said. “Broad adoption of interoperable electronic health records has the potential not only to improve the quality of care provided, but also to change the way medicine is practiced and delivered.”

“By implementing this demonstration project in a dozen health markets across the country, we’ll help move this nation toward a system that delivers better quality health care at lower cost for more Americans,” Kerry Weems, acting administrator of the Centers for Medicare & Medicaid Services (CMS) said.

In a series of meetings with health care providers, health plan and medical association officials, patients, mayors, business leaders, and other stakeholders, Secretary Leavitt, Deputy Secretary Tevi Troy, and Acting Administrator Weems are urging community leaders to convene stakeholders in their communities to aid in this important drive to bring health care up to 21st century standards.

Meetings were held today in Atlanta, Ga.; Kansas City, Kan.; Cleveland, Ohio; Portland, Maine; and Providence, R.I.

Over a five-year period, financial incentives will be provided to as many as 1,200 physician practices that use certified EHRs to improve quality as measured by their performance on specific clinical quality measures. In addition to the incentive payments, bonus payments may be awarded based on a standardized survey measuring the number of EHR functionalities a physician group has incorporated into its practice. Total payments under the demonstration for all five years may be up to \$58,000 per physician or \$290,000 per practice.

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The application period is open now through mid May for communities interested in becoming one of the 12 sites. CMS expects that the demonstration will start with four communities in 2008, with the remainder beginning in 2009. Once communities have been selected, CMS will begin working with the communities to recruit physician practices for participation in the demonstration.

Recruitment for the project will focus on locations where the demonstration may enhance existing or planned private sector projects related to health information technology and quality reporting initiatives.

“We are looking for communities which have strong ties to primary care physicians and are willing to assist CMS in education activities and the recruitment of physician practices for the demonstration,” Weems said.

Eligible communities will include those that:

- Demonstrate active community collaboration with a broad group of stakeholders, including providers and medical professional groups, consumers, health plans, and employers;
- Show private-sector support, with likely probability that similar programs will be implemented among employers or health plans in the region;
- Are geographically large enough to recruit a sufficient number of small- to medium-sized primary-care physician practices, of which 100 will be eligible for incentives and 100 will be control sites; and
- Are not already part of an existing CMS demonstration similar to the EHR project.

The EHR demonstration project is a major step toward the President’s goal of most Americans having access to a secure, interoperable electronic health record by 2014.

For more information about the EHR demonstration project, visit http://www.cms.hhs.gov/DemoProjectsEvalRpts/downloads/2008_Electronic_Health_Records_Demonstration.pdf.

This initiative is also part of HHS’ bold vision for health care reform built on the four cornerstones of value-driven health care. These include: adopting interoperable health information technology; measuring and publishing quality information to enable consumers to make better decisions about their providers and treatment options; measuring and publishing price information to give consumers information they need to make decisions on purchasing health care; and promoting incentives for high-quality, efficient delivery of care.

To learn more about *Connecting to Better Health Care*, please visit www.hhs.gov/secretary/connecthealthcare.

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