

Health Information Compliance Alert

INDUSTRY NEWS: Bill Proposes EHRs For All Federal Employees, Ties Funding To Performance

But to allow carriers to create files automatically or benes to opt-in--that is the question.

A new bill that would require "carrier-based" electronic health records for all Federal Employee Health Benefits Plan participants might pave the way for broader use of EHRs among providers.

The **House Committee on Government Reform** recently initiated debates over H.R. 4859, a.k.a. the "Federal Family Health Information Technology Act." Representatives **Jon Porter** (R-NV) and **William Lacy Clay** (D-MO), both committee members, cosponsored the legislation.

Under the proposed bill, insurers would provide all FEHBP participants--nearly 8 million federal workers--with EHRs beginning in 2008. Insurers would begin to populate the new records by collecting participants' health care, prescription claims and related health services data.

Although the bill sounds good to many policymakers on paper, a recent **Subcommittee on the Federal Workforce and Agency Organization** hearing raised significant concern about whether the bill should allow insurers to generate EHRs automatically for plan participants, or whether insurers must acquire each participant's permission to do so.

Automatic rollout of EHRs raises potential red flags about privacy and security--the bill addresses these concerns by establishing rules for Health Insurance Portability and Accountability Act compliance. On the other hand, an opt-in alternative could also help mitigate certain privacy and security issues--but it could also stall participation at both the provider and participant levels.

Grant-Based Funding Would Incentivize Carriers And Providers

The **Office of Personnel Management** oversees federal employees' health plans, and EHRs under the bill would be subject to the department's regulations.

Under the proposed legislation, OPM would help fund the project and prod physician participation through a trust fund. Carriers that meet certain requirements and performance criteria could then receive grants from the trust fund as incentives to encourage physicians to adopt the EHR technology.

"Specifically, the funding would be available to providers to implement an interoperable electronic provider based records system," Porter explains at the hearing.

'Paper Kills,' Gingrich Claims

EHR technology could do more than simplify carriers' and providers' lives--it could also save participants' lives, proponents say.

"Paper kills," former House speaker **Newt Gingrich** (R-GA) asserts at the hearing. "Instead of saving lives, our current paper-based health system is taking them. With as many as 98,000 Americans still being killed by medical errors every year, ridding the system of paper-based records and quickly adopting health information technology will save lives and--at the same time--save money." The **Veterans Affairs Department** and the **Department of Defense** are both rolling out paperless systems to improve patient outcomes, he points out.



Editor's Note: To view the proposed bill, go to http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_bills&docid=f:h4859ih.txt.pdf.

For more information about the subcommittee hearing, visit <http://reform.house.gov/FWAO/Hearings/EventSingle.aspx?EventID=40278>.