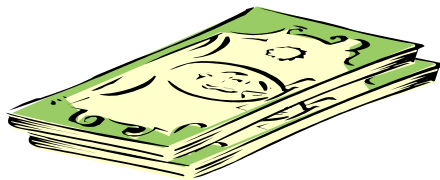


THE TRANSFORMATIVE
POWER OF GOVERNMENT
HIT FUNDING

“FOLLOW THE MONEY,
STUPID”





THREE STAGES

- GETTING THE MONEY
- LEVERAGING THE MONEY
- KEEPING THE TAP FLOWING



GETTING THE MONEY-NYS

-Key is stakeholder involvement

- Hospitals & labor union → HEAL NY - \$1 Billion
- Health Plans → P4P Demo - \$10 Million
- Physicians → MD Adoption Pilots - \$6 Million
- Government Health Care Reform Work Groups



GETTING THE MONEY - USA

- Legislative aide's lament – “Where are the lobbyists?”
- ONCHIT doing most things right, but falling down on Federal Project Funding
- Other states must also raise the priority of HIT during difficult budget times

Leveraging the Money

HEAL NY HIT Phase One \$52.875 Million

- Multi-Stakeholder Only; Multi-Type and Multi-Entity
- Matching Funding From Stakeholders; 50%, pressure for more
- Implementation, capital cost only
 - Result: Talk Turned to Action
 - Crossing the mindset that data belongs to only one organization is the major leap required

HEAL NY (Continued)

- Keeping them connected
 - Promises adherence to national standards
 - Certification within six months of availability
 - Require easy entry for other stakeholders
- Supporting the Public Good
 - Higher % funding for financially distressed stakeholder
 - Bonus points for serving disadvantaged populations
 - Bonus points for public health applications

HEAL NY (Continued)

- Reduce costs and improve quality
- Promote interoperability
- Project must be financially viable
- Provide data for 3 years + Evaluation Plan

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HEAL NY RESULTS

-100 Applications Across State

- Urban & Rural
- Hospitals, Physician Groups, Nursing Homes, Home Care, Local Health Departments, Payers, Pharmacies, Labs, RHIOs
- EMRs, eRx, e-imaging, Disease Management, Continuum of Care, Research, Disabled/Mental Health, Chronically Ill
- Most projects moving forward with or without HEAL NY Funding

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HEAL NY AWARDS

- 26 Projects across all Regions
- Most projects funded at 25% of projected cost
- eRx, EMR, CIDE, Lab results most common
- 1/3 RHIOs, 2/3 Less Formal
- \$200K to \$5MM Grants



OTHER FUNDING STREAMS

- \$6MM MD Adoption uses HEAL Principles
 - Match Funding
 - Interoperable, Sharing data
- \$10MM P4P Involves Payers



KEEPING THE TAP FLOWING

- Further Grants
- Evaluation of Results
- Payer Involvement



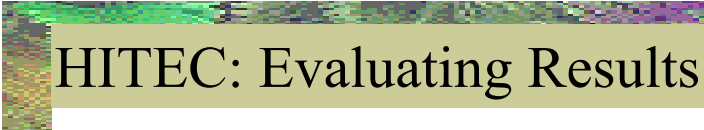
FURTHER GRANTS

- 68-Page Guide on DOH Web Site
- Work with Foundations
- Medicaid Transformation Grant – eRx
- Local Grants



NEXT ROUNDS OF HEAL

- Not to Fund Operations of Existing Projects
- Maintain Fundamentals:
 - Multi-Stakeholder, Interoperable,
 - Match Funding, Financially Viable
- Fill in the Gaps
 - Collaboration among projects
 - Connect the unconnected
 - Support public health goals
 - Encourage payer financial involvement



HITEC: Evaluating Results

- Cornell Medical School, with Columbia Biomedical Informatics, SUNY Public Health and others
- Establish common metrics
- Provide inexpensive resource to RHIOs
- Funding: Foundations, Health Plans, Employers, Vendors
- Provide hard data on quality improvement, cost reduction
- Drill down: What implementation strategies work



GET PAYERS INVOLVED

- Understand Statewide Payer Structure
 - Local vs. National Health Plans
 - Proprietary vs. Not-for-Profit
 - Regulated vs. Unregulated
- Understand Payer Needs & Strategy
 - P4P
 - Antitrust Issues
 - Data and Group Bargaining
- Educate Major Employers

FINANCING HIT & HIE INVESTMENT

VENDOR & PRIVATE LOANS

GOVERNMENT & GRANT FUNDING

STAKEHOLDER CAPITAL BUDGETS

Supporting Ongoing HIT & HIE Expenses

New Services

Provider Cost Savings

Payer Supplements for Better Outcomes

- A Four Year Problem – Will Return Capital Spent
- Will Become Part of Normal Reimbursement



CONCLUSIONS

- Effect of a significant government grant program is many times its actual amount
- Engaging multiple stakeholders throughout the process is crucial
- Involving payers is the key to financial viability, and understanding their issues is key to involving them