

Electronic Health Record Demonstration Supporting Statement for Practice Application

A. Background

The Centers for Medicare & Medicaid Services (CMS) requests clearance for the application utilized to identify and enroll practices into the Electronic Health Record (EHR) demonstration. This demonstration is a high-priority Administration initiative. This initiative expands upon the foundation created by the Medicare Care Management Performance (MCMP) Demonstration, which was mandated by Section 649 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003. This expanded initiative will be conducted under section 402 demonstration waiver authority.

The EHR demonstration will be operational for a 5-year period, and will include financial incentives designed to foster the adoption/implementation of EHRs and reward performance of participating physicians whose practices are supported by EHRs.

The EHR demonstration is expected to be implemented in up to 1,200 small to medium-sized primary care physician practices, in up to 12 sites. Since eligible practices will be randomized into demonstration (treatment) and control groups, it is expected that up to 2,400 primary care practices overall will be targeted as part of the application process. The initiative will be implemented as part of a phased process. Phase I sites will include 2 sites (e.g., states or regions) followed by implementation of the demonstration in the 10 other sites as part of the Phase II recruitment process. CMS will work with private-sector entities in the sites in which the demonstration is to be implemented, including professional organizations, hospitals, etc., to inform local physician practices of the goals of the demonstration, and eligibility/participation requirements. In addition, information about the demonstration will be posted on the CMS demonstration website.

The justifications provided below show that the proposed information collection effort poses minimal risk to the Agency, Administration and/or the Public.

B. Justification

1. Need and Legal Basis

The Electronic Health Record demonstration is a high-priority initiative that is being undertaken at the request of the Secretary of the Department of Health and Human Services. The demonstration is intended to strengthen the Medicare program by offering incentive payments to physicians that adopt Certification Commission for Healthcare Information Technology (CCHIT)-certified EHRs and improve quality of care and lower health care costs for fee-for-service Medicare beneficiaries. As a

result, Medicare beneficiaries and the Medicare program in general will directly benefit from these innovative models.

2. Information Users

The information collected will be used to assess whether physician practices are eligible for the demonstration. The demonstration represents an expansion of the MCMP demonstration, which was the first pay for performance project that encouraged the adoption of health information technology in small physician group practices. This initiative, combined with MCMP, will provide financial incentives for improving the quality of care for fee-for-service (FFS) Medicare beneficiaries and will enable a rigorous test of the impact of financial incentives on the adoption of electronic health records and their impact on the quality of care provided to FFS Medicare beneficiaries.

As with the MCMP Demonstration, the proposed collection of information for this initiative is completely voluntary in nature. Only practices that voluntarily respond and express interest in participating will complete the application. Moreover, CMS will not use the information collected to regulate and/or sanction; rather, the information will be used to assist with enrolling eligible practices. Participating practices will then be eligible to earn financial incentives for improving the quality of care.

3. Use of Information Technology

Due to time constraints, it is anticipated that the paper application process used in the MCMP Demonstration will be utilized for the two sites identified for initial implementation (Phase I). However, we are exploring options for automating the process for the identification of physician practices in Phase II sites. This process would allow interested physician practices to complete and submit a demonstration application on line. The application itself and information collected will be the same under both paper and electronic processes.

This data collection effort will require physician practices interested in participating in the EHR Demonstration initiative to utilize technology to access the application form which will be posted and available for downloading on the Centers for Medicare and Medicaid Services website. Upon receipt of the completed paper application, an implementation support contractor shall input the information into a database. The information submitted will be used to assign a unique identification number for group practices participating in the demonstration. This unique number and the associated practice tax identification numbers and Medicare identification numbers (National Provider Identifier (NPIs)) will be used to link providers to beneficiaries via claims data as well as process and track payments under the demonstration.

4. Duplication of Similar Information

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Businesses

To the extent the physician practices are considered “small businesses,” they will be eligible to apply for the demonstration. The collection of information will not affect any other small businesses or other small entities.

6. Less Frequent Collection

The information is to be collected only once from each practice. Therefore, information cannot be collected less frequently. If the information were collected less frequently, CMS would not be able to obtain the information necessary to identify participating practices (and document pertinent practice information) and proceed to implement the demonstration initiative.

7. Special Circumstances

CMS will protect the confidentiality of the requested information to the fullest extent of the law. The collected information will be used for demonstration purposes only. Any public reports pertaining to the collected information by an independent evaluator will be in aggregate and anonymous form.

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice was published November 29, 2007.

To date, a Federal Register notice formally announcing the start of the demonstrations has not been published, due to the nature of the project. Participation is limited to physician practices in 2 sites (to be determined) initially, followed by physician practices in up to 10 other sites as part of a phased implementation approach. CMS will consult with local medical societies in these sites, and relevant community stakeholders in each demonstration site as part of the recruitment process.

9. Payments/Gifts to Respondents

There will be no payments or gifts to respondents for any of the collection of information.

10. Confidentiality

As a matter of policy to protect the proprietary information, CMS will prevent the disclosure of individually-identifiable information contained in the applications to the fullest extent of the law. Any reports pertaining to the collected information by an independent evaluator will be in aggregate and anonymous form.

11. Sensitive Questions

The application requests information about providers' unique provider identification (PIN), National Provider Identifier (NPI) and tax identification numbers (TIN). This information is necessary in order to assign each practice enrolling in the demonstration a unique demonstration identification number and link that number to claims data for purposes of linking beneficiaries to practices for quality measurement and pay for performance purposes. Other than this information, there are no sensitive questions included in the information request.

12. Burden Estimate (Total Hours and Wages)

The total estimated annual public cost is \$10,564 assuming 2,400 participating practices at an average of \$3.50 per practice to complete the application (with a response time of thirteen minutes at the respondent salary of \$20 per hour). In addition, this assumes \$.41 postage for each of the 400 paper applications submitted as part of the Phase I recruitment process. (No postage costs are associated with the Phase II application process, as it is anticipated that an automated process would be employed.) These costs are for a one-time only burden per physician practice/organizational entity; this is not a per-physician burden. (It is projected that office support staff will complete the application form on behalf of the practice for each of the physicians to sign.) The burden associated with the proposed collection of information is completely voluntary; however, it should be noted that physician practices that voluntarily respond may ultimately be eligible to earn substantial financial rewards as part of their subsequent participation in this demonstration initiative.

Calculation:

1. Completion of application:

$$\begin{aligned} 2,400 \text{ practices} \times .2167 \text{ hours/practice} &= 520 \text{ hours} \\ 520 \text{ hours} \times \$20/\text{hour} &= \$10,400 \end{aligned}$$

2. Postage (Phase I only):

$$\$.41 \times 400 \text{ applications} = \$164.00$$

$$\text{Total} = \$10,564$$

13. Capital Costs (Maintenance of Capital Costs)

No capital costs are associated with this data collection effort for applicants.

14. Cost to Federal Government

The application form will be made available to interested physician practices via the web. Therefore, there is no cost associated with mailing/distribution of the form. The only direct cost for this data collection effort will be that associated with contractor support for activities related to the processing of applications received from physician practices that wish to participate in this demonstration initiative, e.g., inputting practice-specific information into a centralized database, verifying application information, etc.

Total contractor costs associated with the data collection effort are estimated to be approximately \$130 per application form submitted, or a total of approximately \$312,000 (based on 2,400 forms submitted by practices in up to 12 demonstration sites). Incorporated within these costs are contractor staffing, overhead, etc. This effort will account for a minimal portion of the cost associated with developing and operationalizing this project. All costs necessary to develop and implement the demonstration will be reviewed as part of a separate package to be submitted to the Office of Management and Budget.

15. Program Changes

This demonstration is a high-priority Administration initiative. The application form to be used for the EHR demonstration is similar to the form that was approved for the MCMP Demonstration. However, the proposed application form to be used for the EHR Demonstration has been modified slightly to reflect the design of this separate and distinct initiative. Specifically, since the EHR demonstration includes added emphasis on CCHIT-certified EHRs, the form includes additional questions about the practice's EHR capability, and the degree to which the practice currently uses the EHR.

Only practices that respond and express interest in participating will complete the application. The burden associated with the proposed collection of information is completely voluntary; however, it should be noted that physician practices that voluntarily respond may ultimately be eligible to earn substantial financial rewards as part of their subsequent participation in this demonstration initiative.

16. Publication and Tabulation Dates

CMS will make the forms available to physician practices and the public via the demonstration web site in order to facilitate enrollment in the demonstration. Demonstration evaluation reports associated with this initiative will be made available to the public.

17. Expiration Date

CMS intends to display the expiration date. We are seeking standard 3-year approval for these forms. If enrollment in the demonstration (Phases I and II) closes during the early implementation phase, we will notify OMB and request that the forms be expired early.

18. Certification Statement

There are no exceptions to the certification statement.

19. Collection of Information Employing Statistical Methods

The collection of information will not employ statistical methods.