

eHealth Quality and Patient Safety Board
Resolution 2007.1
As Amended and Passed
21 June 2007

WHEREAS, health information technology (HIT) and health information exchange (HIE) provide an opportunity to moderate costs and improve the quality of health care; and

WHEREAS, HIT and HIE will require substantial up-front investments for electronic health record systems adoption as well as development of interoperability among them; and

WHEREAS, the Finance Workgroup of the eHealth Board conducted an exhaustive review of the evidence regarding the business case and return on investment for HIT, the potential impact on costs, quality and outcomes, as well as examined trends in and barriers to HIT adoption.

WHEREAS, among the Findings and Premises underlying the Finance Work Group: HIT/HIE is a public good and the investment in its development and operations should be partially funded from public sources;

WHEREAS, the Finance Workgroup report includes recommended financing and incentive strategies intended to create incentives for EHR adoption in all size health care settings, for reducing the risks involved in investing in EHRs, for promoting the diffusion of EHRs in rural and underserved areas, and for interconnecting clinicians and other service providers;

WHEREAS, the Finance Workgroup Final Report included recommendation regarding tax credits and exemptions citing as example 2005-07 Regular Session bill, AB955, <http://www.legis.state.wi.us/2005/data/AB955hst.html> ;

WHEREAS, smaller practices in particular simply lack the \$20,000-\$40,000 per physician in up-front investment capital and lost productivity needed to acquire and start-up an EHR system;

WHEREAS, fully operational HIE requires that HIT penetrate beyond physician offices and hospitals, pharmacies and laboratories, to include long-term care facilities and local health departments.

WHEREAS, the eHealth Board's Finance Work Group estimated that, assuming a hypothesized 35% adoption gap among physicians and hospitals, Wisconsin would require resources in the range of \$1 billion - \$2.8 billion to build a universal EHR and information-sharing infrastructure through regional health information organizations (RHIOs);

WHEREAS, most of the funds for HIT acquisition, start-up, and maintenance will continue to come through private investment, particularly as HIT becomes the part of standard medical practice and the baseline cost of doing business;

WHEREAS, purchasers may design pay-for-performance incentives for HIT adoption, with expectation about improved quality and more transparency to support value-based purchasing,

WHEREAS, the business case for HIT will not be achieved through simple engraftment into the current health care system and provider expectation of billing optimization but, rather, through re-engineered processes along with concomitant changes in the current reimbursement model.

WHEREAS, the value proposition for the adoption of HIT and participation in HIE lie in promises of improved clinical processes and work flow that lead to safer, higher quality care, reduced administrative expenses and clinical and administrative redundancies and, for the provider, improved coding and capture of charges, thus promising a more robust ability to report on measures of quality and track outcomes;

WHEREAS, timely, universal adoption and participation in HIT/HIE—including providers and facilities of all sizes and throughout the state—will require public and private sector seed money and incentives;

BE IT RESOLVED THAT, the eHealth Quality and Patient Safety Board, while taking no position on funding sources, fully supports Governor Doyle's Executive Budget provisions relating to: creation of the Health Care Quality and Patient Safety Council, provision of grants to fund adoption of health care quality and patient safety information technology and to develop exchanges of health information; and creation of an electronic medical records tax credit under the individual income and corporate income and franchise taxes provisions of Wisconsin Statutes.