USDA Rural Development and Health IT
*Case Studies from Iowa*

**Health Reform Implementation**

This is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.

*Winston Churchill, November 10, 1942*

_in response to the Allied victory at the Second Battle of El Alamein._
Hospitals and Technology

- Must achieve “meaningful use of electronic health records
- Requirement passed in 2009
- Hospitals have until 2014 to reach “Stage 1”
- Those who make it receive incentives. Those who don’t begin paying penalties in October, 2014
- Stage 2 isn’t an option until next year

What is Meaningful Use?

- The purchase and installation of a certified Electronic Health Records system
- The meaningful use of that system
  ✓ Meet target objectives
  ✓ Keep meeting them for 90 days (at which point you have “attested” and get incentive payment) – This is Stage 1
  ✓ Maintain for a year
  ✓ Prepare to meet Stage 2 in 2014
The Thing About Incentives

• They are **not** designed to pay for all the costs associated with purchasing and implementing an Electronic Health Records system
• Rural hospitals feel the impact greatly due to lower volumes and reimbursements

Why Bother?

• Give health care providers access to a patient’s medical information wherever that patient goes
• Provide better, more seamless care
• Reduce redundant questioning and testing
• Coordinate care better between multiple providers (hospital, clinic, specialist, primary care provider)
Targeting Critical Access and Small, Rural Hospitals

• $30 million in grants to help as many as 1,500 hospitals get to Meaningful Use. Original goal was 1,000!
• So far, more than 1,200 Critical Access Hospitals and rural hospitals—as well as over 5,644 clinicians that work in these hospitals and provide inpatient and outpatient services—have asked for help on their path to Meaningful Use.
• Proof that Critical Access Hospitals and rural hospitals along with the clinicians working in these hospitals recognize the value of health IT and want to offer their communities health care services powered by the benefits of meaningfully using certified EHRs.

Meaningful Use Acceleration Challenge for Critical Access and Small Rural Hospitals

SOURCE: Customer Relationship Management (CRM) Tool, maintained by the Office of Provider Adoption and Support (OPAS) at ONC, a national CAH database maintained by The Flex Monitoring Team, and the Small Hospital Improvement Program (SHIP) maintained by Health Resources and Services Agency (HRSA).
Basic EHR adoption among office-based physicians in rural areas and small primary care practices

Rural: 38%
Small primary care practices: 35%
Total: 34%

Rural refers to physicians in a county outside of a Metropolitan Statistical Area. Small primary care practices refer to primary care physicians in practice with 10 or fewer physicians. Data source: National Ambulatory Medical Care Survey (NAMCS) Electronic Health Record Supplement mail surveys, 2008-2011.

Percent of Pharmacies in Urban and Rural Counties Enabled on the Surescripts Network

Note: From 2009 to 2012, rural pharmacies actively prescribing medication electronically increased by 50%.
Iowa Rural HIT Collaborative Partners

- Iowa’s Office of Rural Health
- USDA Rural Development
- Iowa’s FLEX Program – FLEX funding and education
- Iowa’s HIT Regional Extension Center – technical assistance
- State Health Information Network - data exchange
- Iowa Hospital Association – hospital relationships and support
- Iowa Medicaid Enterprise – state incentive and resources

Why We Came Together in Iowa

- *Expanding Health Information Technology (IT) in Rural America* Secretaries Kathleen Sebelius and Tom Vilsack agreed that HHS and USDA should work more closely to increase rural health care opportunities. One of the areas is enhancing HIT capabilities.
- That seemed, in Iowa, like a good idea!
- Federal regulations and new standards require information technology that has heretofore not been part of rural provider landscape
What We Decided To Do

Aggressive timeline, Highly interactive, Goal driven

- Target hospitals and providers in need of and receptive to extra HIT TA and other assistance
- Combine and leverage our resources to benefit our state

Results

- Three hospitals began or expanded work toward Meaningful Use
- Conversations with hospitals about funding/loans for equipment were initiated
- Rural Health Clinics began stepping forward to EHR/MU
- Hospitals & providers were informed and directed to attain incentives
Rural Development Programs

- Community Facilities Loan/Grant
- Rural Economic Development Loan/Grant (REDLG)
- Distance Learning-Telemedicine (DLT)
- Business & Industry Loan Guarantees (B&I)

Iowa Case Studies
Henry County Health Center
Mount Pleasant, IA

- Total Project: $998,134 including surgical suite
- $195,791 will be used for servers, routers, switches, wireless controllers, docking stations and access points.
- USDA provides $798,000 to the local rural electric coop, which passes funds to hospital via ten-year, 0% loan.
- Financing allows hospital to use its own reserves for additional HIT investments totaling $165,000
• Total Project: $440,540
• USDA provides $100,000 grant toward purchasing and integrating software modules.
• Unanticipated Phase Two: Additional hardware needs that were not anticipated when the project began. When the project was completed they had spent $190,000 more than they originally planned. They could not have done it without our help.
• A very successful project. The hospital has met its meaningful use designation
Kossuth Regional Health Center
Algona, IA

• Total Project Cost: $360,000
• USDA provides $300,000 to rural electric cooperative which passes on funds to hospital at 0% over ten years. REC also provides 20% match.
• Project: Integrated technology will be facilitated through this construction project as an electronic health record system is installed in new rooms through an expanded computer network. Within each headwall unit, computer equipment will be installed including a computer workstation and bedside monitoring systems.
Pocahontas Community Hospital
Pocahontas, IA

- Total Project Cost: $1 million
- USDA provides $300,000 to Municipal Utility, which passes funds (plus 20% match) to hospital at 0% over ten years.
- Project: Implementing a full electronic medical record. This required some additional hardware components also along with a few new servers. Fully electronic by next fall.
- From the hospital administrator: “This would not be possible without the financial support offered by your agency!”
The Big Goal!

- 1000 CAHs and RHs to Meaningful Use by end of 2013

To get involved, contact:
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THE FUTURE IS HERE, IT'S JUST NOT EVENLY DISTRIBUTED YET.
WILLIAM GIBSON