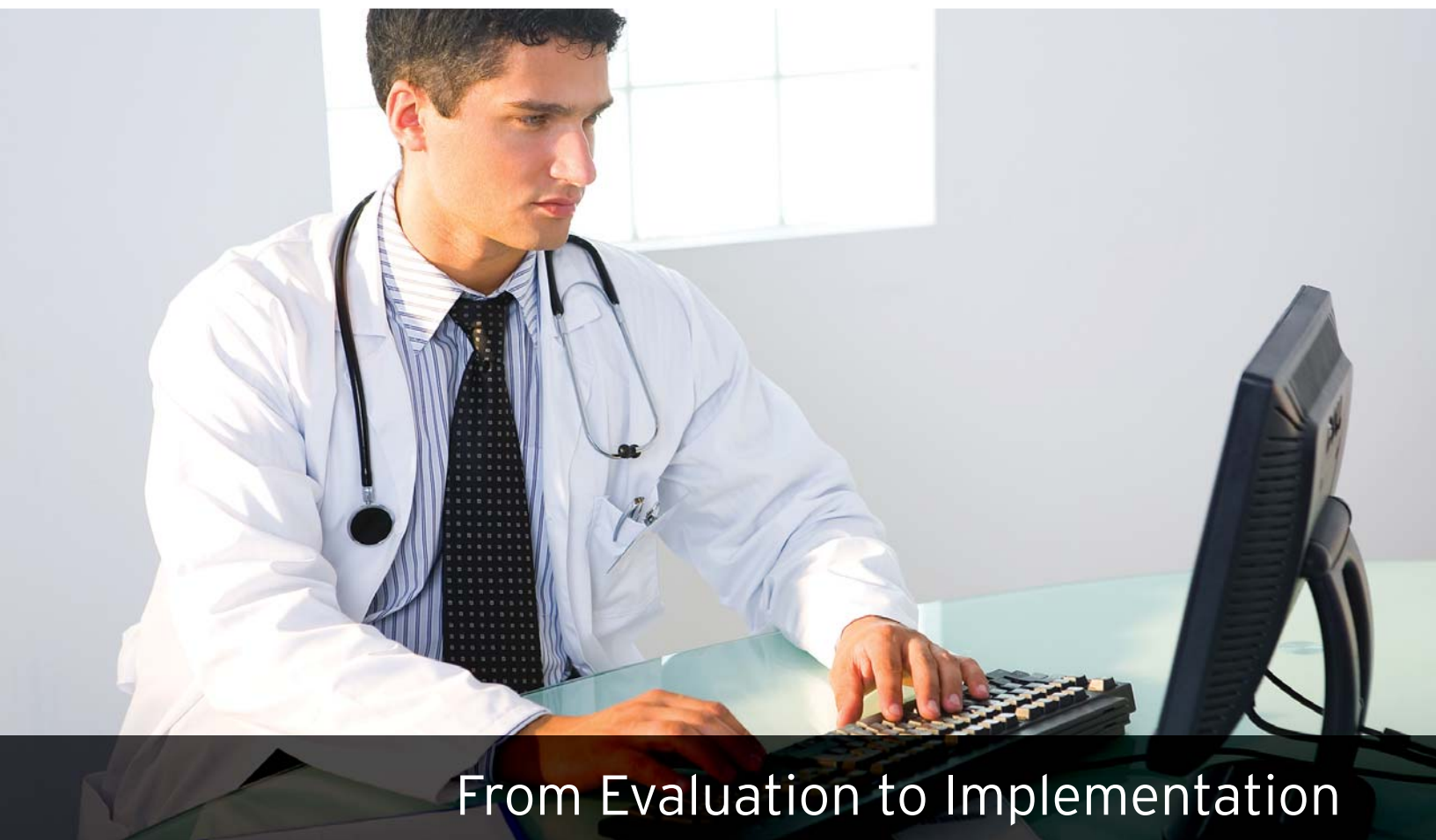


Electronic Health Records



From Evaluation to Implementation

perotsystems®
Break Through

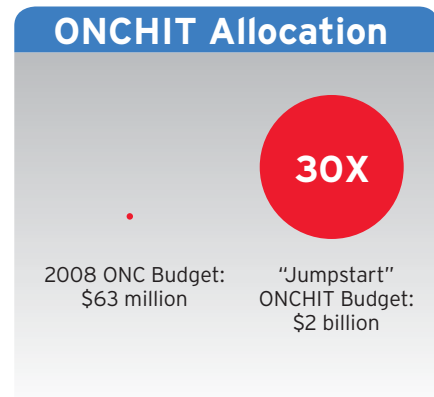


Impact of The American Recovery and Reinvestment Act on Healthcare

It is not simply a technology challenge.

Stimulus Overview: Driving New Technology into Healthcare

With the enactment of the American Recovery & Reinvestment Act (ARRA) of 2009, President Obama launched a new era for healthcare in the United States. The ARRA commits over \$180 billion for healthcare spending, with approximately \$23 billion dedicated to health IT. The legislation created the Office of the National Coordinator for Health IT (ONCHIT) and immediately allocated \$2 billion as “jumpstart” funds for the implementation of Electronic Health Records (EHR). This funding, allocated over four years, represents a 30-fold increase in the ONCHIT’s 2008 budget. Undoubtedly, this new funding will have an accelerating impact on the implementation of EHRs.



How it could impact you:

With the over-arching goal of facilitating the adoption of an EHR for every American by 2014, the Congressional Budget Office (CBO) estimates that the funding will enable approximately 90% of doctors and 70% of hospitals to adopt and “meaningfully use” certified EHRs in the next decade.

ARRA Incentive Plan

Medicaid Incentives

	Allowable Funding	Maximum Allowed
Costs associated with the Implementation of EHR technology	100% of cost	\$25,000 not to exceed a period of five years
Administrative expenses not Associated with implementation	90% of cost	\$10,000 not to exceed a period of five years (max: \$75,000 per provider)
Total Allowed	85% of net costs	\$63,750

Medicare Incentives

Incentives								Penalties	
Early adopters of “meaningful” electronic health records will receive more reimbursements over time.								Physicians who delay adoption of health information technology until after 2014 will receive Medicare reimbursement penalties.	
Bonus payment by year								Start year	Medicare penalty
Start year	2011	2012	2013	2014	2015	2016	Total	2015	-1%
2011	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	-	\$44,000	2016	-2%
2012		\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$44,000	2017	-3%
2013			\$15,000	\$12,000	\$8,000	\$4,000	\$39,000	2018	Depends on overall adoption rate
2014				\$12,000	\$8,000	\$4,000	\$24,000		

The Cost of Doing Nothing

With approximately \$23 billion to be spent on grants and incentive payments to those providers who demonstrate meaningful use, it pays to be an early EHR adopter. Late adopters will receive smaller incentive payments and will be penalized through decreased Medicare and Medicaid reimbursements starting in 2016. The cost of doing nothing is real.

It is a profound reengineering of your culture and processes.

KEY DEFINITION

“Meaningful Use”

A meaningful EHR user must demonstrate that it is using certified EHR technology, that the technology is connected in a manner that allows for the exchange of healthcare information, and the EHR user can effectively demonstrate the technology’s meaningful use.

INDUSTRY LEADER

KLAS Ranks Perot Systems as #1 provider of Clinical Implementation Services*

- Perot Systems is the only professional service firm where all detail performance scores are above the industry average.
- Perot Systems had the highest percentage (75 percent) of clients that utilized them for Extensive Clinical Workflow Redesign, as well as the highest overall score for Implementing Workflow Design.
- Perot Systems scored above the industry average for all Business Indicators.

What are my next steps?

As a healthcare provider, the ARRA has put you in the position of rethinking your information technology strategy. It is likely that you have more questions than answers. You need to know:

- What does the ARRA require of my organization to gain full access to the funding, and how much can I expect to receive?
- How does the ARRA impact the clinical systems I have deployed or have underway?
- How will I ensure my systems are federally approved, and what will the “meaningful use” mandate mean to my organization?

Successful Implementation and Integration: A Balanced Approach

Implementing an effective EHR system requires a holistic approach to your total information technology infrastructure. Each component of the chain must work in concert because if there is just one weak link, the system can fall short of your objectives and the “meaningful use” mandate within the ARRA.

Ranked as the industry leader in clinical systems implementation by KLAS, Perot Systems has expertise and insights that will help guide your decision-making. Whether your implementation is already underway, or you are building a new system, our team of clinical implementation consultants and healthcare professionals will help you identify the best applications and implementation strategy. We will work with you to build a strategy to accelerate adoption, ensure a smooth transition, and maximize your ROI and incentive payments from Medicare and Medicaid.

Hospitals and physicians choose to work with Perot Systems because of our unique ability to view your technology, business, and clinical processes side-by-side. In short, we provide fully integrated solutions across the full spectrum of your business including: clinical, financial, and administrative processes.

Perot Systems: A Leader in Clinical Transformation

While it is true that the ARRA will accelerate change in the industry by facilitating increased investments in EHR technology, the Act does not alter the fundamental approach to achieving a successful implementation or adoption. Perot Systems can help you successfully achieve both priorities.

Perot Systems is a market leader in providing clinical transformation solutions. With clients that range from small physician-owned practices, to hospitals, to entire healthcare systems, Perot Systems has the right solutions and industry experience to help you drive fundamental change in your clinical environment.

Our KLAS rankings stand as a testimony to our appreciation of the complexity involved in full EHR implementation. It is not simply a technology challenge, it is a reengineering of your culture and processes. That is our approach, and that is why we can succeed at helping you drive change.

A Proven Implementation Strategy: The PERspective™ Framework

The planning, implementation, and management of your clinical transformation initiatives are guided by Perot Systems' Clinical PERspective™ framework for clinical operational excellence and quality service delivery. This framework consists of a compilation of methodologies, tools, processes, and best practices that have been organized by Perot Systems to help your organization meet its strategic objectives and clinical needs. The largest methodology component of our framework is our proprietary ADOPTS (Assess, Define, Optimize, Prepare, Transform, Sustain) methodology. ADOPTS encompasses major activities and key work products that guide the organization through your clinical transformation effort and drive sustainable change.

- **Assess** – Define the environment and enterprise clinical and business needs in response to a problem or change.
- **Design** – Design the ideal solution and determine how the market or clinical environment can support the clinical and business needs of the enterprise.
- **Optimize** – Ensure the effective solution design and change strategy that can best meet clinical and business needs.
- **Prepare** – Position the organization for the successful deployment of the solution as demonstrated by benefits realization.
- **Transform** – Initiate the change that enables the realization of benefits.
- **Sustain** – Establish and anchor the change that enables the ongoing realization of benefits.

Other Perot Systems ARRA Healthcare Solutions

At the core of our solutions is a range of healthcare application, practice management, and EHR hosting services that are specifically designed to suit your clinical needs. In addition, to assist you in maximizing your opportunity with regards to ARRA, Perot Systems has also created the following capabilities:

- **ARRA Readiness Consulting** – assessment of client readiness for ARRA compliance and road-map for compliance by 2011. This Perot Systems consulting service enables a client to assess their current position relative to ARRA compliance requirements. Perot Systems' road-map can guide an organization to achieving the goal of "meaningful use".
- **Grant writing assistance** – Ultimately the goal of this service is to receive funding for compliance. For some organizations, there may be opportunities to receive grants up-front as deployment capital for the implementation of an EHR. Perot Systems has a team of dedicated grant writers that can assist clients in reaching out for these funds. In addition, we have deep experience in the government healthcare sector, with an understanding of the rigorous requirements that organizations will be asked to fulfill in order to receive government funding.

For more information about solutions for your business or organization, contact us at healthcare@ps.net or call 888.888.3872. To learn more about ARRA, visit perotsystems.com/insights.

