

5 POINT PLAN FOR REAL REFORM OF THE MASSACHUSETTS HEALTH CARE SYSTEM

POINT 5

PROVIDING FOR INVESTMENT IN THE ACQUISITION, UPGRADING, DEVELOPMENT & IMPLEMENTATION OF TECHNOLOGY TO IMPROVE THE MANAGEMENT & DELIVERY OF HEALTH CARE IN THE COMMONWEALTH

Summary

“There are advanced technologies which can dramatically lower health care costs and improve quality. The technologies are proven. The associated benefits are known. But there are barriers in the system that impedes their implementation (such as initial start up costs to acquire the technology.) We can change that,” explains Mitchell Adams, Executive Director, Massachusetts Technology Collaborative. Massachusetts is home to a life sciences “Super Cluster” consisting of an extraordinary aggregation of the world’s leading institutions and companies in biomedical research and education, health care delivery, medical devices, biotechnology, pharmaceuticals, and information technology. It is the envy of the world, and an essential element in our region’s future economic vitality.

At the same time, the quality of our health care system suffers as a result of medical errors, fragmented care and inadequate systems. Widely cited estimates from the Institute of Medicine report, To Err is Human, indicate that the cost of medical errors in terms of human life is substantial. Other studies have shown that the financial cost is huge. The total costs associated with these events – including all health care costs, disability, lost productivity and income – could reach \$29 billion. There exist advanced technologies which can dramatically lower health care costs and improve quality. While capital expenditures for equipment and training are required, the cost savings associated with implementing these technologies going forward can be much greater, such that substantial net financial benefits are possible. These technologies cross a spectrum of disciplines including biotechnology, medical devices and information technology.

Seven advanced technologies have already been identified that have demonstrated substantial net financial benefits amounting to a savings of \$2.5 billion annually, and improved quality of care and health outcomes. They were selected from among a wide array of technologies for their demonstrated ability to simultaneously reduce costs and improve quality. They represent only a sample of all of the technologies that could benefit health care in Massachusetts. They are electronic communication between patients and their physicians, e-prescribing, ambulatory computerized physician order entry of medications or tests, out patient computerized physician order entry of medications or tests, regional data sharing, electronic ICU applications, and disease management.

Section 1. Authorizes State Grants or Loans for Health Care Technology

Provide for grants and zero or low-interest loans to state and local agencies of government, institutions of higher education, health care providers, health care organizations, health plans and insurance entities, health consumer organizations, not-for-profit health

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information technology corporations and other organizations in health care technology, including but not limited to equipment, access charges, training and applied research.

Section 2. Uses of the Grants or Loans for Technology

Any such grants, zero or low-interest loans made pursuant to this act, shall be made available through the Massachusetts Technology Collaborative, or through not-for-profit health information technology corporations. The grants/loans would be used for (1) monitoring or implementing patient safety, medical error reduction systems; (2) facilitating direct consumer enrollment in state sponsored health programs including, but not limited to MassHealth, CHIP and the Prescription Advantage Program; (3) developing programs to electronically receive and process provider claims for Medicaid and other state health programs; (4) providing consumer information directly and through health information centers located in public libraries, schools, senior centers and neighborhood health centers relative to prevention and health education; (5) providing telemedicine and e-health services to specific consumers primarily to reduce the reliance on emergency room services or to improve contact with the health system, including, but not limited to internet consultation with physicians and other providers, homecare participants and assisted living or nursing home residents, and to promote underserved populations; (6) providing appropriate access to patient records data, including but not limited to, the development of a credit card sized personal patient medical records; (7) providing health education including but not limited to training and education courses as well as information to the public or health professional, and to provide information about careers in health care; and (8) providing grants to not-for-profit health technology information corporations to be matched with any federal funds designated for the purpose of establishing a health information revolving loan fund for distribution as loans to eligible applicants for healthcare information technology improvements.

Section 3. Funding for Technology

Authorizes technology capital outlay bonds or appropriations as well as providing for any available federal or foundation grants to provide support for the program.

Section 4. Medicaid Rate Incentive for Technology

Establishes a program to provide a one percent increase in Medicaid rates for health care providers to acquire and maintain technology that helps to better manage administrative functions or patient care that could result in cost reduction or slower pace of growth in cost of health care for Medicaid recipients.

Section 5. Borrowing Authorization

Standard borrowing authorization language.

Section 6. Provides oversight by executive and legislative branches and reporting

Standard language for oversight of the program.