THE CSTE WASHINGTON REPORT

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EDITOR'S NOTE: HHS Secretary Mike Leavitt June 10 named 12 communities that will participate in a national Medicare demonstration project that provides incentive payments to physicians for using certified electronic health records (EHR) to improve the quality of patient care. The five-year, first-of-its-kind project is expected to improve the quality of care provided to an estimated 3.6 million Americans-- additional details are provided in this *Washington Report*.

The *CSTE Washington Report* is provided as an information resource for members of the Council of State and Territorial Epidemiologists on federal legislation and regulation affecting public health and epidemiology in the U.S.

APPROPRIATIONS COMMITTEES POISED TO MARK UP THEIR FY 2009 BILLS – The House Labor-HHS-Education Subcommittee on Appropriations will mark up it's FY 2009 Appropriations bill tomorrow, June 19th. Full Committee markup will follow next week, on June 25th. Details of the bill are not likely to be released until after the full Committee acts. The Labor-HHS-Ed Subcommittee funds all of the CDC programs. Earlier this week, the Subcommittee was provided its allocation which is $7.973 billion over FY 2008 and $7.765

billion over the President's budget. Health and education advocacy groups sent a letter last month urging House and Senate Appropriations Chairs to provide a $15 billion increase over FY 2008. The Senate Labor-HHS-Ed Subcommittee has received more than $1 billion less than the House allocation. Staff analysis indicates that this lower allocation means any increase over FY 2008 will need to be applied to the cost of maintaining the Pell grants, a higher education program for disadvantaged students, and for increased administrative costs for the Center for Medicare and Medicaid Services and the Social Security Administration. The Senate Labor-HHS-Ed Subcommittee plans to mark up its FY 2009 bill on June 24th.

HHS AWARDS CONTRACTS FOR THE DEVELOPMENT OF FASTER INFLUENZA DIAGNOSTIC TESTS -- HHS Secretary Mike Leavitt June 12 announced that the Centers for Disease Control and Prevention (CDC) has awarded $12.9 million for the development of low-cost influenza tests that can detect and differentiate seasonal human influenza viruses from avian influenza within three hours.

"The early detection of emerging pandemic influenza is critical to the nation's pandemic response," Secretary Leavitt said. "Early detection will aid in improving patient survival, overall health outcomes, and use of containment measures in the event of an influenza pandemic."

Currently, the process for testing for avian influenza A (H5N1) can take up to 24 hours. These awards will support advanced development of laboratory influenza tests. These tests could be performed in a hospital or a commercial laboratory and would expedite the diagnosis of large numbers of patients. The expanded testing capability enhances the hospital laboratory-based pandemic and seasonal flu diagnostic capacity in the United States.

The recipients of the contract awards are: Nanogen, Inc, San Diego, Calif. and Meso Scale Diagnostics, LLC, Gaithersburg, Md., each for $6.5 million for initial phased development. The contracts provide for funding up to $10.4 million (Nanogen, Inc.) and $12.1 million (Meso Scale Diagnostics, LLC) for additional development up to three years.

The two contracts were awarded by the Centers for Disease Control and Prevention, in partnership with the Office of Biomedical Advanced Research and Development Authority within the Office of the Assistant Secretary for Preparedness and Response. The recipients were selected from among nine responses to the request for proposal.

For more information on pandemic preparedness, please visit http://www.pandemicflu.gov/.

HHS SECRETARY ANNOUNCES 12 COMMUNITIES SELECTED TO ADVANCE USE OF ELECTRONIC HEALTH RECORDS IN FIRST EVER NATIONAL DEMONSTRATION -- HHS Secretary Mike Leavitt June 10 named 12 communities that will participate in a national Medicare demonstration project that

provides incentive payments to physicians for using certified electronic health records (EHR) to improve the quality of patient care. The five-year, first-of-its-kind project is expected to improve the quality of care provided to an estimated 3.6 million Americans.

“The use of electronic health records, and of health information technology as a whole, has the ability to transform the way health care is delivered in our nation,” Secretary Leavitt said. “We believe that EHRs can help physicians deliver better, more efficient care for their patients, in part by reducing medical errors. This project is designed to demonstrate these benefits and help increase the use of this technology in practices where adoption has been the slowest – at the individual physician and small practice level.”

The communities selected to work with the Centers for Medicare & Medicaid Services (CMS) on the EHR demonstration project range from county- and state- level to multi-state collaborations. They include:

Alabama
Delaware
Jacksonville, FL (multi-county)
GeorgiaMaine
Louisiana
Maryland/Washington, DC
Oklahoma
Pittsburgh, PA (multi-county)
South Dakota (multi-state)
Virginia
Madison, WI (multi-county)

These 12 communities were selected through a competitive process from a field of more than 30 applicants. They demonstrated active collaboration among stakeholders, including physicians and other providers, health plans, employers, government and consumers; existing or planned private sector initiatives related to health information technology and quality reporting; and adequate size to recruit a sufficient number of primary care physician practices. They also demonstrated close ties to the medical community and ability to work closely with CMS to recruit physician practices to participate in the demonstration.

In letters sent to communities not selected for the demonstration, Secretary Leavitt urged them to consider pursuing EHR incentive projects of their own, based on the work they have already done.

“A tremendous opportunity exists for communities to impact and improve health care delivery starting at the local level,” Secretary Leavitt said. “While the number of sites selected was limited to 12, we are greatly encouraged by the substantial multi-stakeholder initiatives ongoing across the nation. It is my hope that those communities not selected and others that were not yet prepared to apply will continue working together

to improve health care – and consider creating their own incentive-based projects to advance the use of EHRs."

"Broad adoption of EHRs has the potential to transform health care and the way medicine is practiced in our nation," said Acting CMS Administrator Kerry Weems. "Medicare has chosen the communities whose proposals will work best for this demonstration project. But other communities can still build on the outstanding work they have done and consider designing and carrying out their own incentive-based projects. In a community where health care providers and payers have already achieved significant coordination in applying for the Medicare demonstration, it may be possible to design independent incentive programs even without Medicare's participation."

Over the five-year demonstration project, financial incentives will be provided to as many as 1,200 primary care physician practices in the selected communities that use certified EHRs to improve quality as measured by their performance on specific clinical quality measures. In addition to the incentive payments, bonus payments may be awarded based on a standardized survey measuring the number of EHR functionalities a physician group has incorporated into its practice. Total payments under the demonstration for all five years may be up to $58,000 per physician or $290,000 per practice.

Findings from the demonstration will help determine the role of EHRs in delivering high-quality care and reducing errors. The demonstration will also assess the role of incentive payments in encouraging adoption and use of EHRs.

The project will be implemented in two phases. CMS will begin working with partners in four Phase I communities over the coming months to develop site-specific recruitment strategies, and recruitment of physician practices will start in the fall. For Phase II sites, these activities will begin in 2009.

The EHR demonstration project is an important step toward President Bush's goal of most Americans having a secure, interoperable electronic health record by 2014. For more information on the project, visit http://www.cms.hhs.gov/DemoProjectsEvalRpts/downloads/2008_Electronic_Health_Records_Demonstration.pdf.

This initiative is also part of HHS' bold vision for health care reform built on the four cornerstones of value-driven health care. These include: adopting interoperable health information technology; measuring and publishing quality information to enable consumers to make better decisions about their providers and treatment options; measuring and publishing price information to give consumers information they need to make decisions on purchasing health care; and promoting incentives for high-quality, efficient delivery of care.

To learn more about *Connecting to Better Health Care*, please visit www.hhs.gov/secretary/connecthealthcare.

U.S. DEATHS DOWN SHARPLY IN 2006 -- Age-adjusted death rates in the United States dropped significantly between 2005 and 2006 and life expectancy hit another record high, according to preliminary death statistics released today by CDC's National Center for Health Statistics.

The 2006 age-adjusted death rate fell to 776.4 deaths per 100,000 population from 799 deaths per 100,000 in 2005, the CDC report said. In addition, death rates for eight of the 10 leading causes of death in the United States all dropped significantly in 2006, it said. These included a very sharp drop in mortality from influenza and pneumonia.

The preliminary infant mortality rate for 2006 was 6.7 infant deaths per 1,000 live births, a 2.3 percent decline from the 2005 rate of 6.9.

Other findings of the report:

• Life expectancy at birth hit a record high in 2006 of 78.1 years, a 0.3 increase from 2005. Record high life expectancy was recorded for both white males and black males (76 years and 70 years respectively) as well as for white females and black females (81 years and 76.9 years).

• The preliminary number of deaths in the United States in 2006 was 2,425,900, a 22,117 decrease from 2005.

• Between 2005 and 2006, the largest decline in age-adjusted death rates occurred for influenza/pneumonia (12.8 percent). Other declines were observed for chronic lower respiratory diseases (6.5 percent), stroke (6.4 percent), heart disease (5.5 percent), diabetes (5.3 percent), hypertension (5 percent), chronic liver disease/cirrhosis (3.3 percent), suicide (2.8 percent), septicemia, also known as blood poisoning (2.7 percent), cancer (1.6 percent) and accidents (1.5 percent).

• There were 12,045 deaths from HIV/AIDS in 2006, and age-adjusted death rates from the disease declined 4.8 percent from 2005.

• Alzheimer's disease overtook diabetes as the 6th leading cause of death in the United States in 2006. Preliminary data indicate 72,914 Americans died of Alzheimer's disease in 2006.
The data are based on over 95 percent of death certificates collected in all 50 states and the District of Columbia as part of the National Vital Statistics System.

The report, "Deaths: Preliminary Data for 2006" is available at www.cdc.gov/nchs.