



**Testimony of
Brian Jacobs, MD
Vice President & Chief Medical Information Officer
Executive Director, Center for Pediatric Informatics
Children's National Medical Center**

**SB 744
Electronic Health Records - Regulation and Reimbursement
Senate Finance Committee
Maryland General Assembly**

March 11, 2009

Children's National Medical Center is pleased to offer testimony regarding Senate Bill (SB) 744, "Electronic Health Records - Regulation and Reimbursement." Children's National commends Senator Jim Rosapepe for his leadership in introducing this bill, which would require the Maryland Medical Assistance program and carriers to include the cost of adoption of electronic health records (EHRs) in their reimbursement structure. SB 744 rightly addresses one of the primary barriers to EHR adoption for many health care providers: the high costs of implementation.

Children's National Medical Center, a 283 bed not-for-profit academic medical center, is located in Washington, DC, but serves the pediatric health care needs of the broader Washington metropolitan region. Located just three miles from the Maryland border, Children's National annually devotes nearly 60% of its inpatient care to children from Maryland. With five outpatient centers in Maryland and specialty care services provided in eight Maryland locations, Children's National is proud to be one of the largest providers of high quality pediatric primary, specialty and emergency care to Maryland's children and families.

Children's National is proud to be located in Maryland communities and to serve as an integral part of Maryland's health care delivery system. The Regional Outpatient Centers, which are located in Annapolis, Frederick, Laurel, Shady Grove (includes ambulatory surgery) and Upper Marlboro, handle more than 53,000 patient visits per year. The hospital's five Maryland pediatric practices, which have offices in College Park, Laurel, Silver Spring, Upper Marlboro, Waldorf, Montgomery Village, Germantown and Clinton, handle more than 104,000 visits annually.

Children's National also administers the Children's National Health Network (CNHN), the region's largest dedicated pediatric provider network. CNHN has more than 900 members—linking more than 600 community-based pediatricians in 175 practices with more than 300 pediatricians and specialists at Children's National.

There is little debate that health information technology (HIT) will help improve the quality of health care, prevent medical errors, and reduce health care costs by delivering

essential information at the time and place of care delivery. HIT has the potential to dramatically transform the delivery of health care by making it safer, more effective, and more efficient. Two crucial components must exist for an effective HIT infrastructure: widespread use of electronic health records (EHR) and the ability to exchange health information privately and securely. These two components are at the core of *Children's IQ Network*.

Children's IQ Network is dedicated to improving connectivity, care and outcomes for children - and will be the first of its kind in the Washington D.C., Maryland and Virginia region. The goals of the *IQ Network* are to: 1) provide every child in the region with an EHR; and 2) offer all pediatric providers in the region a subsidized EHR; and 3) establish a regional health information exchange where pediatricians, specialists, immunization registries and commercial laboratories in Maryland will be electronically connected to Children's National.

The data collected during each child's health care visit will be stored in a secure regional data hub governed by the regional stakeholders in the *Children's IQ Network*. The data hub will be connected to databases such as the state's immunization and newborn screening registries to provide Children's National's physicians and community physicians with the most accurate medical history of each child that they serve.

Children's National has committed substantial funding to establish the *IQ Network*. It is already live on the inpatient side and plans are underway to connect all seven Regional Outpatient Centers. The hospital is also reaching out to pediatric practices throughout the region and offering a subsidy to help offset the startup costs associated with purchasing the EHR software. Instead of the usual \$20,000 per provider start up required to establish an EHR, the subsidy offered through the *Children's IQ Network* effectively reduces these start up costs to \$6,600 per physician for the EHR.

The subsidy provided to physicians by the *Children's IQ Network*, however, represents only partial relief. Even with the subsidy the startup costs for EHR adoption are often overwhelming for many physician practices. Community physicians look toward the additional contribution that SB 744 will provide in making Maryland health care providers some of the 'most wired' in the country. This will improve the connectivity, quality of care and health outcomes for children in your communities.

Children's National applauds Senator Rosapepe for recognizing that cost is one of the top barriers to physician adoption of EHR technology. By establishing a reimbursement mechanism to assist health care providers with EHR adoption, SB 744 would put the State of Maryland well on its way to being a national leader in HIT implementation.

Children's National would welcome the opportunity to work with the State of Maryland on EHR adoption and implementation, both to share lessons learned from our experience and to ensure interoperability with the *Children's IQ Network*. By working together, we can ensure interoperability and continuity of care for your constituents and our patients.