

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**THE REGIONAL EXTENSION CENTER  
PROGRAMS IN TEXAS MET THE SCOPE OF  
SERVICES IN THEIR COOPERATIVE  
AGREEMENTS WITH THE OFFICE OF THE  
NATIONAL COORDINATOR FOR HEALTH  
INFORMATION TECHNOLOGY**

*Inquiries about this report may be addressed to the Office of Public Affairs at  
[Public.Affairs@oig.hhs.gov](mailto:Public.Affairs@oig.hhs.gov).*



**Kay L. Daly  
Assistant Inspector General**

**June 2013  
A-06-12-00023**

# ***Office of Inspector General***

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## EXECUTIVE SUMMARY

*e Office of the National Coordinator for Health Information Technology's Regional Extension Centers in Texas met the scope of services in their cooperative agreements.*

### WHY WE DID THIS REVIEW

The Health Information Technology for Economic and Clinical Health Act (HITECH Act) established the Office of the National Coordinator for Health Information Technology (ONC). ONC is responsible for coordinating the effort to implement a nationwide health information technology (health IT) infrastructure that allows for the meaningful use and exchange of health information through the use of certified electronic health record (EHR) technology. The HITECH Act also authorized the Health Information Technology Extension Program, which supports Health Information Technology Regional Extension Center (REC) programs that work with vendors and providers to implement the new technology.

The objective of this review was to determine if the Texas REC programs met the scope of services that is part of their cooperative agreements with ONC to assist in the implementation of ONC's Health Information Technology Extension Program.

### BACKGROUND

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 (Recovery Act), P.L. No. 111-5. Title XIII of Division A and Title IV of Division B of the Recovery Act are cited together as the HITECH Act. The HITECH Act established ONC as the principal Federal entity responsible for coordinating the effort to implement a nationwide health IT infrastructure that allows for the use and exchange of health information in electronic format.

The HITECH Act also authorized a Health Information Technology Extension Program, which consists of a national Health Information Technology Research Center (HITRC) and the REC programs. HITRC gathers relevant information on effective practices from a wide variety of sources across the country to help the REC programs collaborate with one another and relevant stakeholders to identify and share best practices supporting EHR adoption, effective use, and provider support. With an initial allocation of \$677 million, ONC established and funded 62 REC programs nationwide to help more than 100,000 providers demonstrate the meaningful use of certified EHR technology.

### WHAT WE FOUND

The Texas REC programs were successful in meeting the scope of services in their cooperative agreements with ONC.

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## INTRODUCTION

### WHY WE DID THIS REVIEW

The Health Information Technology for Economic and Clinical Health Act (HITECH Act) established the Office of the National Coordinator for Health Information Technology (ONC). ONC is responsible for coordinating the effort to implement a nationwide health information technology (health IT) infrastructure that allows for the “meaningful use” and exchange of health information through the use of certified electronic health record (EHR) technology.<sup>1</sup> The HITECH Act also authorized the Health Information Technology Extension Program, which supports Health Information Technology Regional Extension Center (REC) programs that work with vendors and providers to implement the new technology.

### OBJECTIVE

Our objective was to determine if the Texas REC programs met the scope of services that is part of their cooperative agreement with ONC to assist in the implementation of ONC’s Health Information Technology Extension Program.

### BACKGROUND

#### Health Information Technology for Economic and Clinical Health Act

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 (Recovery Act), P.L. No. 111-5. Title XIII of Division A and Title IV of Division B of the Recovery Act are cited together as the HITECH Act. The HITECH Act established ONC, an entity within the Office of the Secretary for the U.S. Department of Health and Human Services, as the principal Federal entity responsible for coordinating the effort to implement a nationwide health IT infrastructure that allows for the use and exchange of health information in electronic format.

The HITECH Act includes provisions to promote the meaningful use of health IT to improve the quality and value of American health care. It authorized incentive payments for eligible Medicare and Medicaid providers who demonstrate the meaningful use of certified EHR technology. For calendar years 2011 through 2016, eligible Medicare providers may receive up to \$44,000 over 5 years under the Medicare EHR Incentive Program. For calendar years 2011 through 2021, Medicaid providers may receive up to \$63,750 over 6 years under the Medicaid EHR Incentive Program.

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<sup>1</sup> An EHR allows providers to record patient information, including medical histories and procedures, electronically rather than use paper records. The EHR Incentive Program requires providers to use the capabilities of their EHRs to achieve benchmarks that can lead to improved patient care. ONC defines “meaningful use,” in part, as using certified EHR technology to improve the quality, safety, and efficiency of health care; reducing health care disparities; and improving care coordination. The Department of Health and Human Services’ Office of the Secretary established certification criteria for EHR technology.

In 2015, Medicare providers are expected to have adopted and be actively utilizing EHR technology in compliance with the meaningful use definition, or they will be subject to financial penalties under Medicare (sections 4101(b) and 4102(b) of the Recovery Act). Starting in 2015, Medicare will reduce by 1 percent reimbursements to providers who do not demonstrate the meaningful use of certified EHR technology. This penalty is to be increased annually to a maximum of 5 percent in 2019 and thereafter.

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Therefore, the participation of Medicaid providers in the health IT program is considered voluntary, and providers who do not demonstrate meaningful use of certified EHR technology by 2015 will not be penalized.

### **Health Information Technology Extension Program**

The HITECH Act also authorized the Health Information Technology Extension Program, which consists of a national Health Information Technology Research Center (HITRC) and the REC programs. HITRC gathers relevant information on effective practices from a wide variety of sources across the country to help the REC programs collaborate with one another and relevant stakeholders to identify and share best practices supporting EHR adoption, effective use, and provider support. REC program services include outreach and education, EHR support (e.g., working with vendors and helping providers choose a certified EHR system), and technical assistance in implementing health IT and using it in a meaningful way to improve care.

ONC initially funded HITRC through a grant of approximately \$50 million. ONC established 62 REC programs nationwide to help more than 100,000 providers demonstrate the meaningful use of certified EHR technology. ONC initially allocated \$677 million to support the REC programs.

### **Texas Regional Extension Centers**

The Dallas-Fort Worth Hospital Council Education And Research Foundation established the North Texas Regional Extension Center (NTREC) program in April 2010. The NTREC program provides assistance to providers in 42 north Texas counties. As of January 4, 2012, ONC had awarded the NTREC program a total of \$9,056,775 in Federal funds for the project period April 6, 2010, through April 5, 2014. The NTREC program had a total of 1,247 enrolled providers, 152 of which had attained meaningful use of certified EHR technology as of December 31, 2011.

The F. Marie Hall Institute for Rural and Community Health at Texas Tech University Health Sciences Center established the West Texas Health Information Technology Regional Extension Center (WTxHITREC) program in April 2010. The WTxHITREC program provides technical, onsite assistance and guidance to providers in 108 west Texas counties. As of February 15, 2012, ONC had awarded the WTxHITREC program a total of \$8,437,775 in Federal funds for

the project period. The WTxHITREC program had a total of 864 enrolled providers, 18 of which had attained meaningful use of certified EHR technology as of February 2, 2012.

The CentrEast Regional Extension Center (CentrEast REC) program is operated by the Rural and Community Health Institute and is a component of the Texas A&M Health Science Center. The CentrEast REC program offers guidance to providers in 47 counties in central and east Texas. As of March 31, 2010, ONC had awarded the CentrEast REC program a total of \$5,279,970 in Federal funds for the project period. The CentrEast REC program had a total of 974 enrolled providers, of which 46 had attained meaningful use of certified EHR technology as of April 19, 2012.

The Gulf Coast Regional Extension Center (GCREC) program covers the southern areas of Texas along the Gulf Coast and serves providers in 57 counties. As of December 13, 2011, ONC had awarded the GCREC program a total of \$16,597,775 in Federal funds for the project period. The GCREC program had a total of 2,200 enrolled providers, of which 81 had attained meaningful use of certified EHR technology as of April 30, 2012.

## **HOW WE CONDUCTED THIS REVIEW**

We reviewed the following scope-of-service categories listed in the contracts between the REC programs and ONC: education and outreach, vendor selection and group purchasing, implementation and project management, practice and workflow redesign, functional interoperability and health information exchange, privacy and security best practices, and progress toward meaningful use. We also reviewed contractual agreements the REC programs had with ONC and subcontractors and the REC programs' annual budget and expenditures.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology.

## **RESULTS OF AUDIT**

The Texas REC programs were successful in meeting the scope of services in their cooperative agreements with ONC. The Texas REC programs fulfilled their scope of services by:

- conducting outreach activities such as participating in the Texas Health IT summit, sending brochures about their services to providers, and advertising in the *Texas Academy of Family Physicians* magazine;
- helping with vendor selection by working with providers to determine the best product for their service specialties;

- working with vendors and providers to review the implementation plan for completeness and offering consulting and troubleshooting to providers;
- spending time onsite at providers documenting current workflows and consulting the providers on redesigned workflows;
- providing education on industry best practices to secure information; and
- offering training to providers to help them achieve meaningful use.

Health Information Exchanges had not been established as of May 2013; therefore, the RECs did not work with providers on connecting to the exchanges.

As a result, we do not have any recommendations for ONC as part of the Texas REC programs' scope of services.

## **OTHER MATTER**

### **CONTRACTS NOT RENEWED IN A TIMELY MANNER**

The GCREC program did not renew in a timely manner three expired contracts with subcontractors that assisted providers in their efforts to achieve different milestones prescribed in the contracts and, ultimately, to demonstrate meaningful use of certified EHR technology. The CentrEast REC program did not renew one expired contract in a timely manner. Renewal of these types of contracts in a timely manner is important in effectively implementing ONC's Health Information Technology Extension Program.

The GCREC and CentrEast REC programs' management were not proactive in ensuring that expiring contracts were renewed in a timely manner. As a result, the subcontractors could have terminated services to providers who had not attained the prescribed milestones to demonstrate the meaningful use of certified EHR technology.

## **APPENDIX A: AUDIT SCOPE AND METHODOLOGY**

### **SCOPE**

We reviewed the following scope-of-service categories listed in the contracts between the REC programs and ONC: education and outreach, vendor selection and group purchasing, implementation and project management, practice and workflow redesign, functional interoperability and health information exchange, privacy and security best practices, and progress toward meaningful use. We also reviewed contractual agreements the REC programs had with ONC and subcontractors and the REC programs' annual budgets and expenditures. We did not review the following scope-of-service categories listed in the contracts between the REC programs and ONC: use of local health IT workforce support and participation in a national consortium.

We conducted our fieldwork at the following four Texas REC programs:

- NTREC, Irving;
- WTxHITREC, Lubbock;
- CentrEast REC, Bryan; and
- GCREC, Houston.

### **METHODOLOGY**

To accomplish our objective, we:

- reviewed applicable Federal requirements,
- observed operations at the REC programs,
- conducted interviews with REC program officials,
- examined the REC programs' policies and practices, and
- analyzed the REC programs' expenditures.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## APPENDIX B: ACRONYMS AND ABBREVIATIONS

|                      |  |
|----------------------|--|
| <b>CENTREAST REC</b> | CentrEast Regional Extension Center program                                |
| <b>CMS</b>           | Centers for Medicare & Medicaid Services                                   |
| <b>EHR</b>           | electronic health record   |
| <b>GCREC</b>         | Gulf Coast Regional Extension Center program                               |
| <b>HHSC</b>          | Health and Human Services Commission                                       |
| <b>HIE</b>           | Health Information Exchange  |
| <b>HITECH</b>        | Health Information Technology for Economic and Clinical Health Act         |
| <b>HITRC</b>         | Health Information Technology Research Center                              |
| <b>NTREC</b>         | North Texas Regional Extension Center program                              |
| <b>OIG</b>           | Office of Inspector General  |
| <b>ONC</b>           | Office of the National Coordinator for Health Information Technology       |
| <b>REC</b>           | Regional Extension Center program  |
| <b>WTxHITREC</b>     | West Texas Health Information Technology Regional Extension Center program |