



The EHR Stimulus and Device Sales Opportunities

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WelchAllyn®

Advancing Frontline Care™

Presenting

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Presentation Outline

- Why Connect Devices?
- What Devices Connect and How?
- Connectivity Case Study
- EHR Stimulus Update
- Linking Stimulus Dollars to Connected Device Sales
- Stimulus FAQ's

Why Connected Devices

- 1. Accuracy/Patient Safety...** eliminate transcription errors and lost or mislabeled diagnostic test results – go direct from patient → to device → to EHR.
- 2. Clinical Efficacy...** capture a more complete and comprehensive set of test results on every patient → transfer data directly into EHR for analysis and trending.
- 3. Workflow Efficiency...** eliminate manual printing, scanning and results reporting and provide instant access to test data → improve patient throughput.
- 4. Return On Investment...** paperless devices, stimulus dollars = lower cost of ownership and quicker payback
- 5. Time Savings/Financial Savings...** Accuracy + Clinical Efficacy + Workflow Efficiency + ROI = time and financial savings for clinicians and staff → greater focus on patient care and management issues.

What Devices Connect & How

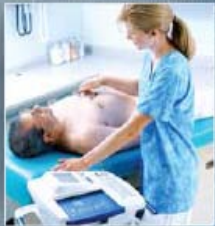
- Cardiopulmonary Devices
 - Resting ECG
 - Stress ECG
 - Spirometry
 - ABPM
 - Holter
- Electronic Vital Signs (Temp, NIBP, SPO2, Pulse)
 - Intermittent vitals
 - Vital signs monitors
- Other Connectivity Enabled Devices
 - Digital Macroview Otoscope
 - Video Colposcope
 - Digital Stethoscope

How – Interfaced and Integrated

- Interfaced - Device program and EHR system operate independently but are linked together as well.
- Integrated - Device program exists within the EHR system.



In the eyes of the physician, there is no difference once the device is installed



74bpm

99%



A Device Connectivity Case Study

General Background

- Single site PCP
- Austin, TX
- (8) Family Physicians
- (20) full time staff
- 2008 Test Summary
 - 130 visits/day
 - 41,116 visits
 - 1,948 ECG
 - 541 Spiro



Device & Application Integration

- Welch Allyn Vitals
- WA CardioPerfect/ECG
- WA SpiroPerfect/Spirometer
- HL7 Lab interfaces
- SureScripts E prescribing
- Image Import (scan, fax, camera)

The screenshot displays a medical software interface titled "e-MDs Chart - EWW". The patient information bar shows "Weidmann, Eric W." with a DOB of 12/24/1958, 50 y/o male, and insurance from HUMANA CLAIMS OFFICE. The interface includes a navigation pane on the left with a tree view of medical history, including dates and procedures like "Colonoscopy", "Polysomnogram", "Cholesterol, Total", "Spirometry", and "ECG". The main window displays a "Welch Allyn CardioPerfect Workstation" window with the following data:

Field	Value	Field	Value
Name:	Weidmann, Eric	Recorded by:	9/7/2008 4:44:20 PM
Number:	71856A	Referring physician:	EWEIDMANN
Gender:	Male	Ordering physician:	
Birthdate:	12/24/1958 49 years	Attending physician:	RM 18
P / PR:	118 ms / 178 ms	Comment:	
QRS:	89 ms		
QT / QTc / QTd:	442 ms / 430 ms / -		
P/QRS/T axis:	41° / 52° / 28°		
Heart rate:	53 bpm		

Below the data is a "Sequential" ECG waveform showing leads aVR, V1, aVL, and V2. The status bar at the bottom indicates "W: 3300 H: 2550 Compression: FAXCCITT4 Size: 309335".



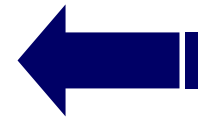
Welch Allyn Device Integration



Spot Vitals Capture

(2) Spot LXI's vitals units

Used by Medical Assistants and Nurses for vitals capture throughout practice



Electrocardiograph

(1) Unit in use by primary care team to electronically capture and transfer ECG results to eMD.



Spirometry

(1) Unit currently in use by technicians to electronically capture PFTs in eMD.



Before & After Vitals Connectivity

Before

- Equipment tracking issues
 - BP cuff, stethoscope, temp...misplaced
- Vitals parameters incomplete
 - Temp capture ~50%/Pulse ~10%
- 2-step manual data capture
 - MA writes results on paper/then to EHR
 - Opportunities for data transfer errors
- Workflow inefficiencies
 - Equipment tracking/2-step data entry
 - Vitals capture limited to exam rooms
- Clinical limitations
 - Incomplete vitals data/little trending
 - Inconsistent technique – human factors
- Patient inconvenience
 - Waiting for equipment or results
 - More time with MA occupied doing vitals

After

- All-in-one electronic vitals fosters accurate and reproducible data
- Comprehensive vitals captured
- 1-step data transfer
 - Device → direct to patient record
- Workflow streamlined
 - Eliminated equipment tracking
 - Enabled room (or central triage capture)
- Facilitates clinical studies
 - Consistent results
 - Vitals linked to test results & meds
 - Data trended/search-enabled via EHR
- Patient benefit
 - No waiting for equipment
 - More interaction with clinician

Before & After Cardiopulmonary Connectivity

Before

- Manual data capture
 - MAs enter patient demographics in device
 - MAs print ECG - put in patient folder
- Workflow inefficiencies
 - MAs print, copy and scan ECG to eMD
 - Staff shred ECG
 - MDs wait for ECG/spiro data to be scanned to eMD for review
- Clinical limitations
 - Little trending
- Patient inconvenience
 - Waiting for equipment or results
 - Smaller size/space impact

After

- Bi directional data transfer
 - Patient demographics → CPWS Device
 - Device → direct to patient record
- Workflow streamlined
 - Faster acquisition time
 - Elimination of copying, shredding and scanning of ECGs to eMDs
 - Immediate access into eMDs
 - Instant Fax capabilities
- Facilitates clinical studies
 - Data trended/search-enabled via EHR
- Patient benefit
 - No waiting for results
 - More interaction with clinician

Time is Money!



- Based on 130 patients,/ day
- Factoring in medical assistant, staff, MD time-savings
- **\$21,125.00/yr** savings by converting to digital vitals capture
- SAMC found much better data, charting, patient and staff satisfaction.

Time is Money!



- Based on 7 ECG, 2 spiro / day
- Factoring in medical assistant, staff, MD time-savings
- **\$8,688.00 /yr** savings by converting to digital cardiopulmonary device capture!
- SAMC found tremendous improvement in quality of data management facilitating better care and communication

The Stimulus Bill Update and Device Connectivity

Carving Yourself a Piece of the Stimulus Incentive Pie



Big Day → February 17th 2009!



President Barack Obama

“Because we know that spiraling health care costs are crushing families and businesses alike, and straining budgets across government, we’re taking the most meaningful steps in years to modernize our health care system. We’re going to computerize America’s medical records while maintaining rigorous privacy standards, saving billions of dollars and countless lives...”



\$790B

American Recovery and Reinvestment Act (ARRA)

Breaking Down the Bill

1. The American Recovery & Reinvestment Act → “The Stimulus”
 - **\$790 billion** to stimulate the US economy
2. The Health Information Technology for Economic and Clinical Health Act (“HITECH”) includes > **\$30 billion** for health information technology
3. Focused objectives of HITECH portion of stimulus package...
 - Prevent or decrease medical errors
 - Provide better, higher quality of care to patients
 - Introduce cost-saving workflow efficiencies

What's in the \$30 Billion ?!

- **\$17.7B** for Medicare incentives to doctors and hospitals for “Meaningful Use” of a “Certified” EHR
- **\$12.4B** for Medicaid incentives to doctors and hospitals for “Meaningful Use” of a “Certified” EHR
- **\$2B** for HIT infrastructure, especially Health Information Exchange (HIE)
- Additional funding for...chronic disease; community health centers, comparative effectiveness” research, etc.

Congressional Budget Office estimates that 90% of doctors and 70% of hospitals will be using a comprehensive EHR by 2020!

What...Meaningful Use? Certified EHR?

Meaningful Use?

1. Using a “certified” product, complete with e-prescribing
2. Ability to electronically exchange patient health information across delivery systems → interoperability/connectivity
3. Ability to electronically submit clinical quality measures

Meaningful User?

- An MD who’s demonstrating the use of the functionality for electronic prescribing, data sharing, and clinical quality reporting.

Certified EHR?

- EHR software that meets specific standards outlined in the bill.
- It is anticipated that the Certification Commission on Health Information Technology (CCHIT) standards will be the starting point.

When...Meaningful Use? Certified EHR?

Meaningful Use Timing

- Near-final plan will be reviewed and put out for comment by **January 1**.
- Enactment of final regulations will most likely not be released until **April 1**
 - We have been advised that this set of criteria should be considered close to the final description.

Certified EHR Timing

- A certification plan was proposed recently with final validation expected by the **end of the year**.

How BIG are the Incentive Payments?

Medicare Incentive Option

Beginning 2011, Medicare will **pay each physician** in a practice for “meaningful use” of a “certified” EHR up to **\$44K** over a 5-yr period

Year they first file	Amount They'll Receive Each Year						
	2011	2012	2013	2014	2015	2016	TOTAL
2011	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$0	\$44,000
2012	\$0	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$44,000
2013	\$0	\$0	\$15,000	\$12,000	\$8,000	\$4,000	\$39,000
2014	\$0	\$0	\$0	\$12,000	\$8,000	\$4,000	\$24,000
2015 or Later	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- 70% of incentives are accrued during the first 2-yrs...and trail off to zero for any MD not demonstrating “meaningful use” by 2015.
- Incentive amount is paid at 75% of allowable Part-B charges for each payment year. Part-B charges >\$24K in year one, per MD to hit max incentive.

What if MDs Don't Go EHR...Soon?

Penalties in the form of → Medicare Payment Reductions

HHS will decrease Medicare Part-B payments to physicians who were eligible, but failed to become “meaningful EHR users” by 2015, as follows:

Calendar Year of Non-EHR Use	Reduction in Medicare Part-B Payments
<u>2015</u>	1% if MD is e-prescriber 2% if MD is <u>not</u> e-prescriber
<u>2016</u>	2%
<u>2017 and after</u>	3%

* If <75% MDs have “meaningful use” by 2018, HHS has provisions in the bill to allow increases to the penalties up to a max of 5%

Front-loaded incentives + back-end penalties → Creates Urgency!

How BIG are the Incentive Payments?

Medicaid Incentive Option

Beginning 2011, Medicaid will **pay each physician** in a practice for “meaningful use” of a “certified” EHR up to **\$63.5K** over a 5-yr period

	Amount They'll Receive Each Year										
Year they first file	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
2011	\$21,000	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$0	\$0	\$0	\$0	\$63.5K
2012	\$0	\$21,000	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$0	\$0	\$0	\$63.5K
2013	\$0	\$0	\$21,000	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$0	\$0	\$63.5K
2014	\$0	\$0	\$0	\$21,000	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$0	\$63.5K
2015	\$0	\$0	\$0	\$0	\$21,000	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$63.5K

- Incentives up to \$21,000 are paid “up front” towards purchase of a certified EHR
- Providers who prove “meaningful use” receive up to \$8,500/yr 5-additional years
- No penalties have been defined by Medicaid for lack of adoption
- To qualify, must have 30% Medicaid patients – 20% for Pediatricians

What does all of this mean for
connected device sales ?



If The Practice Already Has an EHR...

“Great” Connected Device Sales Prospect...Why?

- Already paid for the EHR, yet still eligible to receive \$44K per MD.
- Only need “certified” EHR and MDs trained with “meaningful” use to be eligible for incentives.
- Money targeted for IT investments to increase patient safety, clinical effectiveness, streamline workflow, lower costs → connectivity-enabled devices do these all of these things for diagnostic testing!

If The Practice Does Not Have an EHR...

“Good” Connected Device Sales Prospect...Why?

- Eligible to receive \$44K per MD and even high-end EHRs cost \$20-30K per MD → small-practice EHRs are \$5-15K per MD
- In many cases, there will be money left over...for connected devices...
- It's up to us (you) to make the business/clinical case for our devices.

Creating the Link...to Device Connectivity

In today's world, patient safety, clinical effectiveness, workflow and cost savings are essential. By providing true device connectivity (bidirectional exchange of data) between medical devices and the EHR, a practice will enjoy the following benefits:

1. **Accuracy/Patient Safety**... eliminate transcription errors and lost or mislabeled diagnostic test results – go direct from patient → to device → to EHR.

Stimulus Cash

2. **Clinical Efficacy**... capture test results on every patient for analysis, interpretation and



Connected Devices

3. **Workflow Efficiency**... eliminate transcription, scanning and results reporting and provide instant access to test data → improve patient throughput.



100111



4. **Time Savings/Financial Savings**... Accuracy + Clinical Efficacy + Workflow Efficiency = time and financial savings for clinicians and staff → greater focus on patient care and practice management issues.

Punchline → connected devices are a great investment of stimulus funds!

Sales Support tools

Value of device connectivity

WA Connectivity Web Portal → www.welchallyn.com/ehrconnect

- Connectivity Video
- Case Studies
- ROI Calculator Tools (vitals & cardio)
- Connected Product Info
- Self-running EHR demos
- EHR Prep-Select Consulting Service

Stimulus FAQ's

FAQ's

- Should physician's wait to begin their search for an EHR?
 - No. A delay will likely increase the risk that the practice will not be able to demonstrate effective "meaningful use" which will result in a decrease in stimulus incentive dollars...and worse, possible penalties.
 - There is enough information available today to help narrow their focus to quality IT solutions.
- What are the potential financial benefits for the physician?
 - For Medicare qualified practices up to \$44K per MD over 5-yrs
 - For Medicaid qualified practices up to \$63.5K per MD over 5-yrs
- How do we know the government will not change their minds about what they are promising physicians?
 - Although the government can always change their minds, there has been a huge emphasis on healthcare reform - and widespread use of EHR technology is a foundational piece of any reform change strategy.
 - The financial incentives and payment schedules have been one of the most consistent components of the HITECH act. They have not changed since the bill was released.

FAQ's

- How will the EHR Stimulus dollars be paid to physicians?
 - The timing and distribution methodology for the incentive payments are not yet finalized.
- What forms will need to be filled out and by whom to collect stimulus monies?
 - Although it is known that forms will be required for collection of stimulus incentives, the specific content and submission format are not yet finalized.
- What Welch Allyn devices would be best to focus on to bring the most value to MDs utilizing the stimulus funds?
 - Electronic vitals signs...Spot, Spot LXi and VSM300
 - PC-based cardiopulmonary devices...ECG, stress, spirometry, ambulatory blood pressure monitoring (CardioPerfect™ Suite) + Holter
 - Digital Macroview Otoscope
 - Digital Stethoscope
 - Video Colposcope

Thank you for your time!