DEPARTMENT of HEALTH and HUMAN SERVICES

Fiscal Year

2013

Office of the National Coordinator for Health Information Technology

Justification of Estimates for Appropriations Committee

OFFICE OF THE NATIONAL COORDINATOR FOR HEALTH INFORMATION TECHNOLOGY

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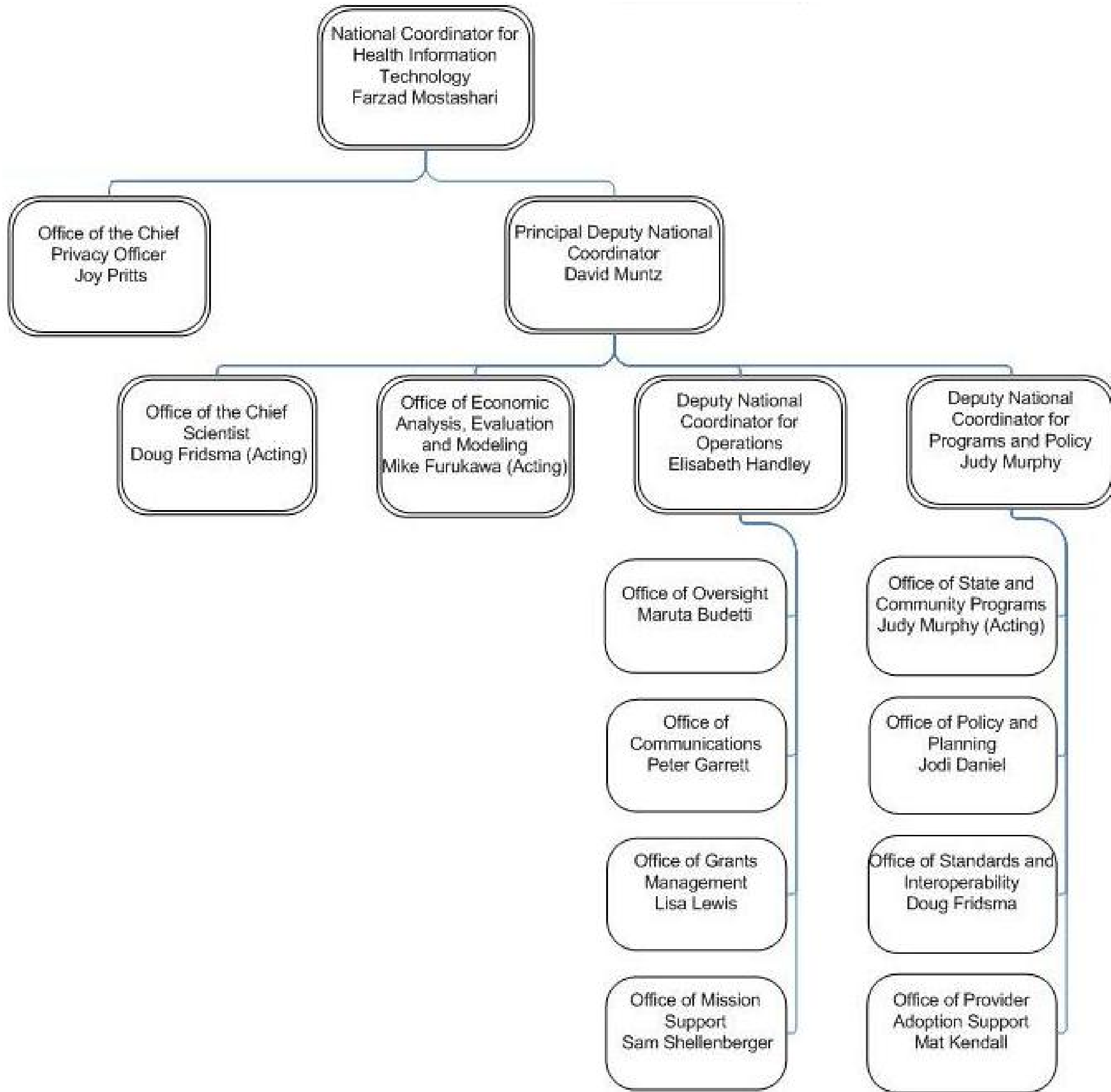
DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF THE NATIONAL COORDINATOR FOR HEALTH INFORMATION TECHNOLOGY

ORGANIZATIONAL CHART[1]



[1] The ONC organizational chart has been realigned to reflect the reorganization published in the Federal Register (Volume 76, Number 203) on October 20, 2011.

VISION

A health system that uses information to empower individuals and to improve the health of the population.

MISSION

To improve health and health care for all Americans through use of information and technology.

INTRODUCTION

Information is the lifeblood of modern medicine, and improving the flow of information is foundational to transforming health care. The U.S. Department of Health and Human Services' (HHS) Office of the National Coordinator for Health Information Technology (ONC) was created through Executive Order 13335, *Incentives for the Use of Health Information Technology and Establishing the Position of the National Health Information Technology Coordinator* and established in law through the American Recovery and Reinvestment Act of 2009 (Public Law 111-5, "Recovery Act"), and particularly, its Health Information Technology for Economic and Clinical Health (HITECH) provisions. ONC's goal is to pursue the modernization of the American health care system through the implementation and meaningful use of health information technology (health IT).

A high performing health system must take full advantage of the information technologies that have transformed every aspect of modern life. To enable health information to flow more effectively and efficiently throughout our health system, health IT advancements and the related efforts of ONC broadly support all of the HHS Secretary's priority goals.

In particular, ONC provides critical support to HHS' mission and particularly the HHS Secretary's priority to *Transform Health Care*. Information about patient care, population health, and health system performance are essential to improving outcomes of care, the health of populations, and the effective deployment and conservation of health care resources. Right now, such information is costly and difficult to collect and often completely unavailable. The goal of "meaningful use" of electronic health records (EHRs) and other forms of health IT promises to make critical data available for better decision-making by consumers, clinicians, health care managers, and policy-makers at all levels of our health care system and of government.

ONC has collaborated with the Centers for Medicare & Medicaid Services (CMS) to encourage the meaningful use of health IT, the Medicare and Medicaid EHR Incentive Programs. These programs provide incentive payments to eligible professionals, eligible hospitals and critical access hospitals (CAHs) as they adopt, implement, upgrade, or demonstrate meaningful use of certified EHR technology. In establishing these programs through a final rule, ONC and CMS worked together to define Stage 1 of meaningful use. The initial stage outlines measures, which seek to:

- Improve the health care quality, safety, and efficiency while reducing health disparities;
- Engage patients and their families in their health care;
- Improve healthcare coordination;
- Improve population and public health; and,
- Ensure adequate privacy and security protections for personal health information.

Subsequent meaningful use stages will build off of these measures to further improve advanced care processes and health outcomes. Stage 1 of meaningful use was focused on data capture and sharing. This includes accelerated adoption of EHRs, capture of critical information in EHRs, and health information exchange. Stage 2 of meaningful use will be focused on demonstrating health system improvement, which includes more widespread adoption, data exchange, and process improvement. Stage 3 of meaningful use will be focused on transforming health care, and population health through health IT. This includes demonstrating improvements in care, efficiency, population health, and breakthrough examples of delivery and payment reform.

ONC provides leadership, program resources and services needed to guide nationwide implementation and meaningful use of health IT. The programmatic activities of ONC are carried out by the following offices:

The *Office of the Deputy National Coordinator for Programs & Policy* is responsible for: implementing and overseeing grant programs that advance the nation toward universal meaningful use of interoperable health IT in support of health care and population health; coordinating among HHS agencies, offices as well as relevant executive branch agencies; the public health IT programs and policies; developing the mechanisms for establishing and implementing standards necessary for nationwide health information exchange; and, formulating plans, policies and regulations related to the mission of ONC. These activities are carried out by:

- The Office of Policy and Planning;
- The Office of Standards and Interoperability;
- The Office of State and Community Programs; and,
- The Office of Provider Adoption Support.

The *Office of the Chief Scientist* is responsible for identifying, tracking and supporting innovations in health IT; promoting applications of health IT that support basic and clinical research; collecting and communicating knowledge of health care informatics from and to international audiences; and, advising the National Coordinator on the educational needs of the field of health IT.

The *Office of the Chief Privacy Officer* is responsible for advising the National Coordinator on privacy, security, and stewardship of electronic health information and coordinating ONC's efforts with similar privacy officers in other Federal agencies, state and regional agencies, and foreign countries. The Office of the Chief Privacy Officer also supports privacy and security efforts in ONC's programs.

The *Office of Economic Analysis, Evaluation, and Modeling* utilizes advanced quantitative modeling to simulate the microeconomic and macroeconomic effects of investing in health IT; provides advanced policy analysis of health IT strategies and policies to the National Coordinator; and, applies research methodologies to perform evaluation studies of health IT grant programs.

The *Office of the Deputy National Coordinator for Operations* is responsible for activities that support ONC's numerous programs. These include: budget formulation and execution; contracts and grants management; facilities and internal IT management; human capital planning; stakeholder communications; policy coordination; and, financial and programmatic oversight. These activities are carried out through:

- The Office of Mission Support;
- The Office of Communications;
- The Office of Grants Management; and,
- The Office of Oversight.

DISCRETIONARY ALL-PURPOSE TABLE

(dollars in thousands)

	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	FY 2013 (+/-) FY 2012
Budget Authority	42,246	16,415	26,246	+9,831
PHS Evaluation Funds	19,011	44,811	40,011	-4,800
Total Program Level	61,257	61,226	66,257	+5,031
FTE	147	172	191	+19

OVERVIEW OF BUDGET REQUEST

The FY 2013 Budget Request for ONC is $66.3 million, including $40.0 million in Public Health Service (PHS) Evaluation Funds to support program activities and carry out Recovery Act responsibilities. This represents an increase of $5.0 million above the FY 2012 Enacted Level, and includes a decrease in PHS Evaluation Funds of $4.8 million.

This Budget request supports the implementation of the *Federal Health IT Strategic Plan 2011 – 2015* and HHS Strategic Plan, Goal 1: Transform Health Care. The FY 2013 budget request supports efforts that will contribute to advancing the following five priorities:

- Achieve Adoption and Information Exchange through Meaningful Use of Health IT;
- Improve Care, Improve Population Health, and Reduce Health Care Costs through the Use of Health IT;
- Inspire Confidence and Trust in Health IT;
- Empower Individuals With Health IT to Improve their Health and the Health Care System; and,
- Achieve Rapid Learning and Technological Advancement.

The Budget request provides resources that enable ONC to continue supporting, and further advancing, the progress it has achieved in creating a nationwide health IT infrastructure in response to the mandates set forth in HITECH. ONC is recognized as the lynchpin between Federal and state governments as well as the private market that ensures the standards, policy coordination, and certification supporting the health IT infrastructure are upheld.

OVERVIEW OF PERFORMANCE

The performance measures reported in this document track progress towards ONC's overarching goal to promote the nationwide implementation of health IT along with specific measures of key HITECH programs. Accordingly, the nationwide measures track the rate of EHR adoption, and meaningful use among professionals, hospitals, and priority groups, while separate measures track the performance of individual grant programs against their stated mission and goals.

During FY 2011, important strides were made in accelerating the development and diffusion of an interoperable nationwide health IT infrastructure. ONC continued to conduct and participate in a wide range of Federal planning and coordination efforts, further implemented HITECH grant programs, and assisted HHS by filling new and important roles required to support recently enacted health care reforms. Among recent accomplishments are the following highlights:

- *Increases in EHR Adoption:* EHR adoption statistics among non-Federal acute care hospitals, office-based physicians, and office-based primary care providers all increased markedly in FY 2011. Among office-based primary care providers, the nationwide rate of EHR adoption continued showing significant increases for a second year, this year increasing from 30 percent to 39 percent.

- *Federal Coordination and Advisory Activities:* ONC made progress in coordinating Federal health IT endeavors through leadership roles on the Federal Health IT Task Force by sustaining and forging key partnerships with HHS agencies – such as the Health Resources and Services Administration (HRSA) – and through coordination with other Federal agencies – such as the Federal Communications Commission – to ensure that the implementation of health and IT-related programs are mutually supporting.

- *Meaningful Use:* During FY 2011, health IT stakeholders in HHS collaborated extensively to establish the definition and implementation parameters for Stage 1 of the CMS Medicare and Medicaid EHR Incentive Program. As a result, initial incentives reached nearly 11,000 eligible providers, and provided almost $900 million in incentives to transition health care practices to EHRs. In further support of meaningful use, ONC also established the EHR Certification Program in FY 2011, another key milestone towards creating a transparent market for certified EHR products.

- *HITECH Program Implementation:* ONC's implementation of HITECH programs proceeded as expected in the first half of FY 2011. Notably, since the Health Information Technology Extension Program's establishment, more than 100,000 providers have signed up to receive implementation support. Moreover, in the Program of Assistance for University-Based Training and Community College Consortia to Educate health IT professionals, more than 5,500 students completed training in critical health IT workforce roles during FY 2011. This is around one fifth of the estimated shortfall of approximately 51,000 that was forecasted in 2009 based on available data from the Bureau of Labor Statistics (BLS), U.S. Department of Education (ED), and independent studies.

ONC'S PERFORMANCE MANAGEMENT PROCESS

The performance management process at ONC is a dynamic and on-going part of all program and policy management activities. The process includes embedded and discrete activities that provide ONC executives, managers and staff an opportunity to develop clear and common goals, monitor progress towards goal attainment, and when necessary, revise established plans appropriately.
The ONC performance process, which is largely enabled by a common government-wide framework of performance processes and standards, includes targeted activities that focus ONC performance management around: (A) priority-setting; (B) measurement and analysis; (C) regular performance reviews; and, (D) priority, strategic, and operational updates based on findings from performance reviews.

A. *Priority-setting*

ONC's authorizing legislation, appropriations, and operating budgets form the basis for the multi-year and annual priority setting processes. In addition, requests from Congress that pertain to updates on ONC activities or for renewed or reformed focus on certain aspects of health IT promotion and implementation are regularly received and integrated into ONC's priority set.

1. Strategic Plan (Fiscal Years 2011 to 2015)

Establishing multi-year strategic plans is a critical step in the process for establishing the medium and long-term visions for ONC. Accordingly, HITECH directs ONC to maintain the *Federal Health IT Strategic Plan*. Recently published, the Federal Health IT Strategic Plan is the result of extensive collaboration among health IT stakeholders; it represents an ambitious plan to coordinate the nation's efforts to accelerate the development and proliferation of health IT throughout the United States health care system.

HITECH requires the *Federal Health IT Strategic Plan* to address the following priority areas:

- Use of electronic exchange, health information, and the enterprise integration of such information;
- Utilization of an EHR for each person in the United States;
- Incorporation of privacy and security protections for the electronic exchange of an individual's individually identifiable health information;
- Use of security methods to ensure appropriate authorization and electronic authentication of health information and specifying technologies or methodologies for rendering health information unusable, unreadable, or indecipherable;
- Specification of a framework for coordination and flow of recommendations and policies under this subtitle among the Secretary, the National Coordinator, the HIT Policy Committee (HITPC), the HIT Standards Committee (HITSC), and other health information exchanges and other relevant entities;
- Use of methods to foster the public understanding of health IT;
- Employment of strategies to enhance the use of health IT to improve health care quality, reduce medical errors, reduce health disparities, improve public health, increase prevention and coordination with community resources, and improve the continuity of care among health care settings; and,
- Implementation of specific plans for ensuring that populations with unique needs, such as children, are appropriately addressed in the technology design, which may include technology that automates enrollment and retention for eligible individuals.[2]

Following the best practices established in the Government Performance and Results Act Modernization Act of 2011, partners will begin a process for reviewing and, if necessary, revising the strategic plan beginning in FY 2013, which is 3 years into the current plan's implementation. The process for updating the plan will necessarily include extensive planning within ONC; consultation with Federal partners; and, outreach to providers and the health care community.

2. Annual Plans

While multi-year, strategic plans are important to establishing a clear and common plan for the accomplishment of the nation's health IT adoption goals, so too is the establishment of annual processes for articulating in greater detail the specific performance expectations for the organization, senior executive, and staff levels.

The organizational and National Coordinator's annual plans are established according to the Department's senior executive service performance planning schedule, which is aligned to the fiscal year calendar. In practice, the method for establishing these plans is a collaborative, yet personally led, disciplined, and detailed-oriented series of conversations. The National Coordinator, ONC's executives, and subject

[2] P.L. 111-5, Sec. 3001(c)(3)(A)

matter experts work together to define ambitious milestones, and goals for accomplishing the upcoming fiscal year's program, policy and operational objectives.

After the National Coordinator's plan is finalized, the core performance elements are integrated into the annual performance plans for ONC's senior executives. Each ONC senior executive has a performance plan that includes critical elements of performance that are related to the achievement of the organization's program and policy goals, as well as the on-going exhibition of core management and leadership competencies. Once the National Coordinator and senior executive performance plans are in place, the process of aligning employee performance plans will begin. Staff performance plans will align with the expectations of ONC senior executives as well as the overarching goals of the organization. They will also include specific goal statements expressing the exact contributing actions that the staff will champion during the performance period.

B. Measurement and analysis

1. Research and Analysis of Priority Health IT Adoption Indicators

Through a variety of health IT-related research projects, ONC's teams of researchers, program evaluators, and program and policy analysts support a cross-cutting research, analysis, and adoption modeling agenda targeted to identifying barriers to health IT adoption, patterns of successful implementation, and gaps where additional research is needed to further motivate health systems change. Together, these activities enable ONC to assess nationwide, regional, and state-level patterns of adoption pertaining to priority groups of health care providers.

2. Summative Feedback on HITECH Program Effectiveness through Program Evaluations:

According to HITECH requirements, ONC is to conduct program evaluations of the: (1) overall implementation of HITECH, (2) Health Information Technology Extension Program, (3) Health IT Workforce Program, (4) State Health Information Exchange Program, and (5) Beacon Community Program. In addition to providing a summative assessment of ONC's HITECH program implementation, these evaluations also generate useful materials for routine analyses that can impact the implementation of the programs. For example, several of the HITECH evaluations are developing use-cases and grantee typologies that help ONC project officers and grantees understand and address common problems.

3. Rapid Analysis of Program Performance and Operations Data:

ONC's performance-based program management is supported by numerous information management systems that enable the consistent collection and analysis of performance information. For example, ONC's Office of Provider Adoption and Support uses a customer relationship management (CRM) tool to ensure that all Regional Extension Centers (RECs) are capturing the same information about the providers they are supporting in the path to meaningful use. In addition, ONC is implementing enterprise level analytical tools that harness the recurring flow of information and routine analyses by integrating them into management dashboards and regular dashboard reports. The ONC dashboards will be fully operational during the final three years of HITECH programs implementation.

C. Regular performance reviews

The regular review of national, Federal, ONC-organizational, senior executive and employee performance is engrained in ONC operations through a variety of formal and informal practices, including:

- Annual Organizational Assessment and Performance Report,

- Mid-Year Senior Executive and Employee Performance Reviews, and
- Quarterly Reviews.

In addition, ONC is committed to real-time analysis and review of data. Via the internal ONC performance and management dashboards and the Open Government Dashboard for Health IT, regular performance reviews will be made available to the public according to a pre-set list of key performance indicators that provide insight into how ONC programs are being implemented and the status of health IT adoption.

D. Priority, strategic and/or operational updates based on findings from the reviews

The process for planning, reviewing progress, and re-establishing priorities within an environment in which change is the expectation is necessarily robust and on-going. Through a series of regularly held weekly managers meetings, senior leadership team meetings, cross-cutting priority group meetings, and planning exercises, the Office of the Deputy National Coordinator for Operations and the Office of Policy and Planning shepherd the agency's leadership through the planning exercises needed to ensure that ONC strategic and implantation plans are always focused on the highest priority needs.

HHS Priority Goal for Fiscal Years 2012-2013: Improve Health Care Through Meaningful Use of Health Information Technology

Goal Statement:
By September 30, 2013, increase the number of eligible providers who receive an incentive payment from the CMS Medicare and Medicaid EHR Incentive Programs for the successful adoption or meaningful use of certified EHR technology to 140,000.

Key Indicators:
- Number of eligible providers who receive incentive payments from the CMS Medicare EHR Incentive Program for the successful demonstration of meaningful use of certified EHR technology.
- Number of eligible providers who receive incentive payments from the CMS Medicaid EHR Incentive Program for the successful demonstration of either adopt/implement/upgrade or meaningful use of certified EHR technology.

Discontinued Performance Measures

FY 2011 is the final year in which measure 1.F.1 will be reported.

Disclosure of Assistance by Non-Federal Parties

There was no assistance provided to ONC by non-Federal parties in preparing this performance plan and report.

Agency Support for HHS Strategic Plan

ONC is the principal Federal organization charged with coordination of national efforts related to the implementation and use of electronic health information exchange. The following table crosswalks the goals in ONC's existing strategic plan with the HHS Strategic Plan for 2010 - 2015.

FY 2013 Budget by HHS Strategic Goal
Office of the National Coordinator for Health Information Technology

(dollars in thousands)

HHS Strategic Goals	FY 2011	FY 2012	FY 2013 PB
1 Strengthen Health Care			
1.A Make coverage more secure for those who have insurance and extend affordable coverage to the uninsured			
1.B Improve health care quality and patient safety			
1.C Emphasize primary & preventative care linked with community prevention			
1.D Reduce growth of health care costs while promoting high-value, effective care			
1.E Ensure access to quality, culturally competent care for vulnerable populations			
1.F Promote the adoption and meaningful use of health information technology	61,257	61,226	66,257
2. Advance Scientific Knowledge and Innovation			
2.A Accelerate the process of scientific discovery to improve patient care			
2.B Foster innovation at HHS to create shared solutions			
2.C Invest in the regulatory sciences to improve food & medical product safety			
2.D Increase our understanding of what works in public health and human services			
3. Advance the Health, Safety and Well-Being of the American People			
3.A Promote the safety, well0-being, resilience, and healthy development of children and youth			
3.B Promote economic & social well-being for individuals, families and communities			
3.C Improve the accessibility and quality of supportive services for people with disabilities and older adults			
3.D Promote prevention and wellness			
3.E Reduce the occurrence of infectious diseases			
3.F Protect Americans' health and safety during emergencies, and foster resilience in response to emergencies			
4. Increase Efficiency, Transparency and Accountability of HHS Programs			
4.A Ensure program integrity and responsible stewardship of resources			
4.B Fight fraud and work to eliminate improper payments			
4.C Use HHS data to improve American health and well-being of the American people			

HHS Strategic Goals	FY 2011	FY 2012	FY 2013 PB
4.D Improve HHS environmental, energy, and economic performance to promote sustainability			
5. Strengthen the Nation's Health and Human Service Infrastructure and Workforce			
5.A Invest in HHS workforce to meet America's health and human service needs today & tomorrow			
5. B Ensure that the Nation's healthcare workforce meets increased demands.			
5.C Enhance the ability of the public health workforce to improve health at home and abroad			
5.D Strengthen the Nation's human service workforce			
5.E Improve national, State & local surveillance and epidemiology capacity			
TOTAL			

OFFICE OF THE NATIONAL COORDINATOR FOR HEALTH INFORMATION TECHNOLOGY

APPROPRIATIONS LANGUAGE

For expenses necessary for the Office of the National Coordinator for Health Information Technology, including grants, contracts and cooperative agreements for the development and advancement of interoperable health information technology, [$16,446,000**]** *$26,246,000*: Provided, That in addition to amounts provided herein, **[**$44,811,000**]** *$40,011,000* shall be available from amounts available under section 241 of the Public Health Service Act.

AMOUNTS AVAILABLE FOR OBLIGATION

(dollars in thousands)

OFFICE OF THE NATIONAL COORDINATOR FOR HEALTH INFORMATION TECHNOLOGY

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Request
General Fund Discretionary Appropriation:			
Appropriation (L/HHS, Ag, or, Interior)........................	61,257,000	61,257,000	66,257,000
Across-the-board reductions (L/HHS, Ag, or Interior)	0	-31,083	
Subtotal, Appropriation (L/HHS, Ag, or Interior)....	61,257,000	61,225,917	66,257,000
Total, Discretionary Appropriation.......................	61,257,000	61,225,917	66,257,000
Unobligated Balances:			
Unobligated balance, Recovery Act start of year............	159,370,000	3,740,000	0
Unobligated balance, Recovery Act end of year.............	3,740,000	0	0
Total obligations...	216,887,000	64,965,917	66,257,000
Obligations less ARRA...	61,257,000	61,225,917	66,257,000

SUMMARY OF CHANGES

(dollars in thousands)

2012	
Total estimated budget authority	16,415
(Obligations)	0
2013	
Total estimated budget authority	26,246
(Obligations)	0
Net Change budget authority	+9,831
Net Change obligations	+0

	FY 2013 Budget FTE	FY 2013 President's Budget Budget Authority	Change from Base FTE	Change from Base Budget Authority /1
Increases:				
A. Program:				
1. Deputy National Coordinator for Programs and Policy	92	12,229	+6	+4,796
Subtotal, Increases	**92**	**12,229**	**+6**	**+4,796**
2. Deputy National Coordinator for Operations	70	10,061	+9	+3,907
Subtotal, Increases	**70**	**10,061**	**+9**	**+3,907**
3. Office of the Chief Scientist	8	722	+0	+154
Subtotal, Increases	**8**	**722**	**+0**	**+154**
3. Office of the Chief Privacy Officer	10	2,141	+4	+692
Subtotal, Increases	**10**	**2,141**	**+4**	**+692**
4. Office of Economic Analysis, Evaluation, and Modeling	11	1,093	+0	+283
Subtotal, Increases	**11**	**1,093**	**+0**	**+283**
Total, Program Increases	**191**	**26,246**	**+19**	**+9,832**
Net Change	**191**	**26,246**	**+19**	**+9,832**

/1 Total may not add due to rounding.

BUDGET AUTHORITY BY ACTIVITY

(dollars in thousands)

	FY 2011 Actual	FY 2012 Enacted [/1]	FY 2013 Request
1. DNC Programs and Policy	18,570	7,336	12,229
Total, DNC Programs and Policy	**18,570**	**7,336**	**12,229**
2. DNC Operations	15,312	6,262	10,061
Total, DNC Operations	**15,312**	**6,262**	**10,061**
3. Office of the Chief Scientist	1,977	568	722
Total, Office of the Chief Scientist	**1,977**	**568**	**722**
4. Office of the Chief Privacy Officer	3,728	1,449	2,141
Total, Office of the Chief Privacy Officer	**3,728**	**1,449**	**2,141**
5. Office of Economic Analysis and Modeling	2,659	799	1,093
Total, Office of Economic Analysis and Modeling	**2,659**	**799**	**1,093**
Total, Budget Authority	**42,246**	**16,414**	**26,246**
FTE	147	172	191

/1 Total may not add due to rounding.

AUTHORIZING LEGISLATION

(dollars in thousands)

	FY 2012 Amount Authorized	FY 2012 Enacted	FY 2013 Amount Authorized	FY 2013 Pres. Budget
Health Information Technology Activity:				
1. Health Information Technology PHS Act 42 U.S.C. 201……..	Indefinite	$16,415	Indefinite	$26,246
2. PHS Evaluation Funds (non-add) PL 111-117...........................	Indefinite	$44,811	Indefinite	$40,011
Total request level.................		$61,226		$66,257

APPROPRIATIONS HISTORY

(dollars in thousands)

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
FY 2006				
General Fund Appropriation:				
Base..	$75,000	$58,100	$32,800	$42,800
PHS Evaluation Funds......................................	$2,750	$16,900	$12,350	$18,900
Rescissions (P.L. 109-148)................................				-$428
Transfer to CMS...				-$29
Subtotal...	$77,750	$75,000	$45,150	$61,243
FY 2007				
General Fund Appropriation:				
Base..	$89,872	$86,118	$51,313	$42,402
PHS Evaluation Funds......................................	$28,000	$11,930	$11,930	$18,900
Subtotal...	$117,872	$98,048	$63,243	$61,302
FY 2008				
General Fund Appropriation:				
Base..	$89,872	$13,302	$43,000	$42,402
PHS Evaluation Funds......................................	$28,000	$48,000	$28,000	$18,900
Rescissions (P.L. 110-160)................................				-$741
Subtotal...	$117,872	$61,302	$71,000	$60,561
FY 2009				
General Fund Appropriation:				
Base..	$18,151	$43,000	$60,561	$43,552
PHS Evaluation Funds......................................	$48,000	$18,900	$0	$17,679
ARRA (P.L. 111-5)...				$2,000,000
Subtotal...	$66,151	$61,900	$60,561	$2,061,231
FY 2010				
General Fund Appropriation:				
Base..	$42,331	$0	$42,331	$42,331
PHS Evaluation Funds......................................	$19,011	$61,342	$19,011	$19,011
Subtotal...	$61,342	$61,342	$61,342	$61,342
FY 2011				
General Fund Appropriation:				
Base..	$78,334	$69,842	$59,323	$42,331
PHS Evaluation Funds......................................	$0	$0	$19,011	$19,011
Rescissions (Secretary's)...................................				-$85
Subtotal...	$78,334	$69,842	$78,334	$61,257

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
FY 2012				
General Fund Appropriation:				
Base..	$57,013	$0	$42,246	$16,446
PHS Evaluation Funds..	$21,400	$28,051	$19,011	$44,811
Rescissions (P.L. 112-74).................................				-$31
Subtotal...	$78,413	$28,051	$61,257	$61,226
FY 2013				
General Fund Appropriation:				
Base..	$26,246			
PHS Evaluation Funds..	$40,011			
Subtotal...	$66,257			

BUDGET NARRATIVES

OFFICE OF THE DEPUTY NATIONAL COORDINATOR FOR PROGRAMS AND POLICY

	FY 2011 Appropriation	FY 2012 Enacted	FY 2013 Budget Request	FY 2013 (+/-) FY 2012
Budget Authority	18,570	7,336	12,229	+4,893
PHS Evaluation Funds	8,357	20,026	18,642	-1,384
Total Program Level	26,927	27,362	30,871	+3,509
FTE	75	86	92	+6

Authorizing Legislation: PHS Act 42 U.S.C. 201
Allocation Method: Contract, Cooperative Agreement, Grant

PROGRAM DESCRIPTION AND ACCOMPLISHMENTS

The Deputy National Coordinator (DNC) for Programs and Policy plays an important role in progressing towards the achievement of the HHS Secretary's priority to *Transform Health Care*. Its four program offices, the Office of Policy and Planning, the Office of Standards and Interoperability, the Office of State and Community Programs, and the Office of Provider Adoption Support, support efforts to:

- Encourage the adoption of health IT;
- Coordinate across and outside the government to expand the use of health IT, and establish standards to govern meaningful use of health IT;
- Develop and implement health IT policies that set the national direction;
- Establish the "rules of the road" and best practices for the use and exchange of health IT; and,
- Establish state and community programs to create the infrastructure and demonstrations needed to improve health care efficiency and quality.

The Office of Policy and Planning (OPP) leads ONC's Federal health IT policy activities and plays a critical role in the Administration's efforts to transform health care. OPP's policy development, coordination and planning activities include identifying and addressing policy opportunities and barriers that affect widespread adoption and meaningful use of health IT; aligning policy levers across the Federal government with health IT programs and objectives; and, developing and setting the policy framework for emerging activities that emanate from the creation and exchange of electronic health information.

In support of ONC's guiding priority principles, OPP advances and implements Federal policy that improves health and health care through the effective use of health IT. Specifically, OPP leads the following activities:

- *HIT PC and HITSC:* ONC chartered the HITPC, and the HITSC, Federal Advisory Committee Act (FACA) bodies, to make policy and technical recommendations to the National Coordinator. Committee work has informed CMS and ONC rulemaking for Stage 2 requirements for the Medicare and Medicaid EHR Incentive Program, Stage 2 standards and certification criteria for EHRs, and governance of the Nationwide Health Information Network (NwHIN). To date, the

Committees have made recommendations to the National Coordinator related to all five of ONC's five priorities noted in the Budget Overview.

- *Regulations:* OPP has developed seven regulations to date, including: the initial set of standards, implementation specifications, and certification criteria for EHRs as well as the establishment of the Temporary and Permanent Certification Programs for Health IT. In FY 2011, ONC published an advance notice of proposed rulemaking (ANPRM) to seek public comment on proposed health IT standards related to metadata. In FY 2012, OPP is developing the final rule for Stage 2 meaningful use standards, implementation specifications, and certification criteria for EHRs. This will be completed by FY 2013. Rulemaking for a governance mechanism and criteria for the NwHIN will continue into FY 2013.
- *Federal Health IT Strategic Planning and Policy Development:* OPP published the *Federal Health IT Strategic Plan 2011 – 2015* on September 12, 2011. OPP also conducted a webinar series for the members of the Federal Health IT Task Force – consisting of the National Coordinator for Health IT, administration officials, and other Federal agency leads for health IT. The Federal Health IT Task Force is the key federal committee responsible for coordinating Federal health IT investments, aligning programs to support meaningful use of certified EHR technology, and creating broad understanding of the direction for Federal health IT over the next five years.

The Office of Standards and Interoperability (OSI) works to enable health information to be captured and exchanged among health IT systems, whether they are within small physician practices or large hospitals. OSI plays a critical role in driving ONC's efforts to promote adoption and meaningful use of EHRs; facilitate electronic health information exchange to improve health care quality and delivery; and, enable consumers to play a more central role in directing their care through the use of technology.

OSI has undertaken a wide range of standard and certification criteria-related activities including establishing the Standards and Interoperability (S&I) Framework and the NwHIN's Direct, and health information exchange activities. OSI has also taken a role in establishing the EHR Certification Program and acting as Managing Partner of the Federal Health Architecture (FHA). OSI's role will become more critical as meaningful use requirements progress from a focus on data collection to improved care processes, better care coordination, and demonstration of improved outcomes.

Examples of activities and processes lead by OSI include:

- *Certification Process:* In FY 2010, OSI developed and implemented a temporary certification program, accredited six Authorized Testing and Certification Bodies, and established the Certified Health IT Products List (CHPL) to assure consumers that the EHR products they purchase will meet the requirements necessary to achieve meaningful use of health IT. As of January 2012, the CHPL includes 1,577 certified EHR products, 806 complete EHRs (678 ambulatory, 128 inpatient), and 692 EHR vendors. OSI collaborated with the National Institute of Standards and Technology (NIST) to develop and apply tests to ensure EHRs function in a manner that is compliant with the standards and technical requirements for meaningful use.
- *Standards/S&I Framework:* Through the S&I Framework, OSI has enabled a broad community of participants across the United States to engage positively with our government-led efforts to standardize health information exchange. The first initiative within the S&I was launched in January 2011. Today, the S&I Framework facilitates a community of almost 1,000 entities. As a result of these efforts, the nation, for the first time, has established a single standard for the data that is exchanged in core care transition scenarios.
- *Nationwide Health Information Network:* The NwHIN is a portfolio of standards, protocols, legal agreements, specifications, and services that enables the secure exchange of health information over the Internet. Just like the core standards that support the Internet allow information to be

accessible through multiple means, the NwHIN's standards, services, and policies will make it possible for health information to follow the consumer, be available for clinical decision making, and support appropriate use of health care information beyond direct patient care to improve public health. In FY 2011, ONC leveraged the investments and lessons learned from the NwHIN Direct and Exchange implementations to curate a set of simple modular transport specifications and associated testing guidelines that ensures the ability to exchange health information nationally.

- *Federal Health Architecture:* The FHA is a partnership among Federal agencies, ONC, and the Office of Management and Budget (OMB). HHS, through ONC, is the managing partner. This group is a collaborative Federal voice informs the development of shared Federal standards and protocols, including the NwHIN, and provides a venue for implementing and deploying standards, services and policies that will allow data exchange with all entities across the nation. In 2011, FHA developed requirement specifications and a roadmap for the CONNECT gateway, and successfully released version 3.2 of CONNECT, with work continuing on subsequent releases.

The Office of State and Community Programs (OSCP) supports and manages programs established in HITECH. Specifically, OSCP coordinates the efforts of states in the health care provider adoption of health information exchange to meet requirements for the CMS Medicare and Medicaid EHR Incentive Payment Program. OSCP also supports communities in applying health IT to demonstrate health care outcomes.

OSCP programs incorporate the outcome-oriented use of health IT into state-led care transformation efforts, such as quality reporting and medical home initiatives. OSCP programs will shape health information exchange efforts to address specific, concrete interventions that will have a significant impact on health outcomes, including improved care transitions, reduced readmissions, and reduced adverse drug events.

Activities led by OSCP include:

- *State Health Information Exchange (HIE) Program:* In FY 2011, all states received approval of their implementation plans for achieving statewide health information exchange. These plans guide creation of appropriate governance, policies, and network services to build capacity for connectivity between and among health care providers. Current OSCP efforts that support the State HIE Program are focused on the concentrated and successful Program execution, dissemination of lessons learned, and achieving innovation. State Health Information Exchanges bridge a digital divide, and fill a public need which is not addressed by other government programs.
- *Beacon Community Program:* In FY 2010, ONC awarded funding to 17 Beacon Communities in which clinicians, hospitals, and consumers commit to using health IT and related care delivery tools (e.g., clinical decision support technologies) and interventions, such as medical homes, to pursue significant improvements in quality, efficiency, and overall population health. In FY 2011 OSCP worked with Beacon communities to establish an outline of the specific activities and interventions they would implement to achieve their improvement goals. As a part of this effort, OSCP worked with the Beacon communities to establish a three-part performance measurement strategy, which is comprised of endorsed measures aligned with specific interventions; a common core set of measures aligned with national priorities; and, testing new measure types and measurement data aggregation to inform policy. Additionally, grantees began working to implement key health IT solutions aimed at improving care coordination and providing important clinical information to providers and patients.

The Office of Provider Adoption Support (OPAS) is responsible for helping health care providers utilize health IT effectively to improve the quality and efficiency of the care they deliver to their patients. Through the REC program, the Health IT Research Center (HITRC), and the Community College Workforce program, OPAS has developed a national network of organizations that are focused on supporting individual providers and assisting them to achieve meaningful use.

Examples of activities and processes led by OPAS include:

- *REC Program:* As required by HITECH, Section 3012, ONC initiated the REC program, which offers technical assistance, guidance, and information on best practices to support and accelerate health care providers' efforts to become meaningful users of certified EHR technology. As of December 2011, the 62 Regional Extension Centers have collectively recruited over 120,000 primary care providers and nearly 8,000 specialists to achieve meaningful use by 2014, surpassing the HHS High Priority Goal of recruiting 100,000 primary care providers to achieve meaningful use by 2014. Of the providers working with the RECs, by the end of 2011 nearly 60,000 were live on an EHR system that had e-prescribing and quality measurement functionality.
- *Community College Workforce:* As required by HITECH, in FY 2010, OPAS created a Community College Workforce Program to assist in the establishment or expansion of education programs designed to train a highly skilled workforce of health and information technology (IT) professionals to effectively establish and utilize secure, interoperable EHR systems. Estimates constructed in 2009 based on available data from the BLS, ED, and independent studies anticipated a shortfall of approximately 51,000 qualified health IT workers that will be required over five years to meet the needs of hospitals and physicians as they move toward meaningful use of certified EHR technology. The workforce programs focused on several key resources needed to rapidly expand the availability of skilled health IT professionals who will facilitate the implementation and adoption of health IT in the provider community. As of November 30, 2011 a total of 7,129 students have successfully completed the program. Currently, 8,936 students are enrolled nationwide. The programs are all fully operational, and are actively recruiting students.
- *HITRC:* As required by HITECH, OPAS established the HITRC. The office's responsibilities include gathering relevant information on effective practices as well as helping RECs collaborate with one another and with relevant stakeholders to identify and share best practices in EHR adoption and meaningful use. The HITRC supports 14 Communities of Practice (CoPs), which focus on topics such as education and outreach, implementation and project management, workflow redesign, vendor selection and management, meaningful use, privacy and security, workforce issues, public health, etc. During the last eight months of 2011, the HITRC portal, which provides a virtual environment for collaboration amongst individuals focused on implementing and using health IT to improve health care, averaged over 40,000 hits per month. Since the launch of the HITRC Portal, more than 895 resources have been posted, including 127 articles, 17 Frequently Asked Questions, 45 reports, 531 tools, 105 trainings and 70 suggested websites. The HITRC also launched a Learning Management System (LMS) to provide on-line training to REC staff on key issues related to EHR implementation and meaningful use.
- *eQuality Measurements/Meaningful Use Policy Support:* OPAS efforts to support meaningful use policy include its work with electronic Clinical Quality Measures (eCQMs) and the meaningful use vanguard (MUV) program. Stage 1 of meaningful use requires reporting existing clinical quality measures, which need to be re-tooled for inclusion within EHRs. Leveraging an interagency agreement with CMS, the OPAS meaningful use team supported the development, testing and validation of the eCQMs that are being developed to support meaningful use. The eCQM subgroup also began to develop open-source tools for providers and vendors to use to facilitate eCQM calculation, reporting, and improvement.

FUNDING HISTORY

FY 2007	47,996
FY 2008	45,929
FY 2009	48,665
FY 2010	26,138
FY 2011	26,927
FY 2012	27,362

BUDGET REQUEST

The FY 2013 Budget request for the DNC for Programs and Policy is $30.9 million. This amount is an increase of $3.5 million above the FY 2012 Enacted Level, and enables ONC to continue implementing HITECH provisions and meet ONC objectives. In FY 2013, ONC will also undergo a significant effort to transition activities that have historically been supported through contracts to Federal staff.

The FY 2013 Budget request will allow HHS to inspire confidence and trust in health IT through its efforts to develop a portfolio of secure, interoperable standards, develop a health IT testing infrastructure, establish certification criteria, provide a public facing CHPL, and support the NwHIN portfolio's "building blocks" of standardized vocabularies, content packages, transportation specification and information exchange services. The FY 2013 Budget request for ONC will also support a strong interoperability foundation upon which meaningful use, health information exchange, and improved patient care quality will be built.

The FY 2013 Budget request includes funding for continued support of the HITECH mandated HITPC and HITSC, and their workgroups. The Committees are charged with making recommendations to the National Coordinator on a policy framework for developing and adopting a nationwide health information infrastructure as well as on standards, implementation specifications, and certification criteria for the electronic exchange and use of health information.

The FY 2013 Budget request will support continued coordination with grantees to identify best practices for health IT adoption and meaningful use to achieve improved health care outcomes during the peak performance period of the grants. This support includes engaging in program management activities for the Beacon Communities, such as site visits, to ensure grantees are implementing the program according to the requirements. Continued program management for the State HIE program is also included in the FY 2013 Budget request, supporting best practice analysis, impact measurement, communication and dissemination of best practices, and engagement of a broad range of stakeholders associated with the program. This investment will produce more effective, easier to implement and lower-cost exchange options.

The FY 2013 Budget request also supports further development and expansion of the HITRC portal and the CRM tool. These tools will assist in the implementation of population health management and planning, and facilitate knowledge sharing among and between the network of over 120,000 REC members through virtual and in-person meetings and workshops to accelerate the exchange of lessons learned from on-going implementation projects. The FY 2013 Budget request assists ONC in breaking down barriers between providers and information systems. The Budget request also supports the development of best practices in guiding provider practices for understanding, selection, implementation and use of EHR systems. The CRM is able to analyze the data by types of provider type, provider setting, and region of the country. This information will assist other providers implement systems and will

address the historically low rate of EHR adoption by small practices. This information will also be used to support ONC's understanding of the factors that are impacting EHR adoption, which is an element of the ONC strategic plan.

OUTPUTS AND OUTCOMES TABLE

The following measures represent ONC's cross-cutting measures of national level indicators of health IT adoption and exchange, and HITECH Act implementation endeavors.

For more information about ONC performance against established goals, visit the ONC website at http://healthit.hhs.gov or the Health IT Dashboard at http://dashboard.healthit.gov.

Measure	Year and Recent Result / Target for Recent Result / (Summary of Result)	FY 2012 Target	FY 2013 Target	FY 2013 Target +/-FY 2011Target
1.A.1 Percent of office-based physicians who have adopted electronic health records (basic)[3]	FY 2010: 25% Target: 25% (Target Met)	40%	50%	+25
1.A.2 Percent of office-based primary care physicians who have adopted electronic health records (basic)	FY 2011: 39% Target: 35% (Target Exceeded)	45%	55%	+20
1.A.3 Percent of non-federal acute care hospitals that have adopted electronic health records[4]	FY 2011: Not Reported Target: 24% (Target Exceeded)	45%	55%	+31
1.B.1 Percent of eligible hospitals receiving meaningful use incentive payments[5]	FY 2011: 14% Target: N/A	38%	53%	+39%

[3] This measure is derived from the NAMCS and reported by the National Center for Health Statistics (NCHS) in the December 2010 publication, "Electronic Medical Record/Electronic Health Record Systems of Office-based Physicians" http://www.cdc.gov/nchs/data/hestat/emr_ehr_09/emr_ehr_09.htm.
[4] "Adoption" of an inpatient electronic health record is defined as at least "basic" adoption, without notes, as in Jha et al. 2009 in the New England Journal of Medicine article *Use of Electronic Health Records in U.S. Hospitals* http://www nejm.org/doi/pdf/10.1056/NEJMsa0900592. This measure excludes federal hospitals, and hospitals located outside of the 50 states and the District of Columbia. It encompasses all non-federal general acute care hospitals in the American Hospital Association annual survey, including critical access hospitals.

Measure	Year and Recent Result / Target for Recent Result / (Summary of Result)	FY 2012 Target	FY 2013 Target	FY 2013 Target +/-FY 2011Target
1.B.2 Percent of eligible professionals receiving meaningful use incentive payments[6]	FY 2011: 2% Target: N/A	15%	26%	+26%
1.B.3 Percent of eligible primary care professionals receiving meaningful use incentive payments[7]	FY 2011: Not Reported Target: N/A	N/A	N/A	N/A
1.C.1 Establish a network of Regional Extension Centers covering 100% of the U.S. population by the end of FY 2010	FY 2011: 100% Target: 100% (Target Met)	100%	100%	Maintain

[5] The numerator for this measure, 700 for FY 2011, is the total number of hospitals that receive incentive payments from either of the CMS EHR Incentive Programs. The composite pieces of this measure's numerator are reported in the CMS Performance Budget as measures MCR 27.3, MCR 27.4 and MCR27.6. The denominator is the total number of hospitals eligible to participate in the programs, 5,011, which were estimated through the impact analysis of the EHR Incentive Program, stage I meaningful use rule and is available here: http://edocket.access.gpo.gov/2010/pdf/2010-17207.pdf. The denominator for this measure is not adjusted from the FY 2011 estimated level in FY 2012 or 2013 to account for any potential changes to the size of the eligible population. This is not expected to have significant impact on the measure

[6] The numerator for this measure, 10,000 for FY 2011, is the total number of health care professionals that receive incentive payments from either of the CMS EHR Incentive Programs. The composite pieces of this measure's numerator are reported in the CMS Performance Budget as measures MCR 27.1, MCR 27.2 and MCR27.5. The denominator is the total number of health care professionals eligible to participate in the programs, 521,600, which was estimated through the impact analysis of the EHR Incentive Program stage I meaningful use rule and is available here: http://edocket.access.gpo.gov/2010/pdf/2010-17207.pdf. The denominator for this measure is not adjusted from the FY 2011 estimated level in FY 2012 or 2013 to account for any potential changes to the size of the eligible professional population. This is not expected to have significant impact on the measure.

[7] This measure's calculation requires a numerator and denominator. The numerator is the number of primary care providers that receive EHR Incentive Program payments, and the denominator is an estimate for the total number of primary care providers that are eligible to participate in the EHR Incentive Programs. Calculating this measure's numerator and denominator depends on the availability of several key data points for defining providers as "primary care" consistent with the EHR Incentive Programs' data collection process, as well as for estimating provider type, specialty, and patient volume against the Incentive Programs' eligibility criteria to estimate the eligibility. At this point, ONC data sources do not enable such estimates to be calculated with sufficient statistical reliability to report the results with confidence. Accordingly, results are not currently being reported for this measure.

Measure	Year and Recent Result / Target for Recent Result / (Summary of Result)	FY 2012 Target	FY 2013 Target	FY 2013 Target +/-FY 2011Target
1.C.2 Number of priority primary care providers registered to receive services from Regional Extension Centers[8]	FY 2011: 97,763 Target: 100,000 (Target Not Met but Improved)	100,000	100,000	Maintain
1.C.3 Electronic health record adoption rate among providers registered and working with ONC Regional Extension Centers for at least 10 months	FY 2011: 47% Target: 40% (Target Exceeded)	60%	72%	+32
1.D.1 Number of students enrolled in Health IT training programs at Community College Consortia participants[9]	FY 2011: 16,111 Target: 6,500 (Target Exceeded)	6,500	Discontinue	N/A
1.D.2 Cumulative number of students completing Health IT training programs at Community College Consortia participants[10]	FY 2011: 5,125 Target: 7,000 (Target Not Met)	12,250	Discontinue	N/A
1.E.1 Percent of community pharmacies that are capable of exchanging health information electronically	FY 2011: 92% Target:89% (Target Met)	97%	99%	+10

[8] As defined in the Funding Opportunity Announcement for the HITECH program for Health Information Technology Extension Centers, priority primary care providers are physicians (Internal Medicine, Family Practice, OB/GYN, Pediatrics) and other healthcare professionals (PA, NP, Nurse Midwife) with prescribing privileges in the following settings: small group practices (10 or less providers); ambulatory clinics connected with a public or critical access hospital; community health centers and rural health clinics; other ambulatory settings that predominantly serve uninsured, underinsured, and medically underserved populations.

[9] The period of performance for the Community College Consortia to Educate Health IT professionals ends April 2, 2012. Accordingly, performance targets reported here are pro-rated for the portion of FY 2012 that includes the grant program's period of performance. At the full 2012 performance level, which includes a portion of FY 2012 which is outside the program's period of performance, ONC expects the community colleges associated with the Consortia to have the capacity to train 10,500 students per year.

[10] *Ibid 8.*

Measure	Year and Recent Result / Target for Recent Result / (Summary of Result)	FY 2012 Target	FY 2013 Target	FY 2013 Target +/-FY 2011Target
1.F.1 Number of organizations using at least one complete NHIN information component to exchange information[11]	FY 2011: 20 Target: 15 (Target Exceeded)	Discontinue	Discontinue	N/A
2.A.1 Number of physicians participating in Beacon Community interventions	FY 2011: 5,678 Target: 5,678 (Baseline)	7,430	8,440	+2,762
2.A.2 Proportion of eligible providers in Beacon Communities that receive meaningful use incentive payments[12]	FY 2011: Not Reported Target: 30% (Baseline)	60%	TBD	N/A

[11] The National Health Information Network (NHIN) is a set of conventions that provide the foundation for the secure exchange of health information that supports meaningful use. The foundation includes technical, policy, data use and service level agreements and other requirements that enable data exchange, whether between two different organizations across the street or across the country.

[12] This measure uses a numerator and denominator. The numerator is the number of providers that receive EHR Incentive Program payments, and the denominator is an estimate for the number of providers that are eligible to participate in the EHR Incentive Programs within Beacon Communities. Estimating the denominator requires a zip code-level of granularity in the estimation process, and at this point, ONC data sources do not enable such estimates to be calculated with sufficient statistical reliability to report the results with confidence or reliability. Accordingly, results are not currently being reported for this measure. However, the following information is available: as of year-end FY 2011, approximately 8,856, or 6%, of the EHR Incentive Program-enrolled eligible professionals were from geographic areas overlapping with the Beacon Communities. Of those enrolled providers, 10% had already successfully attested *and* received incentive payments.

Data Validation Table

Measure ID	Data Source	Data Validation
1.A.1	The information for this measure is gathered in partnership between the Centers for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS) and ONC. Each year since 2008, NCHS has included in its National Ambulatory Medical Care Survey (NAMCS) questions pertaining to electronic health record adoption.	The CDC National Ambulatory Medical Care Survey (NAMCS) is a nationally representative survey of office-based health care providers with a response rate of approximately 68 percent. The survey allows ONC to examine electronic health record adoption by provider specialty and region in detail. Estimates of performance for FYs 2008-11 for this measure derive from the mail supplement to the NAMCS.
1.A.2	The information for this measure is gathered in partnership between the Centers for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS) and ONC. Each year since 2008, NCHS has included in its National Ambulatory Medical Care Survey (NAMCS) questions pertaining to electronic health record adoption.	The CDC National Ambulatory Medical Care Survey (NAMCS) survey is a nationally representative survey of office-based physicians with a response rate of approximately 68 percent. The survey allows ONC to examine electronic health record adoption by provider specialty and region in detail. Estimates of performance for FYs 2008-2011 for this measure derive from the mail supplement to the NAMCS.
1.A.3	American Hospital Association Annual Survey of Hospitals, Information Technology Supplement	The American Hospital Association (AHA) surveys all non-federal acute care hospitals annually. The survey includes a health IT supplement and the response rate is historically about 60 percent.
1.B.1	The CMS National Level Repository (NLR) is the data source of the meaningful use incentive program registration and payment data.	CMS will make incentive payments to eligible providers through the information that providers input into the CMS/NLR. CMS has procedures in place to ensure the integrity of the EHR incentive program incentive payments and the quality of data in the NLR.
1.B.2	The CMS National Level Repository (NLR) is the data source of the meaningful use incentive program registration and payment data. The denominator, number of eligible professionals, is estimated during rulemaking process for the EHR Incentive Programs. The estimate used for this measure is 521,600 eligible professionals. The numerator, number of eligible professions that receive incentive payments, is reported by CMS in its monthly public reporting of program data.	CMS will make incentive payments to eligible providers through the information that providers input into the CMS/NLR. CMS has procedures in place to ensure the integrity of the EHR incentive program incentive payments and the quality of data in the NLR.
1.B.3	The CMS National Level Repository is the data source of the meaningful use incentive program registration and payment data. The denominator, number of eligible primary care professionals, will be estimated by ONC subsequent to CMS reporting to ONC a dataset listing the population of primary care providers that have successfully attested to meaningful use.	CMS will make incentive payments to eligible providers through the information that providers input into the CMS/NLR. CMS has procedures in place to ensure the integrity of the EHR Incentive Programs incentive payments and the quality of data in the NLR.

Measure ID	Data Source	Data Validation
1.C.1	ONC Office of Provider Adoption and Support, Health Information Technology Extension Program.	ONC Project Officers routinely evaluate the quality of information submitted by REC grantees. In addition, ONC uses an evaluation contractor to validate the data.
1.C.2	Health IT Regional Extension Center Program	ONC Project Officers work closely with grantees and regularly review the quality of information submitted.
1.C.3	ONC Office of Provider Adoption and Support, Regional Extension Center Program	ONC Project Officers work closely with grantees to evaluate and ensure the quality of data that is submitted.
1.D.1	The information for this measure is gathered in partnership between the Centers for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS) and ONC. Each year since 2008, NCHS has included in its National Ambulatory Medical Care Survey (NAMCS) questions pertaining to electronic health record adoption.	In 2010 the CDC National Ambulatory Medical Care Survey (NAMCS) surveyed more than 10,000 physicians with a response rate of approximately 68 percent. The survey allows ONC to examine electronic health record adoption by provider specialty and region in detail. Estimates of performance for FYs 2008-2010 for this measure derive from the mail supplement to the NAMCS.
1.D.2	ONC Community College Consortia to Educate Health Information Technology Professionals Program, Monthly Grantee Reports	ONC Project Officers work in close coordination with grantees to review and approve the information that is submitted.
1.E.1	National Progress Report on E-Prescribing, Surescripts	This information is obtained from publicly available annual reports published by the industry-leading vendor for e-prescribing. For more information, visit: http://www.surescripts.com/about-e-prescribing/progress-reports/national-progress-reports.aspx
1.F.1	ONC Office of Standards and Interoperability	ONC tracks which organizations have signed on to the NHIN's Data Use and Reciprocal Support Agreements (DURSA) as well as which organizations are using at least one complete NHIN technical component to share information.
2.A.1	ONC Beacon Communities Cooperative Agreement Program	ONC Project Officers routinely evaluate the quality of information submitted by the Beacon Communities.
2.A.2	ONC Beacon Communities Cooperative Agreement Program	ONC Project Officers routinely evaluate the quality of information submitted by the Beacon Communities.

OFFICE OF THE CHIEF PRIVACY OFFICER

	FY 2011 Appropriation	FY 2012 Enacted	FY 2013 Budget Request	FY 2013 (+/-) FY 2012
Budget Authority	3,728	1,449	2,141	+692
PHS Evaluation Funds	1,677	3,956	3,264	-692
Total Program Level	5,405	5,405	5,405	+0
FTE	4	6	10	+4

Authorizing Legislation: PHS Act 42 U.S.C. 201
Allocation Method: Contract, Cooperative Agreement, Grant

PROGRAM DESCRIPTION AND ACCOMPLISHMENTS

As directed by HITECH, the Chief Privacy Officer, who was appointed in February 2010, is responsible for advising the National Coordinator on privacy, security, and data stewardship of electronic health information, and coordinating ONC's efforts with similar privacy officers in other Federal agencies, state and regional agencies, and foreign countries with regard to the privacy, security, and data stewardship of electronic, individually identifiable health information. The Office of the Chief Privacy Officer (OCPO) exercises this policy-focused role by conducting research, drafting and disseminating reports that support policy positions, staffing the HITPC and HITSC Privacy and Security workgroups, and guiding those recommendations through the Federal policy making process. OCPO plays an important policy formulation and policy coordination role in HHS, and the Federal government, contributing to a large variety of rules proposed by other operating divisions across the Department and across Federal agencies, particularly those arising out of the Patient Protection and Affordable Care Act (ACA), to help shape the privacy and security of evolving means for sharing health information to improve health care accessibility and quality.

The OCPO is also responsible for supporting the development and coordination of privacy and security implementation efforts within ONC’s HITECH programs including the OSI, OPAS, and OSCP.

Health Information Technology Security and Cybersecurity
HITECH Subtitle A, Part 1 § 3001, directs ONC to ensure that electronic health information is secure and protected. To that end, ONC has developed a comprehensive security and cybersecurity program that addresses both short-term objectives in supporting early gains in health IT adoption, as well as long-term objectives in creating a secure and protected health IT infrastructure for health information exchange. Security policy must constantly be re-assessed as the technological models for maintaining and sharing health information rapidly evolve (e.g. from on-site hardware to mobile devices and cloud computing).

Under this program, ONC has addressed security and cybersecurity with multiple strategies including provider education, assistance, and outreach, threat and vulnerability analysis; mitigation planning and implementation; and, breach prevention technology. OCPO supports security efforts both within ONC programs, as well as on a broader Federal policy scale, by supporting important research and innovations in enhanced security protection technology, which encourages further market innovation in this area. Example projects include:

- *Breach Causal Analysis:* To combat data leakage, it is necessary to know the cause, to apply the appropriate corrections. OCPO performed the first known study of health care electronic data breach, which found that, contrary to common public assumption, nearly 80 percent [13] of data loss stems from the loss or theft of computing devices ranging from server hard drives to flash memory sticks. The study found that external intrusions or "hacking" accounted for less than 10 percent of data loss. This finding and the subsequent HIT Task Force Cybersecurity Work Group recommendations have provided the direction for ONC's data loss prevention efforts. Examples include outreach to RECs to provide tools and training in data loss prevention and a series of online breach prevention training modules which will be available to providers in 2012.
- *Endpoint Security Automation Test Bed:* OCPO has partnered with the Office of Civil Rights (OCR) and NIST to develop methods of automating EHR security from the initial installation through the lifetime of the system. This project's objectives are to reduce the technology burden on providers while simultaneously improving the overall level of security across the health IT ecosystem. ONC is testing advanced technologies for security automation, including NIST's Security Content Automation Protocol, software assurance, anti-theft technology, and hardware-based security. The result will be tested specifications for standard system configurations.
- *Technologies to Render Protected Health Information Unreadable, Unusable, or Indecipherable:* In establishing the basis for a breach notification rule, HITECH requires updates on technologies for breach prevention. OCPO has initiated a series of studies to survey emerging technologies for data protection. Among the advanced technologies recommended for further investigation are hardware-based anti-theft capabilities (e.g. Lojack for Laptops®) and remote destruction programs, which allow system administrators to wipe all data off of a stolen laptop regardless of location. As a result of this study, OCPO has included these emerging technologies in its security automation test bed.
- *REC Cybersecurity Support for Small Providers:* OCPO has supported ONC's core mission to facilitate provider adoption of EHR technology by delivering training and tools for the RECs to use in assisting their provider clients. These include a cybersecurity awareness video, an automated risk assessment tool, a cybersecurity checklist, a technology capability assessment tool, and training in cybersecurity incident response.
- *State Health Information Exchanges Resiliency Plan:* OCPO solicited stakeholder input to determine the impact of disasters on health information exchange regionally and nationally. Based on the findings, OCPO is developing basic resiliency training for grantees and is producing a concept for resiliency.

Privacy and Security Policy and Implementation

Public policy must not only protect the privacy and security of health information, but must do so in a manner that can be implemented broadly in the health system. ONC has established a high-level Privacy and Security Framework based on the fair information practice principles to guide policy and technical development across the Federal government, state governments, and the private sector. OCPO developed, operationalized, and began staffing the HHS department-wide Task Force, which was formed to resolve HITPC and HITSC recommendations on high-priority policy-making to ensure the privacy and security of health information for the nation. OCPO has provided crucial guidance on privacy and security to CMS on the implementation of components of health care reform under ACA, including acting as a liaison with consumer and privacy group stakeholders. On a programmatic level, OCPO has initiated an active campaign to raise health care provider awareness of the importance of incorporating privacy and security from the outset as they begin to adopt health IT. OCPO is developing both traditional and emerging training tools for this process, including game-based training and security "infomercials".

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[13] Lafky, Deborah. HIT Task Force Cybersecurity Workgroup. White House. Washington, DC. July 16 2010. Practical Solutions to Health care Data Loss.

OCPO also played a lead role in privacy and security-related coordination efforts across the Federal government through participation in the National Science & Technology Committee Subcommittee on Privacy and Internet Policy, the Federal Health IT Task Force, Federal Chief Information Officer Privacy Committee, and Credentialing and Access Management Subcommittee and the National Security Staff-led cross-agency working group which produced the National Strategy for Secure Online Transactions. In addition, OCPO has worked in collaboration with OCR to develop a consumer education campaign about health information privacy rights. OCPO hosted a public roundtable to discuss privacy and security requirements for and understand the evolving landscape of entities that maintain health information but are not covered by the Health Insurance Portability and Accountability Act (HIPAA), with a focus on personal health records (PHRs) and related service providers. Thus, OCPO has coordinated efforts to ensure key privacy and security protections are in place to achieve public trust in health IT adoption, health information exchange, and meaningful use.

FUNDING HISTORY

FY 2007	0
FY 2008	0
FY 2009	0
FY 2010	5,070
FY 2011	5,405
FY 2012	5,405

BUDGET REQUEST

The FY 2013 Budget request for OCPO is $5.4 million, which is the same as the FY 2012 Enacted Level.

Privacy and security are the foundation upon which trust in electronic health information and participation in health information exchange will be built. If individuals and health care professionals do not believe that their health information will be protected and remain confidential, the nation will not achieve the level of participation in health information exchange that is needed to improve individual and population health. Bolstering trust by ensuring privacy and security is fundamental to ONC's mission and a basic priority for ONC.

Cybersecurity

Ensuring that health information is secure in an ever-changing environment is a key goal of ONC. Since its creation in FY 2010, OCPO has worked with its FACAs and stakeholders to identify priority security and cybersecurity policy and practical challenges. OCPO's FY 2013 Budget request address these priorities by focusing its work on breach prevention and remediation in key areas including: assessing privacy and security aspects of emerging technologies; developing (with NIST and other partners) technical requirements and good practices for end-to-end healthcare information technology security implementation; reducing the exposure of health care data through advanced technologies such as data federation and de-identification; and continuing to investigate good practices and to provide tools and training to support grantees and healthcare providers in adopting sound security measures.

OCPO will also continue to work on patient identity management issues. Assuring that the correct clinical information is associated with a patient is crucial to providing safe care. In addition, it is essential to verify that patients accessing their health information electronically are who they say they are. OCPO will work on these patient identity management issues, including furthering the goals of the Administration's National Strategy on Trusted Identities in Cyberspace. OCPO will also continue to work on other

security issues arising from the goal of furthering patient-centered health care, such as secure communications with patients.

Privacy & Security Policy and Implementation
OCPO will continue to support the HIT Policy and Security Committees in evaluating the privacy and security policy needs of the evolving nationwide health information network, including governance. As new policies are developed, providers, health information exchanges, consumers, and other stakeholders need to be educated about their rights and responsibilities. In the past, there has been significant confusion over Federal privacy laws (e.g., HIPAA) partially due to the lack of a comprehensive education campaign. The FY 2013 Budget request will also support OCPO's security communications campaign that informs providers of security requirements and best practices, a privacy component will be added to ensure that new policies and best practices are communicated to those on the front line of using health IT, and HIE.

OCPO will also continue its work to further the electronic implementation of existing and evolving privacy and security policies, e.g., electronic consent. As directed by HITECH, OCPO will continue its work on coordinating health privacy policies and data stewardship with other federal partners, the states and foreign countries, for example working with the Federal HIT Taskforce.

Additionally, the report issued by the President's Council of Advisors on Science and Technology envisions accomplishing patient-centered health care through, among other things, embedding a patient's preference with respect to whether and to whom their health information will be shared. OCPO has previously funded preliminary work in developing use cases and standards that would advance this vision. OCPO intends to continue this work in FY 2013, building upon the trials that will have been conducted in FY 2012.

OFFICE OF ECONOMIC ANALYSIS, EVALUATION, AND MODELING

	FY 2011 Appropriation	FY 2012 Enacted	FY 2013 Budget Request	FY 2013 (+/-) FY 2012
Budget Authority	2,659	799	1,093	+293
PHS Evaluation Funds	1,197	2,183	1,666	-516
Total Program Level	3,856	2,982	2,759	-223
FTE	11	11	11	+0

Authorizing Legislation: PHS Act 42 U.S.C. 201
Allocation Method: Contract, Cooperative Agreement, Grant

PROGRAM DESCRIPTION AND ACCOMPLISHMENTS

The Office of Economic Analysis and Modeling (OEM) supports ONC's efforts to achieve cost savings and quality improvement in the health care system through in depth research and analysis of the myriad factors affecting adoption and meaningful use of EHRs. Within the broader context of ONC, OEM

- Uses economic analysis and models to describe and understand the factors driving: a) the adoption and meaningful use of EHRs; and, b) the costs and benefits of health IT implementation;
- Generates reports, data, and strategies, both as internal documents/presentations and external peer-reviewed publications, to inform ONC programs and broader audiences on the adoption and benefits of health IT;
- Manages ONC's performance measures and reporting requirements for both governmental and external audiences; and,
- Represents ONC in departmental discussions involving health policy, economics, data analysis, and policies/reforms that would leverage health IT and in the broader health economics and health services research community.

Performance Measurement & Reporting
OEM is responsible for developing and coordinating ONC performance measures and ensuring their accurate reporting to internal government audiences and the general public. This involves collaboration with all ONC offices. The mechanisms for reporting these data include the government-wide High Priority Performance Measurement website (www.goals.performance.gov) and related documents, the Recovery Act reporting website (www.recovery.gov) and the ONC Performance Appendix (www.hhs.gov/asfr/ob/docbudget/index.html).

Externally-Directed Activities
OEM must use multiple modes of communication to reach a diverse set of audiences. As discussed earlier, benefits of implementing health IT in care settings are well documented but most published studies are limited case studies or narrow reviews. OEM's work to synthesize and communicate what is known about health IT for the public and provider community through ONC's performance reports, website, public dashboard, and peer-reviewed literature helps providers understand the merits of health IT adoption and ultimately contributes to health care cost-savings and quality improvement through the expanded use health IT.

Peer-reviewed Literature
Peer-reviewed journal articles are a critical medium for the ongoing advancement of health IT. Policy-makers, decision makers, and key industry stakeholders follow closely the documented benefits of health IT, and published studies are an effective and necessary tool for ONC to reach these audiences. As a result, OEM is committed to funding studies resulting in peer-reviewed publications. OEM also strives to publish staff-generated findings so as to make them widely available to the public and scientific community in the spirit of open government.

A study completed by OEM and published in the journal *Health Affairs* found growing evidence of the benefits of health IT. Using methods that were employed by two previous independent reviews, the new study finds that 92 percent of articles on health IT reached conclusions that showed overall positive effects of health IT on key aspects of care including quality, and efficiency of health care.

Another study published by OEM in *Health Affairs* reported that more than four in five office-based physicians could qualify for new Federal incentive payments to encourage the adoption and meaningful use of electronic health records, based on the numbers of their Medicare or Medicaid patients. The incentives are thus likely to accelerate the spread of EHRs. OEM also recently published a study in the *American Journal of Managed Care,* which indicated that Surescripts© (the nation's largest e-prescribing network) transactional data may allow for the ongoing identification of regional trends, and assist policy-makers in identifying and mitigating emerging disparities in EHR adoption. Finally, OEM office developed measures that were published in *American Journal of Managed Care* and which determined that many hospitals have adopted multiple features of EHRs, and tend to use a staged adoption strategy based on logical groupings of functions.

ONC Website
OEM has worked with the ONC Communications team to produce versions of our technical work accessible to multiple audiences and stakeholder groups. In addition, as discussed above, the public portion of the ONC dashboard is intended to be a user-friendly and innovative reporting tool demonstrating progress in health IT. The public dashboard communicates important and up-to-date measures of adoption, quality improvement, and cost-savings.

ONC Program Support Activities
OEM undertook a wide range of activities that supported ONC's overall mission and the efforts of ONC's major grants programs established with HITECH funding. These include: supporting the Beacon Communities Program develop ongoing methods and models for the analysis of cost and quality data; assisting the State HIE program through tracking and evaluating critical measures for information exchange including e-prescribing, which is associated with fewer adverse drug events and medication errors; providing and analyzing measures of the adoption of EHR systems and the functionalities of those systems for the REC program; and, data gathering, analysis and publication of results that inform the provider community of the effects of EHR implementation for the HITRC program.

In addition, OEM contributes to ONC's activities implementing ACA, focusing on creating the basis for value-based payment and electronic means of measuring and reporting quality and cost performance. Additionally, OEM's FY 2012 Budget request includes funding to support the continuing momentum of the provisions of HITECH.

FUNDING HISTORY

FY 2007	0
FY 2008	0
FY 2009	0
FY 2010	1,452
FY 2011	3,856
FY 2012	2,982

BUDGET REQUEST

The FY 2013 Budget request for OEM is $2.8 million, a decrease of $0.2 million below the FY 2012 Enacted Level, and represents a reduction in monitoring activities. The Budget request for OEM broadly supports the requirements to measure and analyze the adoption, costs, and benefits of health IT.

The Budget request broadly supports ONC's requirement to measure, analyze, and evaluate the adoption and value of health IT. OEM works across the ONC programs and priority areas to:

1. Monitor EHR adoption and use;
2. Promote research on and understanding of the value of health IT; and,
3. Evaluate health IT Initiatives.

These three areas of activity link to ONC's strategic plan goals and are described in more detail in the remainder of this section.

Monitor EHR Adoption and Use

OEM has undertaken numerous initiatives to develop and track the adoption and meaningful use of EHRs and the exchange of clinical data. OEM will continue to monitor trends in these areas through its longitudinal data-collection strategy. In doing so, OEM will continue to exploit low-cost ways of collecting data through supplements to existing Federal surveys, research collaborations, and the procurement of data collected by private entities. The results of these monitoring activities will inform strategies to: enhance the use of health IT; improve the quality and efficiency of health care; and, improve public health. OEM is also tracking detailed data on adoption and meaningful use to inform the rulemaking process. Also, OEM is working to assess the number of eligible providers eligible for the meaningful use incentive program by geographic area. Finally, OEM is using procured data to assess the evolution of EHRs and to track the impact of the certification programs and incentives on the marketplace.

Promote Research on and Understanding of the Value of Health IT

OEM continually tracks and disseminates information to stakeholders about the effects of health IT on key aspects of care, including efficiency and effectiveness. OEM's work synthesizes and communicates what is known about health IT for the public and provider community through ONC's performance reports, blog posts, data collection, the ONC website, public dashboard, and peer-reviewed literature to help citizens and providers understand the value of health IT and how it can contribute to health care cost savings and quality improvement. Policy-makers, decision-makers, and key industry stakeholders follow the documented benefits of health IT closely, and published peer-reviewed studies are an effective and necessary tool for ONC to reach these audiences.

OEM also works to advance the literature on health IT and spur research on the effects of health IT on patient health outcomes and costs. For example, OEM's survey of the effects of EHRs on physician

workflow will be producing information in FY 2013 on the current costs and benefits of adopting health IT, and how that has changed since the first survey conducted in FY 2011. The results of this three-year study will be translated into a comprehensive set of information for policymakers and providers on how best to achieve the benefits of EHRs and minimize the cost and disruption of implementation to practices. Using procured data, OEM is conducting research on the digital divide and the association of EHR adoption and disparities in underserved areas. Additionally, OEM collaborates with HRSA to assess EHR adoption in rural and underserved areas and to evaluate the impact of EHRs on health care disparities. Finally, OEM is promoting research to reduce health disparities through health IT.

Evaluation
OEM is responsible for developing and coordinating ONC performance measures and ensuring their accurate reporting to internal government audiences and the general public. OEM uses the analyses mentioned above to inform programs, reduce uncertainty surrounding the benefits, and communicate measures of ONC's progress to governmental and external audiences. OEM works with the ONC Communications team to produce versions of its technical work accessible to multiple audiences and stakeholder groups. OEM also serves as a consultant to other parts of ONC and oversees a set of independent evaluations of each of ONC's HITECH-funded grant programs. In addition, OEM conducts internal analyses and commissions work to support the development of methods and models for the analysis of cost and quality data for the Beacon Program and the RECs by providing and analyzing measures of the adoption of EHR systems and the functionalities of those systems. Additionally, OEM assists the State HIE program through the evaluation of critical measures for electronic information exchange. Evaluating the frequency of data exchange within and across states will help measure the potential to achieve cost-savings and improve quality.

OEM's performance reporting, especially through its dashboard project, allows key audiences to track ONC progress with easily accessible and current data. The online dashboard displays program milestones, metrics, and achievements of ONC and to track interim program activities. The public dashboard communicates important and up-to-date measures of health IT initiatives including EHR adoption, meaningful use, grantee milestones, and Federal partner programs, and is a user-friendly and innovative reporting tool demonstrating progress in health IT. It represents OEM's strong commitment to health IT and the principle of open government.

OFFICE OF THE CHIEF SCIENTIST

	FY 2011 Appropriation	FY 2012 Enacted	FY 2013 Budget Request	FY 2013 (+/-) FY 2012
Budget Authority	1,977	568	722	+154
PHS Evaluation Funds	0,889	1,551	1,101	-450
Total Program Level	2,866	2,119	1,823	-296
FTE	8	8	8	+0

Authorizing Legislation: PHS Act 42 U.S.C. 201
Allocation Method: Contract, Cooperative Agreement, Grant

PROGRAM DESCRIPTIONS AND ACCOMPLISHMENTS

The Office of the Chief Scientist (OCS) is responsible for: applying research methodologies to assess progress and trends in health IT science and technology; identifying, tracking and supporting innovations in health IT; leading research activities to support the goals of the HHS Strategic Plan and National Health Care Quality Strategy and Plan; promoting applications of health IT that support basic and clinical research; exchanging knowledge of health informatics and effective practices in health IT application with international audiences; collaborating with Federal agencies on new health IT programs; and, advising the National Coordinator on current and anticipated developments in information science and health IT.

Innovation
OCS provides support for health IT innovation efforts within ONC, HHS, and the Administration as well as the broader health IT development community in an effort to support widespread adoption of health IT through the achievement of meaningful use. While current programs represent the near-term steps towards improved health delivery, substantial innovation is needed to create the foundation for the Secretary's priority to *Transform Health Care*. OCS's innovations and research work supports HHS along three broad themes:

- Monitoring and identifying health IT and related innovations amongst all health care stakeholders;
- Communicating innovations to inform ONC programmatic and policy efforts, as well as other appropriate stakeholders; and,
- Supporting both the development and diffusion of innovative efforts aligned with HHS goals.

Advancing Health IT Science and Technology
ONC plans to develop a learning system infrastructure for healthcare quality improvement and population health. This nationwide health IT infrastructure will build upon adoption and meaningful use of certified EHR technology to support improving outcomes of care and the health of populations as well as the effective deployment and conservation of health care resources. To do so requires careful strategic consideration of the capabilities, technical and policy approaches, and operating principles needed to assiduously protect individuals' privacy while allowing efficient and effective use of data from multiple areas of health care, population health, and clinical, biomedical, and translational research.

The data needed for many of these goals are not currently captured in most EHRs, and often exist in parallel, un-integrated systems. Development of the technical infrastructure to harvest information and generate knowledge from data held across these areas is important to achieve HHS goals. Development of a policy and governance framework is equally crucial to achieving the infrastructure that will support the needed capacities and functionalities. Without a robust trust fabric between patients (in routine clinical care settings or in context of participating in clinical research) and providers/researchers, and amongst the providers and researchers, the needed sharing will not occur.

OCS, in collaboration with other ONC components, and other HHS Operating Divisions, has developed a detailed plan and governance construct for developing the learning system infrastructure for healthcare quality improvement and population health. ONC anticipates that organizations participating in these efforts will include government agencies and entities in the private sector. Additionally, OCS has worked on applicable standards development, architecture development, and the requisite policy framework. For the specific use case, requirements definition, standards, and policy-development projects undertaken, OCS has worked in very close partnership with ONC's Office of the DNC for Programs and Policy, and OCPO.

OCS is also working in coordination across HHS and with other Federal agencies active in relevant areas to advance the availability and utility of health IT for quality improvement, including Clinical Decision Support (CDS) and quality measurement. Two keystones for transformational quality improvement are CDS functionality and adaptable, reliable quality measurement functionality. CDS functionality helps healthcare providers deliver care that is timely, safe, high-quality, and sensitive to consumer preferences. Quality measurement helps providers define improvement priorities and track the effectiveness of improvement projects, while allowing for performance accountability. CDS and quality measurement have extensively overlapping needs for data interoperability and system capabilities. Both types of functionality are expected to benefit from the development and widespread implementation of interactive data technology. OCS is currently working through its various programs and with a variety of Federal partners to improve the availability and utility of CDS and quality measures functionality within and compatible with certified EHRs, and to promote development and widespread implementation of the interactive data technologies that will make it easier for providers to share CDS interventions and quality measures for internal improvement use, and for rapid application of quality measures that are developed or refined as our knowledge of clinical best practices is refined by the advances in digitally supported clinical, biomedical, and health services research.

FUNDING HISTORY

FY 2007	3,000
FY 2008	3,697
FY 2009	4,517
FY 2010	5,453
FY 2011	2,866
FY 2012	2,119

BUDGET REQUEST

The FY 2013 Budget request for OCS is $1.8 million, a decrease of $0.3 million below the FY 2012 Enacted Level, which represents a decrease in the Learning System Infrastructure, Health IT Innovation and Utility activities, and the International Health IT Program. This amount, however, will allow OCS to continue performance measurement of health IT programs, including:

Monitoring Innovation & International Programs

OCS's FY 2013 Budget request includes efforts to track health care innovations to understand their potential impact, and ensure that they are being appropriately leveraged by HHS and ONC in implementing health reform and HITECH. In addition, OCS continues to explore the international experience of health IT adoption, garner lessons learned from other countries' experiences, promote the availability and use of internationally recognized standards to facilitate health IT innovation and implementation in support of HHS domestic and global health goals.

Learning System Infrastructure for Healthcare Quality Improvement and Population Health

The Budget request also includes funding to build upon accomplishments in the area of health IT infrastructure to support a transformed health care system. In order to create a learning health system for health care quality improvement and population health, ONC will work with its Federal partners and the private sector to develop a policy framework that enables the repurposing of health data for the purposes of public health, clinical research, and quality improvement.

OFFICE OF THE DEPUTY NATIONAL COORDINATOR FOR OPERATIONS

	FY 2011 Appropriation	FY 2012 Enacted	FY 2013 Budget Request	FY 2013 (+/-) FY 2012
Budget Authority	15,312	6,262	10,061	+3,799
PHS Evaluation Funds	6,891	17,096	15,338	-1,758
Total Program Level	22,203	23,358	25,399	+2,041
FTE	49	61	70	+9

Authorizing Legislation: PHS Act 42 U.S.C. 201
Allocation Method: Contracts

PROGRAM DESCRIPTION AND ACCOMPLISHMENTS

The Office of the Deputy National Coordinator (DNC) for Operations is responsible for the activities that support ONC's numerous programs. These include: budget formulation and execution; procurement and grants management; facilities and internal IT management; human capital planning; stakeholder communications; policy coordination; and, financial and programmatic oversight.

The DNC for Operations has enhanced its grants management efforts to ensure compliance with Federal governing provisions for financial assistance, to implement and follow a defensible grants management process, and to implement robust program integrity measures. Through eight major grant programs, ONC has awarded over $1.7 billion in grants.

To ensure proper stewardship of these Federal grant dollars, the Office of Grants Management (OGM) has institutionalized a robust risk-based financial monitoring program which includes a toolkit of processes and procedures for review of financial status reports, analysis of drawdown reports, comprehensive desk reviews and on-site monitoring at the grantee facility, as well as year-in reviews that analyze every grant in the ONC portfolio to determine the risk level of each grantee and inform the following fiscal year monitoring plan. This risk-based monitoring program is the framework for ensuring both program success and financial accountability in all ONC programs.

OGM moved forward with two innovative grants management efforts, both critical to program integrity. The first, a comprehensive year-in-review tool, brings together the program offices and grants management office to assess financial and programmatic compliance of every ONC grantee. Program offices use program performance reports with milestones/outcomes to gauge grantee performance. The grants management office developed a set of criteria to analyze grantee financial performance. Once these reviews were completed, each grants management specialist and program officer met to discuss the analysis and determine overall grantee performance. In the end, every grantee received an official letter signed jointly by the program manager and grants management officer to document grantee performance against milestones, program objectives, and grantee compliance with grants and financial management requirements.

The second initiative was the development of a financial grants monitoring tool that streamlines the monitoring process. This cutting edge tool uses office software, automating the process for conducting

financial monitoring visits. Grounded in grants management regulations, the tool allows for consistency and ease in documenting the financial monitoring visit, generating analytics on grantee performance and compliance, and quickly and easily drafting reports. This tool achieves efficiencies in the monitoring process, while ensuring rigor and accountability.

Moreover, OGM developed and implemented a proactive training and technical assistance program for grantee and internal stakeholders to inform all stakeholders of Federal financial assistance requirements and processes throughout the lifecycle of the grant award. This program has proven to be a successful mechanism for increasing grantee knowledge of grants concepts and rules. Business grants management resources are available on the Internet to assist ONC grantees in understanding Federal, HHS, and ONC business grants management policies and issues. Specifically, OGM developed and posted 11 Grants Management Advisories covering a wide variety of topics. These concise documents provide clarification to ONC grantees on grants management issues. In addition, OGM posted 60 Frequently Asked Questions, held numerous webinars, conducted trainings sessions for grantees at regional meetings, and ONC annual grantee meetings, established a grants questions clearinghouse, and initiated grantee office hours, allowing grantees to ask questions or providing information and updates regarding grants policies.

Further, OGM developed a robust objective review capability and, a comprehensive budget review capability to ensure the integrity of the award process. Specifically, OGM has developed full life cycle policies and standard operating procedures, transitioned all grants into the Grant Solutions System, and fostered program effectiveness through strong partnerships with all the Program Offices and the grantee community.

The Office of Mission Support (OMS) within the DNC for Operations also worked to establish a budget baseline for all of ONC. The baseline establishes a strong foundation for capturing ONC's operational costs, by category, which must be funded to advance the organization's mission. This accomplishment ensures that ONC is building a budget that meets its operational needs. Additionally, the policy coordination team within OMS developed a library of question and answer (Q&A) documents. These Q&As address inquiries that ONC receives, and anticipates receiving regarding ONC programs, ONC programs' impact on health care, and budgetary questions. The Q&A library provides a resource for the organization and the National Coordinator in responding to Congressional, public, or other Federal agency requests for information.

The Office of Oversight (OO) conducted a comprehensive study of ONC grant programs identifying best practices, including an innovative post-award monitoring strategy as well as opportunities for improvement. OO supported the activities of the Secretary's Program Integrity Initiative, and facilitated two ONC program integrity reviews identifying risks and risk response strategies. Additionally, OO conducted two internal control reviews increasing the effectiveness and efficiency of ONC's overall operations. OO is further advancing internal control efforts by developing a robust internal control methodology to produce high-impact results using qualitative and quantitative assessment techniques. Further, OO has an ongoing responsibility serving as the Recovery Act coordinator for ONC, and achieved over a 99 percent compliance rate each quarter with Recovery Act reporting requirements. OO also serves as the central coordinating office during all phases of U.S. Government Accountability Office, and Office of Inspector General studies.

Lastly, the Communications Office (OCOMM) has designed and implemented a communication strategy for provider outreach. The strategy identifies the informational needs of providers and other stakeholders, that vary depending on specialization, location, and other demographic factors, and enables ONC (working with OCR) to tailor important health IT adoption and privacy and security information to various audiences. The strategy also identifies the elements necessary to provide patients with an

understanding of the changes that are coming in health care via health IT in an easily understood, culturally diverse way, *Putting the I in Health IT* as the campaign is entitled.

OCOMM created foundational materials that have been tested to ensure that they meet provider information needs, and a health IT adoption campaign strategy that allows health professionals and consumers alike to see themselves as an integral part of a health care system transformed by health IT. This is in addition to a revised HHS' health IT website, designed to be a one-stop-shop for consumers and providers. ONC established this comprehensive website to provide information on the full spectrum of health IT benefits and activities, including certification regulations and guidance, the CHPL, information on privacy and security, standards and interoperability, and other HITECH programs and resources that links to the CMS website for information on the incentive programs. Importantly, it will also connect providers and hospitals directly to CMS' site on the Medicare and Medicaid EHR Incentive Program, as well as to HIPAA information on OCR's website, and to other relevant agencies such as AHRQ, and NIST.

FUNDING HISTORY

FY 2007	10,306
FY 2008	10,935
FY 2009	8,050
FY 2010	23,223
FY 2011	22,203
FY 2012	23,358

BUDGET REQUEST

The FY 2013 Budget request for the DNC for Operations is $25.4 million, an increase of $2.0 million above the FY 2012 Enacted Level, and will fund increased central cost support for the four offices within the DNC Operations. It will also support the central costs of ONC as a whole. In FY 2013, ONC will also undergo a significant effort to transition activities that have historically been supported through contracts to Federal staff.

The FY 2013 Budget request for the DNC for Operations includes funding for critical central costs such as information technology, space, human capital, acquisition and shared services. These shared services, which are not attributed to a specific office, but are rather used by ONC as a whole, include financial and grants management systems, as well as contract management fees and legal counsel. Additionally, the FY 2013 Budget request includes funding to support increased space and related infrastructure costs, such as furniture, computers, equipment and supplies to accommodate new staff within the DNC for Operations, and ONC as a whole. The FY 2013 Budget request will also fund the personnel costs for the Immediate Offices of the National Coordinator and the Deputy National Coordinators. Lastly, the DNC Operations FY 2012 Budget request will allow the DNC for Operations to fully support its four offices:

- The Office of Grants Management,
- The Office of Mission Support,
- The Office of Oversight, and
- The Office of Communications.

SUPPLEMENTARY TABLES

BUDGET AUTHORITY BY OBJECT CLASS

(dollars in thousands)

Object Class	FY 2012 Enacted	FY 2013 President's Budget	Increase or Decrease
Direct Obligations			
Personnel compensation:			
Full-time permanent (11.1)..	2,236		(2,236)
Other than full-time permanent (11.3).....................	1,309		(1,309)
Other personnel compensation (11.5)....................	24		(24)
Military personnel (11.7)...	22		(22)
Special personnel services payments (11.8)			
Subtotal personnel compensation..............................	**3,591**	**-**	**(3,591)**
Civilian benefits (12.1)..	944		(944)
Military benefits (12.2)..	12		(12)
Benefits to former personnel (13.0)............................			
Subtotal Pay Costs	**4,547**	**-**	**(4,547)**
Travel and transportation of persons (21.0)..............			
Transportation of things (22.0)...................................			
Rental payments to GSA (23.1)...................................	1,890	2,268	378
Communication, utilities, and misc. charges (23.3)...			
Printing and reproduction (24.0).................................			
Other Contractual Services:...			
Advisory and assistance services (25.1)..............		1,500	1,500
Other services (25.2)...	1,941	9,326	7,385
Purchase of goods and services from...................			
government accounts (25.3)................................	5,808	10,612	4,804
Operation and maintenance of facilities (25.4)......	1,769	1,801	32
Research and Development Contracts (25.5)........			
Medical care (25.6)..			
Operation and maintenance of equipment (25.7)..			
Subsistence and support of persons (25.8)...........			
Subtotal Other Contractual Services.......................	**11,408**	**25,507**	**14,099**
Supplies and materials (26.0).......................................			
Equipment (31.0)..	460	739	279
Land and Structures (32.0)...			
Investments and Loans (33.0).....................................			
Grants, subsidies, and contributions (41.0)...............			
Interest and dividends (43.0).......................................			
Refunds (44.0)..			
Subtotal Non-Pay Costs...	**11,868**	**26,246**	**14,378**
Total Direct Obligations...	**16,415**	**26,246**	**9,831**
Average Cost per FTE			
Civilian FTEs..	146	171	190
Civilian Average Salary..	15	0	-12
Percent change..		-100%	0%
Military FTEs...	1	1	1
Military Average Salary...	22	0	-22
Percent change..		-100%	0%
Total OPDIV FTEs...	147	172	191
Total OPDIV Average Salary.......................................	24	0	-19
Percent change..		-100%	0%

SALARIES AND EXPENSES

(dollars in thousands)

Object Class	FY 2012 Enacted	FY 2013 President's Budget [1/]	Increase or Decrease
Personnel compensation:...			
Full-time permanent (11.1)...	2,236		(2,236)
Other than full-time permanent (11.3)...	1,309		(1,309)
Other personnel compensation (11.5)...	24		(24)
Military personnel (11.7)...	22		(22)
Special personnel services payments (11.8)...			-
Subtotal personnel compensation...	**3,591**	**-**	**(3,591)**
Civilian benefits (12.1)...	944		(944)
Military benefits (12.2)...	12		(12)
Benefits to former personnel (13.0)...			-
Subtotal Pay Costs ...	**4,547**	**-**	**(4,547)**
Travel and transportation of persons (21.0)...			
Transportation of things (22.0)...			
Communication, utilities, and misc. charges (23.3)...			
Printing and reproduction (24.0)...			
Other Contractual Services:...	9,518	23,239	13,721
Advisory and assistance services (25.1)...		1,500	1,500
Other services (25.2)...	1,941	9,326	7,385
Purchase of goods and services from...			
government accounts (25.3)...	5,808	10,612	4,804
Operation and maintenance of facilities (25.4)...	1,769	1,801	32
Research and Development Contracts (25.5)...			
Medical care (25.6)...			
Operation and maintenance of equipment (25.7)...			
Subsistence and support of persons (25.8)...			
Subtotal Other Contractual Services...	**9,518**	**23,239**	**13,721**
Supplies and materials (26.0)...	-	-	-
Subtotal Non-Pay Costs...	**9,518**	**23,239**	**13,721**
Total Salary and Expenses...	**14,065**	**23,239**	**9,174**
Rental payments to GSA (23.1)...	1,890	2,268	378
Total Salary, & Expenses and Rent...	**15,955**	**25,507**	**9,552**

1/ Excludes 'Equipment' Object Class 31.

DETAIL OF FULL-TIME EQUIVALENT EMPLOYMENT (FTE)

(dollars in thousands)

	FY 2011	FY 2012	FY 2013
Total FTE	147	172	191
Number change from previous year		25	19
Funding for object classes 11, 12, and 13	18,587	22,345	24,727
Average cost per FTE	126	130	129
Percent change in average cost from previous year		3%	0%
Average grade/step	13/2	13/2	13/2

Notes.
1/ Includes one (1) commissioned corps officer.

DETAIL OF POSITIONS

(dollars in thousands)

	Total Full-Time Equivalents			(Workyears)
	FY 2011 Target	**FY 2011 Estimate**	**FY 2012 Estimate**	**FY 2013 Estimate**
Direct:				
Program, Project or Activity:				
a. Budget Authority	148	147	172	191
b. Health Care Reform	1	0	0	0
Total, Direct Ceiling FTE	**149**	**147**	**172**	**191**
Reimbursable:				
Program, Project or Activity:				
Total, Reimbursable Ceiling FTE	**0**	**0**	**0**	**0**
Total, Ceiling FTE	**149**	**147**	**172**	**191**
Total, Civilian FTE	148	146	171	190
Total , Military FTE	1.0	1.0	1.0	1.0

Note: While there are no FTE ceilings, there continue to be statutory categorizes of "ceiling exempt" FTE. The tables above include "ceiling exempt" FTE totaling: 0 in FY 2010; 0 in FY 2011; and 0 in FY 2012.

PROGRAMS PROPOSED FOR ELIMINATION

No programs are proposed for elimination in FY 2013.