

Attachment A: Explanation of Order Sets Software and Computerized Physician Order Entry (CPOE).

CPOE is an essential part to meeting the requirements of the mandated Health Information Technology for Economic and Clinical Health (**HITECH**) Act for an Electronic Health Record (EHR) System (in NMC’s case **MediTech**). CPOE is the most clinically critical of all EHR implementations due to its potential impact on morbidity and mortality of NMC patients. In a study reviewing CPOE implementation by the Lucille Packard Hospital, implementation of CPOE resulted in a 20% reduction in mortality. In another study from the University of Pittsburg, where CPOE implementation was sub-optimal; there was an increase in mortality from 2.80 to 6.57%. NMC needs to be in the later camp.

For the last several years NMC has purchased, and continues to purchase, necessary modules of MediTech in order to systematically build a fully operational EHR. Modules of MediTech, in turn, meet the ongoing mandated Medicaid and Medicare Meaningful Use requirements via the HITECH Act legislated by the federal government.

“Meaningful Use” is defined as the “Meaningful use of an EHR Technology (in NMC’s case MediTech) to achieve specific health and efficiency goals.” Meaningful Use, as dictated by the HITECH Act, states that all hospitals meeting the targets of Meaningful Use Stage 1 & 2, will receive reimbursements for provided services. Meaningful Use Stage 1 requirements for Medicaid/Medical have been completed. The requirement for Medicare Meaningful Use Stage 1 began in March 2013 and is expected to be completed in June 2013. For NMC to meet Meaningful Use Stage 2, CPOE must be in place and fully functional by October 1, 2014.

CPOE Installation Project:

The Provation Order Set Software is the first phase of the CPOE Project. The Software is needed in order to build and integrate into the CPOE module of MediTech. The second phase of the CPOE project is the implementation and training. The entire project (both phases) will be approximately 16 months in length. Implementation of all phases of the project need to be completed due to the fact that, beginning in 2016 Centers for Medicare/Medicaid Services (CMS) will begin imposing fines to reimbursement levels to hospitals that have failed to meet all requirements of Meaningful Use and the HITECH Act (see graph below).

Year of Adoption	2011	2012	2013	2014	2015	2016	2017
Reimbursement for meeting Meaningful Use in FY 2011 or before	100%	75%	50%	25%			
If first adopting in FY 2012: (report period <7/1/2003)		100%	75%	50%	25%		
If first adopting in FY 2013: (report period <7/1/2013)			100%	75%	50%	25%	
If first adopting in FY 2014:				75%	50%	25%	
If first adopting in FY 2015:					50%	25%	
Penalties begin if not adopting by FY 2015, Market Basket Update reduced by:					33%	67%	100%

In summary, **CPOE** is one of the essential **Meaningful Use Requirements** of the **HITECH Act**. The **Order Sets Software** is the “foundation” to CPOE. Additionally, upon completion of the entire project, Order Sets Software and CPOE will be used via Natividad’s EHR system, **MediTech**.

