



The Sounding Board:

Each issue, PSC will ask three members from our board of directors to offer their perspectives on key challenges facing the government services industry.

The Stimulus, Budget and the Future of Health IT

Question: *How do you envision the enactment of the American Recovery and Reinvestment Act (stimulus act) and the projected additional initiatives signaled by the administration (including, but not limited to, their stated plans for the FY10 and FY11 budgets) affecting the market for professional, IT and other services in the health and human services (HHS) arena?*

Gail Bassin, Co-CEO and Board Chair, JBS International



The president has made a clear commitment to transforming the health delivery system, improving health outcomes,

and gaining cost control. HHS alone has received \$27.9 billion under the stimulus act, and additional health care funding is embedded in many other agencies. This commitment for health modernization through 2019 offers unprecedented opportunities for firms that specialize in health work through HHS and other federal agencies. Those opportunities likewise create entry points into the health arena for other PSC members who bring needed technologies and expertise. There also may be a silver lining for mid-sized firms who offer deep expertise with HHS and other federal health initiatives.

So does this translate into immediate dollars for government contractors? In short, the stimulus package and upcoming budgets are promising but require a lot of sleuthing and nimble strategies that won't materialize tomorrow. The stimulus favors "shovel ready" projects given the funding for construction. It favors firms with demonstrated health IT

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Sudhakar Kesavan, Chairman and CEO, ICF International



We believe that the market for professional services supporting health and human services initiatives is strong because of the fundamental

challenges we face as a nation in providing these services and because health and human services is a key priority of congress and the new administration. The stimulus act also includes some \$40 billion in line items for HHS. Moreover, the long term challenge of providing adequate and affordable health care services is clearly articulated in the president's FY 2010 budget message: "the budget sets aside a reserve fund of more than \$630 billion over 10 years that will be dedicated towards financing reforms to our health care system. The president recognizes that while a very large amount of money and a major commitment, \$630 billion is not sufficient to fully fund comprehensive reform."

This emphasis is in part why ICF International has invested heavily in expanding our ability to provide professional services to this market. In 2008, HHS was our largest federal agency client. In addition, last month we

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Mac Curtis, President and CEO, Vangent



Healthcare reform is at the top of agenda and a constant headline right now; however, curing the nation's healthcare system will require

cooperation across the aisles of Congress and the industry. This creates a challenge, but also an unprecedented opportunity for the IT industry to show its full promise in healthcare through streamlining administrative inefficiencies and improving clinical outcomes resulting in cost-savings.

Historic disparity in IT investment has created differing levels of technological capabilities throughout the healthcare delivery chain, and interoperability has not been a consistent goal for present or future IT systems. As a result, critical information has failed to move effectively from the initial point of contact through the provider across the delivery chain to the ultimate consumer: the patient. These disparate, or often non-existent, systems have led to the gross inefficiencies, duplications and errors plaguing our healthcare system today.

The opportunity for healthcare reform lies in the promise of IT solutions that can truly foster greater access, affordability, operability and portability. President Obama's \$19 billion stimulus act program

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for healthcare IT provides an important push to fund important projects such as electronic medical records (EMRs) that seek to close these information gaps and break down the silos. The act also begins to address issues of privacy and data ownership that has blocked the sharing of information in the past. Guidance from the Department of Health and Human Services will be the key as to how much this will affect the current landscape. The real value for healthcare comes from the ability to collect, manage and act on data—from the record origin through any primary care visit and utilization of existing information at other points of care such as a specialist or hospital system.

We have a long way to go. According to a recent study published in the *New England Journal of Medicine* and financed by the federal government and the Robert Wood Johnson Foundation, only 9 percent of the nearly 3,000 hospitals surveyed had electronic health records. Such figures demonstrate a clear

need for change. However, the industry has to realize that the move to EMRs is not enough; we have to ensure these systems work together to enable improved clinical performance.

For example, the Military Health System is focused on the collection of traumatic brain injury and associated behavioral health information for military service members throughout the entire continuum of care. Vangent is currently developing the clinical information technology solution to improve the workflow of patients' behavioral health information and integrate with the existing military's EMRs. When deployed, this system will make behavioral health patients' information more quickly available for diagnosis, treatment and ultimately positive clinical outcomes.

Although the \$19 billion in stimulus act funds provides the initial impetus for reform, the industry needs to look beyond the initial step of developing comprehensive and interoperable EMRs

to what can be done further in the future and how to better integrate the information throughout the delivery chain.

Information gathered during the EMR process, when combined with the analytics currently developed or in development, will drive better use of data to improve clinical care. For example, healthcare data will be more effectively collected and applied to comparative effectiveness research that will provide insight into what course of action will deliver the best treatment. Additionally, health data analytics will be the basis for more accurate and precise predictive modeling and disease prevention. The opportunity is now for healthcare IT to prove its worth by providing measurable change to our current system.

Mac Curtis is President and CEO of Vangent, a leading global provider of information management and strategic business process outsourcing solutions. He serves as Vice-Chair of the Professional Services Council.

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Questions? Contact Gary Beckman, President/CEO, at (800) 899-0306 or beckman@fcebeneft.com

www.fcebeneft.com



FCE Benefits
887 Mitten Road
Burlingame, California 94010-1303
800.899.0306 • 650.341.7432 fax
corpoffice@fcebeneft.com