The Technology Promise

Widespread use of electronic medical records promises to transform health care. But can we afford it?

BY KATIE BOYER

Health information technology (HIT), advocates say, will revolutionize the health care system; make hospitals, clinics and doctors' offices more efficient and effective; save billions of dollars; improve patient safety and health; and increase the availability of health care in rural areas.

"The ability to securely share and store patients' medical information will help doctors diagnose problems sooner, reduce errors and better coordinate care among several providers," says Massachusetts Senator Dick Moore, a key player in the effort to create universal health care in his state and the immediate past president of NCSL.

Two key pieces of federal legislation support a high-tech transformation. Under the 2009 Health Information Technology for Economic and Clinical Health (HITECH) Act, health care providers can qualify for Medicare and Medicaid incentive payments when they adopt certified health record technology. Additional incentives are available for professionals who provide these services in an area that has a shortage of health professionals. As of July 31, more than 13,000 Medicaid eligible professionals were registered for the program, and Medicaid agencies throughout the states had paid more than $165 million to providers. The Affordable Care Act also supports adoption of new technology, especially for accountable care organizations and patient-centered medical homes.

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If most hospitals and doctors' offices adopted HIT, the potential savings for the country could reach more than $513 billion over 15 years, according to a 2006 report published in the Journal of Health Affairs. Another study performed by Rand Corporation in 2006 estimated that, if all hospitals had a HIT system, about 200,000 adverse drug events could be eliminated each year, which, according to the Institute of Medicine, kill between 44,000 and 98,000 patients every year.

Studies have found electronic health records can reduce duplication of tests and hospital readmissions, help providers and patients better manage chronic conditions, and lower unnecessary emergency room visits. The Veterans Affairs Administration, for example, found that adopting electronic health records in more than 1,400 of its hospitals, clinics and nursing homes has reduced costs and improved the quality of care received by nearly 6 million patients.

There are real concerns, others point out, that need to be addressed if a revolution in health care technology is going to occur. Reluctance on the part of providers, costs and privacy are key issues.

Lawmakers were promoting HIT even before the recent federal push. Since 2007, NCSL has tracked more than 620 HIT-related bills in all 50 states, with 235 bills in 2011 alone. As of Aug. 1, 74 had been enacted.

Most state laws address high costs and privacy concerns. At least 19 legislatures have passed laws stipulating privacy and security standards to be followed as new technology is adopted.

NCSL Launches New Project

NCSL launched a new project, Transforming Health Care Through Technology, in January 2011, to study the latest health care technologies and their policy implications. The project includes state legislators, legislative staff, NCSL staff, and members of the Foundation for State Legislatures. It will provide a way for public and private members to collaborate on health IT issues. Meetings, publications and webinars will follow.

One Electronic Experience

As a leading health care provider to Connecticut's underserved population since 1972, Community Health Center Inc. knows what it takes to convert to electronic health records. In 2006, it became one of the first safety-net providers to make the change, and, according to CEO Mark Masselli, it's been a great success.

"We are committed to transforming the way health care is delivered," he says, by focusing on what works best to improve patients' health, "which ultimately helps contain costs."

He believes using electronic health records helps providers respond to patients' needs like never before. The advantages include:

◆ A patient's complete medical record is available to an entire care team, regardless of where he or she is.

◆ Safety improves because every prescribed medication is automatically checked for potentially harmful interactions.

◆ New tools are available for providers to remind them when patients are due for important screenings.

◆ Trends can be tracked to evaluate what works, allowing changes to be made often, when necessary.

Although the benefits are clear, adopting an electronic system is not always easy. "It takes commitment from the entire agency," says Margaret Flinter, senior vice president of the Connecticut provider. Difficulties include:

◆ The upfront costs.

◆ Maintaining the privacy of medical information.

◆ Giving health care providers support as they change their practice habits.

◆ Understanding the current workflow in order to create procedures that work in the exam rooms.

Masselli believes, however, the challenges should not deter providers from going electronic. "There is no doubt that EHR technology improves the quality of care at our center. Never before have we had access to data across our entire system that we can use to drive improvements."

—*Melissa Hansen, NCSL*

Challenges

Reluctance by health care providers to adopt new technology is a key concern. A recent survey conducted by Dell Inc. reported 79 percent of hospital executives are concerned about clinician participation and training in electronic health record technology. Nonetheless, since January 2011, nearly 35,000 health care providers have registered to take part in an electronic health records incentive program.

A new electronic system for maintaining and sharing health records can cost as much as $50,000. Although eligible providers may receive $44,000 from Medicare or $63,750 from Medicaid, the money is available for only five or six years. Maintaining the systems and connecting them to statewide health information exchanges can also be expensive. Temporary federal grants are available, but the ongoing costs of maintaining the systems are a major concern to doctors and hospital officials.

And then there are concerns about the safety and integrity of patients' personal information. Consumer advocates want to be sure private health information is not shared with insurers, employers or anyone else without the person's consent.

To address many of these concerns, the HITECH Act recently was updated with new regulations, not yet final, that set out strict guidelines for managing medical records and impose hefty penalties for violations and breaches.