

Written Testimony

of

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Mr. Chairman, Ranking Minority Member Bordallo and distinguished members of the Subcommittee. Thank you for allowing HIMSS Analytics to submit a formal statement for the record for the hearing entitled, "Can Small Healthcare Groups Feasibly Adopt Electronic Medical Records Technology?" I am Jack Price, Vice President of Services for HIMSS Analytics, LLC, a wholly owned and not-for-profit subsidiary of the Health Information and Management Systems Society (HIMSS). Our focus is on current and future trends of information technology in the healthcare market. We collect data from over 4,000 hospitals and 28,000 facilities on an annual basis. In addition, we routinely conduct surveys to obtain data critical to our research.

In one of our recent surveys, we conducted a random sampling of 2,500 physician group practices across the country. When asked if the practice had a Practice Management System for billing, 100% answered yes. But when asked if the practice had an Electronic Medical Record System/Electronic Health Record (EMR-EHR), only 26% answered yes. We then asked the 74% who do not have an EMR-EHR if they plan to purchase an EMR-EHR in the next 24 months and 75% said no.

That's a significant number of physician group practices who have made the decision to not invest in EMR-EHR technology. However, there is considerable evidence to support that investing in EMR-EHR technology will return both a soft and hard return on that investment.

Healthcare institutions generally view ROI in two ways: soft ROI, which highlights important but unquantifiable improvements in patient care, workflow and other areas; and hard ROI, which measures dollars and cents.

Soft ROI

This paper defines "soft return on investment" as clinical variables promulgated by EMR-EHRs in such areas as patient safety, process improvement and regulatory compliance. These results are generally supported by detailed analysis but they do not always include hard statistical data that proves their business cases.

It may be that many such factors are simply immeasurable. Unlike the many industrial companies that practice Six Sigma principles—a process improvement protocol requiring reams of data—healthcare providers face many challenges in quantifying every aspect of their practices. Though every treatment made by a physician or a nurse is chargeable, as lengthy medical bills attest, they are not always definable in terms of hard ROI.

Still, soft ROI carries just as much—and possibly more—importance to healthcare institutions, since many soft-return factors are transformative. Reducing errors in medication through decision support systems saves lives. Having access to a

patient's entire healthcare history helps improve care. Aggregated data analysis assists in focusing providers on performance enhancements. EMR-EHR software offers a wealth of clinical data, and in that data can be found the seeds of improvement, of change, of challenge and of success. Soft ROI includes:

Improved Patient Safety

The healthcare industry sees improving patient safety as a major imperative, especially since an Institute of Medicine study in 1999 revealed as many as 98,000 Americans may be dying every year from missed diagnoses, fatal drug interaction and inappropriate treatment by physicians and nurses.

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) has made improving patient safety one of seven initiatives for the coming year.

In fact, simple things such as replacing the bad handwriting of harried physicians move healthcare providers toward more accurate treatment of patients while reducing the time staff and pharmacists devote to dealing with drug interactions or prescribing issues. EMR-EHR software embedded with decision support alerts physicians, nurses and other staff to the potential for prescription problems while helping them automatically calculate dosages based on patient characteristics.

Process Improvement

Summarizing all the process improvements that come with an EMR-EHR implementation is difficult. A common user interface is one process improvement that allows providers to navigate user-friendly screens to locate patient data, in stark contrast to the hodgepodge of software systems and interfaces many organizations employed in the past. By using consistent electronic data sets for every patient—again, a novelty since paper medical charts changed over time, creating difficulties when attempting to compare information—healthcare providers now can standardize both data and care.

Other improvements come with eliminating duplicate records, and from electronic charting and discharge, electronic signatures, patient check-in and access to referring physician information.

The physician inbox of many software systems can display documents to sign and review, phone messages and consult orders. In the past, this all required a large stack of folders, pink callback slips and other paper forms. Instructions to nurses, too, tend to be clearer and more precise with an EMR-EHR.

Communications

The presence of EMR-EHRs greatly enhances communication among providers and patients. Something as simple as legible documentation, rather than physician

scrawl, helps pharmacists offer the right medications at the right dosages. Something as complex as decision support reminds doctors to suggest patients get Pap smears, mammograms, blood-pressure checks, vaccinations, and so forth. Communications can make a world of difference in a large provider environment.

Regulatory Compliance

Hospitals are required to document their care to several important regulatory bodies and to their own oversight committees. They must also abide by new federal guidelines providing for patient privacy.

The EMR-EHR software assists greatly in hospitals reaching for full compliance with a host of regulatory issues that will, in fact, lead to greater patient safety and better care.

The ability of physicians and nurses to document every patient encounter in the EMR-EHR, to view a patient's entire history in a consistent format, and to see best-practice treatment protocols helps enormously in complying with the myriad of healthcare regulations.

An additional point is worth making. By employing passwords and other security protocols that offer differing levels of failsafe user clearance, computerized health records can effectively restrict access to patients' confidential records. This makes complying with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) that much easier.

But HIPAA is not the only law providers need to abide by. The protocols promulgated by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the Health Care Finance Administration (HCFA), state agencies and others have oversight of hospitals and clinics.

Again, the data-crunching capabilities and alert systems inherent in EMR-EHR software help nurses and doctors comply with national and institution-based protocols. It's the tap on the shoulder to check twice, or do again.

Hard ROI

The definition of hard return on investment on EMR-EHRs involves two measurements: Quantifiable returns that can be demonstrated in financial terms, and process improvements that would suggest cost savings that may fit an identifiable—or measurable—metric.

Physicians and nurses do not always measure their work with the kind of metrics available in other industries. Providers simply have not had the tools to conduct a

thorough vetting of hard ROI. But with more sophisticated electronic systems now available to healthcare, the ROI equation is changing. These systems facilitate hard ROI data capture using more comprehensive methodologies.

In general, hard ROI from EMR-EHR installations can be grouped into three major categories: patient flow, materials and staffing reductions, and billing improvements. Some increases are astonishing; others show marginal—if still important—savings, or higher reimbursements.

Evidence of hard ROI is much richer in ambulatory care settings, perhaps because the data involves a smaller number of physicians and patients, and smaller, less diffuse budgets. Therefore, running the numbers and getting a feel for cost savings, patient flow and billing yields a richer palette of statistics than is evident in larger hospitals and practices.

Patient Flow

Only a handful of acute care institutions have looked at data that suggested an EMR-EHR installation could generate greater patient volumes, thereby increasing revenues and profitability. But there is anecdotal evidence that EMR-EHRs help healthcare providers move patients more efficiently through the care continuum. In fact, inpatient stays are generally shorter and patients receive better care, on average, with an EMR-EHR in place. Hard data is, frankly, slender on this issue.

Reducing and Reallocating Resources

Since EMR-EHRs reduce the need for paper, transcribers and space for medical records, their introduction can reap immediate financial rewards. However, it's notable that a reduction in staff may not always occur, because employees who once performed data entry, for example, might be deployed in new areas. That kind of employee shifting, common in hospitals, alleviates the need to hire new employees.

Radiology is another area where resources have been dramatically reallocated. Paper and non-digital film requires labor to organize, chart, file and find, but computers do the same things in seconds, not minutes or hours. Thus, digital radiology has been a key source of savings in many institutions.

Billing Improvements

Clearly, having an EMR-EHR system clarifies the often-messy world of billing. Capturing charges is easier and real-time, so submissions to insurers can be completed digitally and within hours of treatment, rather than days. Studies show as much as 50 percent of care in some hospitals never even gets submitted for reimbursement. The EMR-EHR function helps providers keep track of treatment and assists in coding for accurate billing.

Conclusion

Small healthcare groups see many of the same advantages from using electronic medical records as larger institutions. In many ways, ambulatory-care applications are more personalized and data-rich, and affect an astonishing, near-total transformation of the business. In some cases, clinics report doubling or even tripling caseloads—with a corresponding jump in revenue—and with only marginal increases in staffing. At the same time, many report that they more easily pass regulatory audits than ever before.

Even in the touch-and-go world of pediatrics, after EMR-EHR implementation, practices see decreased medical liabilities, more accurate and thorough documentation, enhanced patient care and improved quality-review scores. Patients no longer must wait as long to see a doctor, increasing their satisfaction. And staffers are happier, because their world no longer is awash in paper charts. Meanwhile, unlike hospitals, practices can demonstrate a bevy of soft and hard investment returns, accompanied by a wealth of statistical data that underlines the successful automation of their practices.

When charts can be seen on a clinic's computers and patient encounters can be documented in a few mouse clicks, the flow of patients through a clinical environment changes dramatically.

Clinics have found remarkable numbers when studying their return on investment for electronic medical records. Billing increased, paper costs sank, chart pulls nearly disappeared, patient volume skyrocketed and revenue showed outstanding gains.

However, as the results of our recent survey point out, many providers are still reluctant to invest in EMR-EHR technology. One reason may be the fear factors associated with the cost of software, hardware, implementation, training and support. The amount of work associated with implementations can be a daunting task and very disruptive to the practice. Perhaps one of the biggest barriers to overcome may be the resistance to change itself.

Lessons Learned

Ambulatory care clinicians who implemented electronic medical records have no shortage of advice for their colleagues. Since they work in small environments where nearly every staffer was touched by the transition to the EMR-EHR, they offer great ideas as both participants in the process and as champions of a new operations structure. Among their suggestions:

- Investigate applications that enhance office workflow. Give yourself time

to select an appropriate system and build in customizations.

- Invest in good products that have active user bases and are not likely become part of a “legacy system.”
- Find a company that allows template customizations and has a good product development track record with frequent upgrades.
- Try the “little bang” theory of installation, implementing only portions of the EMR-EHR at a time for minimal disruptions.
- Do not force-feed change. Incremental improvements have a big trickle-down effect; use less enthusiastic adopters as your benchmark. If the tools work for your skeptics, they’ll work for everyone.
- Buy an uninterruptible power supply such as 15-minute UPS for clinical workstations.
- Consider leasing hardware. That way, you may have greater flexibility to add, upgrade or change. Also, hardware prices decline and leasing can spare you from committing to an over-priced purchase.
- Make no assumptions during contract negotiations with vendors. Bringing in an EMR-EHR consultant and a good attorney.
- Research, then go back and do some more research. Some practices studied 20 vendors.
- Offer lots of training, allow for both Web-based and in-office training.
- Make sure the office layout features a plan for a dedicated server room and wiring for workstations, unless you’re going wireless.
- Know the certification levels of the system administrators working with you on the install. The higher the certification, the better.
- Learn basic hardware and software maintenance.
- Employ two or three backup systems to save data.
- Consider touch-screen computers in each exam room to add to patient interest and satisfaction.
- Ask plenty of questions about the level of tech support your vendor will provide.