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Driving EMR Adoption: Making EMRs a Sustainable, Profitable Investment

By Nancy Brown

For more than a decade, healthcare executives have been heralding the "Year of the EMR." With the logical correlation between improving cost and quality and using information technology, this is an easy conclusion to reach.

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Despite the promises and readily available EMR solutions, overall adoption remains at less than 20 percent among medical group practices. The majority of practices that have adopted EMRs are at the high end of the market in large organized or hospital-owned practices. Group practices still do not view EMRs as an essential tool to manage their practices.

What the industry needs is an economically sustainable model that can support massive infrastructure changes. But the question remains whether the government will foot the bill for widespread adoption, similar to the approach used in England. This option is becoming less and less likely.

To achieve mass market adoption, several things must happen. The perception of EMRs as a cash-drainer—instead of a source that can boost revenue—needs to change. There needs to be a simple offering, one that all practices, regardless of IT capabilities, can benefit from. At the same time, the medical industry needs to embrace the idea that automation alone cannot save American healthcare.

Moving Beyond the Barriers

Medical groups need a way to help them improve quality while becoming profitable. They are constantly squeezed between decreasing reimbursement and increasing costs. It has become more challenging to get properly reimbursed for providing quality care, and the vast majority of clinical tasks aren't automated, leaving practices susceptible to errors and malpractice cases.

There has never been a bigger gap between the way practices ideally could run and the way many of them actually operate today. While automation isn't the only answer, it is definitely a key to solving some of these problems. Automating practices has attracted a great deal of attention since President Bush created a sub-Cabinet position devoted to healthcare IT and stated that he expects 50 percent of practices to adopt EMR technology by 2014.

For small- to medium-sized practices without large budgets for new technology, cost remains the biggest barrier to adoption. Typical EMR software costs approximately $10,000 per physician, not including the cost of the hardware or upgrade and maintenance costs. Because so many practices can't afford the upfront costs, they have been waiting for the government to help fund EMR implementation. But the money required to fund full-scale adoption would top out in the billions, and it is unrealistic to believe that the government will be able to adequately assist practices with these costs.

Practices also must face physician reluctance to use the systems. This is a result of EMRs that have been over-engineered and are not intuitive, forcing physicians to spend more time clicking through screens and menus to get their work done. Practices that have implemented EMRs often report that it takes between six months and a year to become fully comfortable using the software—a long time to wait before realizing maximum benefits.

In this sense, EMR software systems are not complete solutions for many group practices. Success often depends on how well the practice applies the software to achieve desired results, in effect testing the practice management acumen of the lead physician and/or the practice manager. Smaller practices do not have the necessary resources to appropriately apply the software and achieve the desired results.

A System Practices Will Pay For

Smaller practices often do not have the capacity to implement the software while dealing with the complexities of care and reimbursement. They need services that can adequately handle these challenges. EMRs need to stop basing ROI on eliminating transcription costs or staff and instead focus on helping practices with their core business—providing quality care and getting appropriately reimbursed for it. To properly handle the complex needs of a medical practice, a solution must offer more than software. It must offer knowledge, automation and people on the back end to help with an ongoing transformation within the practice. EMRs need to be designed to support the ongoing profitability of the practice.

There is substantial evidence that suggests physicians will pay for services that get them results. The best example is billing services where practices pay 5 percent to 11 percent of their collections. In a way, these services pay for themselves in the eyes of physicians, because they bring in previously unrealized revenue, while decreasing the costs and hassles of running an in-house billing operation. There is also a thriving market for coding services that help practices code appropriately and optimally. These services are not integrated with typical revenue cycle or clinical solutions.

To drive widespread adoption, EMRs will need to pay for themselves in the same way, boosting revenue while streamlining workflow. One way to do this is for an EMR to help physicians collect more of the money they are owed. Many practices struggle to collect the proper amount of payment for the services they provided, making it difficult for them to remain profitable. Even though some EMRs can help physicians improve their coding, they would need an interactive database of payer rules to alert physicians about simple changes they can make to collect more money.

For example, practices throw away substantial revenue every year, either because they miscode encounters, they undercode visits, or they don't know how to properly document everything that occurred in a patient visit. If EMRs help practices sift through situations and advise staff how to capitalize on what they are missing, practices will substantially boost their revenue.

A perfect example is when OB/GYN practices are deciding on the correct CPT code to use when billing for partial services. They need a system to advise them about the coding option most likely to result in optimal payment. At the same time, an EMR needs to help practices collect clinical data and help physicians make the best clinical decisions.

Conclusion

Despite the fact that physicians want to provide the best possible care to their patients, they face such a financial struggle to keep their practices afloat that they often can't afford to adopt new technology that promises to help them improve patient care. Waiting for the government to fund healthcare IT has proven to be a pipe dream. To achieve nationwide adoption, practices need technology and services that will be economically sustainable. The best way to do this is to have the technology help practices boost their revenue, in effect offsetting the cost of the system.