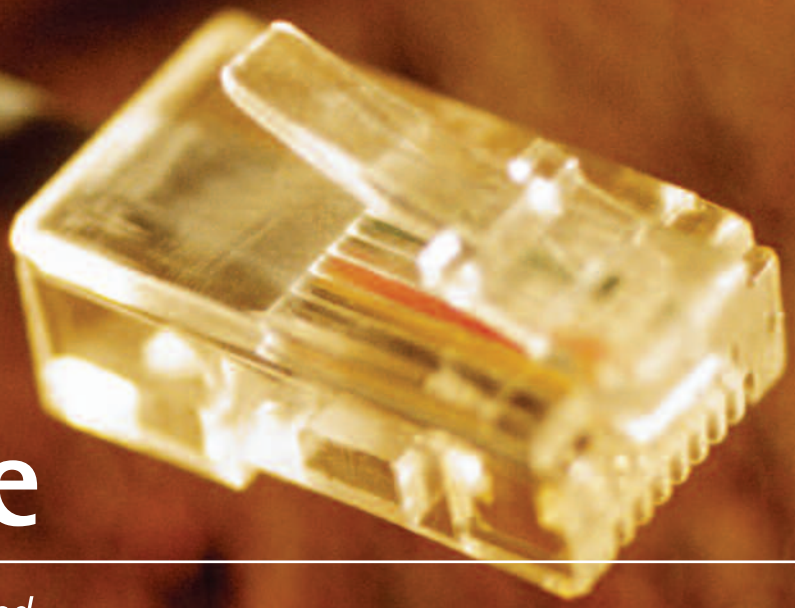
Electronic Health Records Survey

Achieving High Performance in Health Care



accenture

High performance. Delivered.

• Consulting • Technology • Outsourcing

The issue of electronic health records (EHRs) has captured considerable attention in recent months. Borrowing from the example of countries like the United Kingdom, Singapore and Australia, the US government has established a vision of interoperable electronic health records within 10 years. Executives within the health industry have long acknowledged the inherent societal "good" of fostering technology adoption and applying health information technology to the clinical environment through EHRs, with the goals of improved patient safety, reduced medical errors, and lower administrative and medical costs.

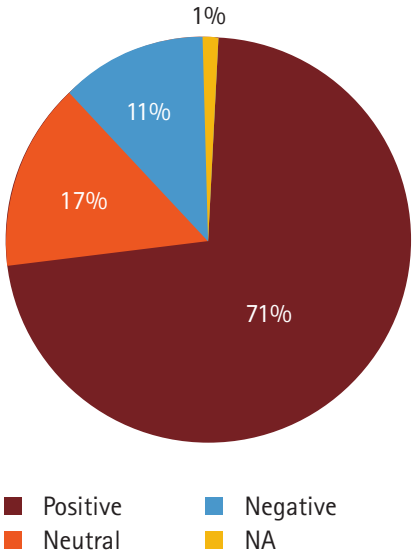
But many unanswered questions remain. What are health industry executives thinking about the government's call to action? What are they doing to respond, and what further action would they like to see from the government?

To explore their perspectives regarding EHRs, Accenture surveyed executives of hospitals, health insurance plans, physician groups, health technology vendors and other health organizations. Feedback from 84 respondents is summarized on the following pages.

Perceived financial impact of EHRs

Our survey found that the majority of health organizations see EHRs as having a positive financial impact over the long term. More than 70 percent of respondents reported that they think EHRs will have a positive financial effect on their organizations. This perspective was shared by hospitals, health insurers, physicians, health technology vendors and other types of health organizations.

What will be the financial impact of EHRs on your organization over the long term?



Implementation barriers

Capital costs are widely seen as the greatest barrier to EHR implementation. More than half (58 percent) of survey respondents noted that the capital cost outlay required to implement EHRs was the area of most concern. Health organizations view up-front financial expenditures as the primary barrier to EHRs, although they recognize the ultimate financial benefits.

Another perceived barrier is physician adoption. Nearly half of respondents (46 percent) identified physician adoption as a major implementation barrier for their organizations. In particular, they identified physician resistance to change and lack of office technology as obstacles that need to be overcome. Several pointed to the need for financial incentives specifically geared toward physicians.

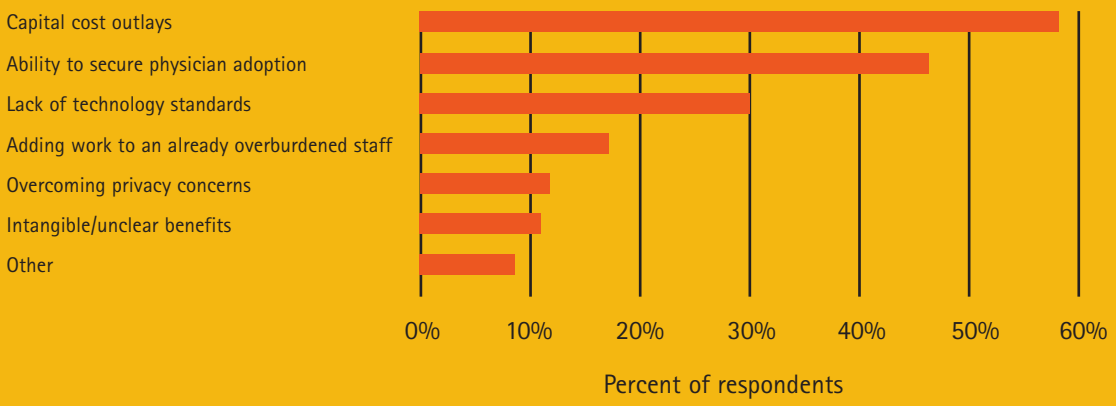
Health organizations recognize that **further development of technology standards will certainly be required for successful EHR adoption.** Thirty percent of respondents identified the lack of technology standards as a problem for their organizations in making progress toward implementing EHRs.

The increasing of staff workloads was another area of concern. The impact on IT staff was noted by 17 percent of respondents. In addition, several respondents indicated concern about further burdening staff in other departmental areas outside of IT. Some, for example, worried that EHRs will require that nurses spend time to assist physicians in accessing medical records and/or using the system.

A few respondents indicated that **our current health care culture poses a potential implementation barrier for EHRs.** Widespread EHR adoption will require a major change in attitudes, workflows, relationships between health organizations, and attitudes. It will also require major incentives to encourage adoption in the short term, particularly for community physicians.

Others noted that **further clarity regarding the role of health insurers will be required for them to participate in EHR implementation.** As currently articulated, the government's initiative does not specify the role of health plans in the national health information infrastructure. If the goal is not only patient safety but lower administrative costs and higher performance, health plans must be included because they are the administrative "hubs" of the system and can link constituent parties.

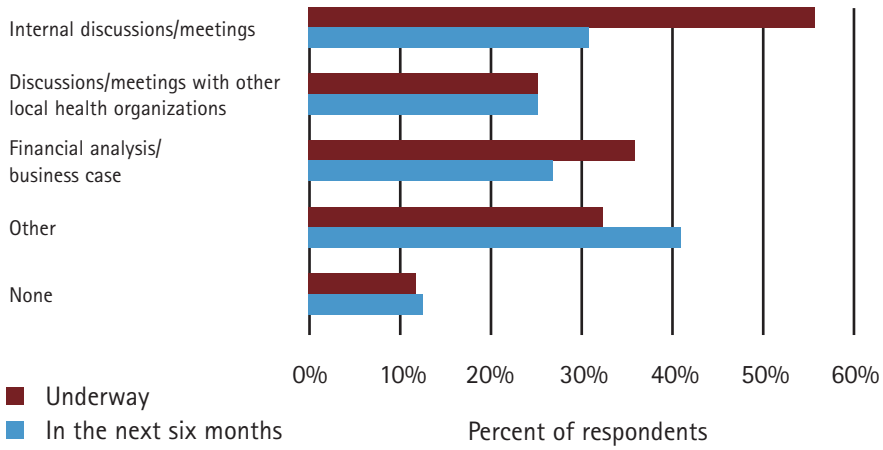
What are the greatest barriers for your organization to implement EHRs?



Action steps

Concrete steps toward EHR adoption are underway or planned in the vast majority of health organizations. The vast majority of respondents (88 percent) indicated that they are currently addressing EHRs and/or plan to take action within the next six months. More than half of all respondents (56 percent) have already held internal discussions or meetings regarding EHRs. Many have developed a financial analysis or business case regarding the impact of EHRs. A significant proportion of respondents—25 percent—have held meetings with other local health organizations or plan to do so within the next six months.

What steps are you taking to address EHRs?



Interestingly, **a large proportion of health organizations already see themselves as being on the path toward EHR adoption.** Nearly 30 percent of respondents indicated that they have already developed or are in the process of implementing EHRs. This is in sharp contrast to recent findings from health industry analysts, which indicate a much lower adoption rate. For example, a recent study of hospitals found only a very small percentage using computerized physician order entry (CPOE) systems.

In particular, the ability to electronically share health records between hospitals, physicians and health plans has only been achieved in a small handful of local communities to date. The survey findings probably reflect respondents' adoption of one or more individual components of health information technology. As envisioned by the federal government, the EHR is portable and sharable, consisting of several applications and serving many clinical specialty needs.

Many respondents acknowledged that **significant work remains to achieve the government's vision.** For example, health organizations still need to expand their clinical systems to encompass more clinical departments and functions. For example, some hospitals are just starting to expand their systems beyond nursing documentation to include surgery management, radiology, medication administration and pharmacy management, ambulatory care, and the emergency department. Others recognized the need to standardize clinical systems and reports, refine workflow processes, and internally integrate systems across their enterprise. Several noted a need to expand their clinical systems to incorporate other area hospitals, affiliated physician offices and local health departments.

These responses indicate that **many health organizations are interested, receptive and committed to adopting EHRs.** A significant proportion of health organizations have already taken some action to implement clinical information technology, and the majority of organizations see EHRs as having positive financial rewards. But these findings also indicate the **need to establish consistent definitions for EHRs.** Health organizations need to understand specifically what is required for an interoperable electronic health record. They need a roadmap that shows how their current efforts to implement systems for nursing documentation, CPOE, electronic lab and radiology results, online health portals, etc. will relate to the government's vision for EHRs.

The findings point to a **need to educate the industry about the specific functions that will be required** to meet the government's goals of informing clinical practice, interconnecting clinicians, personalizing patient care and improving population health.

Recommendations for the government

We asked respondents for their recommendations about what the government needs to do **now** to achieve President Bush's vision of a portable electronic medical record in 10 years. The number and range of responses indicate that **the health industry is avidly seeking more direction and focused initiatives from the federal government to promote EHR adoption.**

Specific suggestions dealt with five major areas:

1. **Develop uniform technology standards.** Respondents noted that the government needs to establish minimum baseline requirements for EHR data input, format and functionality, as well as standards for communication. The government needs to develop uniform standards for interoperability and data exchange that must be accepted and used by providers, health plans and all other entities involved in the health care delivery system, to ensure interoperability of EHRs. Also needed are standardized criteria and interface requirements for vendors.

2. **Provide financial incentives/support.** To help defray initial installation and conversion costs, the government could provide financial subsidies and/or tax credits. It could also provide incentive grants to health organizations meeting certain readiness criteria, differential reimbursement based on clinical outcomes, capital grants for business plans to implement community EHRs, and/or rewards to vendors that provide interfaces between existing systems. To facilitate physician adoption, the government could grant exceptions to the inurement regulations to allow health systems to give technology and devices to physicians practicing in the systems but not employed by them. Specific industry subsegments—such as small and rural hospitals, small physician groups and solo practices—will likely need an extra level of financial support.

3. **Mandate compliance.** The government could require health organizations to adopt EHRs with specific attributes, within a specified timeframe, and with a minimum standard of performance. A description of what constitutes "full" implementation should be defined, and a sliding scale of incentives should be employed to encourage health organizations to adopt the entire implementation.

4. **Educate physicians and the public.** Physicians need to be educated about the financial impact and how to implement EHRs from a technological and organizational standpoint. For example, they will need to learn about enhanced security precautions that exceed current firewalls. The public needs to be educated about the benefits of the EHRs, especially about how they can help reduce cost and prevent medical errors. Through education and awareness programs, the government could help alleviate public fears about data privacy and security.

5. **Establish a formal government role and infrastructure.** The government could appoint a governing body assigned with the responsibility and decision making authority to develop a national health information infrastructure. Health information technology agencies could be established in each state to help facilities implement the standards. A position could be created at the national level to oversee these agencies and ensure consistent education and training. It could use an oversight group to develop plans by working with the key industry leaders in hospital clinical information systems and physician practice management billing and scheduling systems.

Electronic health records, now on the horizon, will become an integral part of the US health care system in the near future. Payers, providers and hospitals alike have an opportunity now to prepare for the eventuality of EHRs.

Individual players need to develop electronic methods of storing and tracking clinical information, and need to train practitioners—and eventually their patient groups—in the new technology. The end result will be more efficient, affordable and accessible health care.

For more information on achieving high performance, contact Health & Life Sciences:

Lewis Redd
+1 678 657 5478
lewis.redd@accenture.com

Sally Boyer
+1 302 830 6057
sally.e.boyer@accenture.com

About Accenture's Health & Life Sciences Group

Accenture's Health & Life Sciences professionals deliver innovation and insight to both the private and public sectors of the marketplace, which includes integrated health care providers, health insurers, managed care organizations, public health organizations and pharmaceutical, biotechnology and medical products companies. With more than 5,000 professionals dedicated to serving the global Health & Life Sciences industry, Accenture is committed to working with clients across the industry to help them achieve and sustain high performance. We have worked with companies of all sizes, including 21 of 24 health care and pharmaceutical companies in the FORTUNE® Global 500.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With more than 115,000 people in 48 countries, the company generated net revenues of US $13.67 billion for the fiscal year ended August 31, 2004. Its home page is www.accenture.com.