

Mass High Tech: The Journal of New England Technology - August 21, 2006

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Making the cut

Health IT firms eye certification

Mass High Tech: The Journal of New England Technology - August 18, 2006 by [Catherine Williams](#) Mass High Tech

A sea change in the race to compete for business in a growing health care information technology market was signaled with the release of a first round of national software vendor certifications by the federally funded Certification Commission for Healthcare Information Technology (CCHIT).

Three of the 21 certified companies have operations in Massachusetts -- and companies and industry experts now say that such an endorsement may be enough to catapult a company's technology to track and store electronic medical records ahead of competitors.

The CCHIT released in July a list of software vendors that meet basic criteria for functionality, interoperability and security. The CCHIT was founded in 2004 and is backed by three leading health care industry associations. Next up are inpatient electronic health medical record product certifications, set for 2007.

Last fall, CCHIT won a contract from the U.S. Department of Health and Human Services to develop electronic health records certification criteria. The companies certified last month are ambulatory records providers. Three California-based companies and two from the United Kingdom were also certified. Each company completed a three-month application process.

"Companies are not going to be able to sell electronic medical records applications without certification in the next couple of years," said Jack Bradbury, president of Nightingale Informatix Corp.'s U.S. operations in Billerica -- one of the three Massachusetts CCHIT-certified technology companies.

Nightingale Informatix is based in Ontario, Canada, but maintains approximately 30 developers and database administrators in its Billerica office. Westborough-based eClinicalWorks Inc. also made the CCHIT list. The company was founded in 1999 and reports more than 5,500 medical provider customers nationwide. MCS-Medical Communication Systems Inc. of Woburn also earned certification. That company was founded in 1994 and reports more than 2,000 customers.

More than half of U.S. states have either an executive order or a legislative mandate to stimulate the adoption of health care IT. In 2005, a total of 36 health care IT bills passed in 24 states, according to the eHealth Initiative. Establishing a national health IT network could cost U.S. taxpayers an estimated \$156 billion over five years, according to the New York-based think tank, the Commonwealth Fund. Cost estimates are exceeding projections in Canada, where officials originally allocated \$420 million in funding but expect health care IT spending to hit \$1.2 billion.

Janet Marchibroda, the CEO of the eHealth Initiative, based in Washington, D.C., said certifications will play a large role as the federal structure of health care IT standards are rolled out. The eHealth Initiative is a public-private sector project aimed at creating a national electronic health information infrastructure.

"Massachusetts is fairly far ahead (of) other states and regions," said Marchibroda.

The importance of the certification is that it reduces the risk for doctors in finding products that comply with federal standards, said John Glaser, CIO of Partners HealthCare System Inc. in

Boston, which includes seven hospitals and Harvard Medical School.

Partners served more than 100,000 Medicaid and uninsured patients in 2005, and it fuels one of the largest purchase groups of health care IT in the region. Partners uses a homegrown system, built on 20 years of development, but Glaser said smaller health care providers are the next generation of health care IT purchasers.

Legislative and executive action on the federal level will also drive the adoption of the technology. Last month, U.S. lawmakers inched forward a bill aimed at speeding the implementation of health care IT. The House and Senate versions include provisions such as interoperability of systems across medical providers and grants to small physician practices.

The next 12 to 14 months will be consequential to the health care IT industry, said Massachusetts Health and Human Services Secretary Timothy Murphy, who oversees an \$11.5 billion budget. Last year, a \$50 million grant was awarded to the Massachusetts eHealth Collaborative for three electronic records pilot programs in Brockton, Newburyport and North Adams.

"Every policymaker, CEO, governor and U.S. senator are all struggling to keep the cost of health care affordable. Health care IT is one of the key solutions," said Murphy. "There will be a lot of opportunities for companies to do well."

Grants for small providers to get online would crack open a larger customer base for health care IT vendors. Kickback restrictions, being considered by Congress, could keep small-practice doctors out of the technology loop, said Glaser, Partners' technology chief.

"It's a remarkable time. A variety of forces and factors will accelerate the use of technology," said Glaser.

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