Health

What Are Health Organizations Thinking About Electronic Health Records?

Introduction

The issue of Electronic Health Records (EHRs) has captured considerable attention in recent months. Taking the example of many countries around the world, 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 HIT to the clinical environment through EHRs, with the goals of improved patient safety and reduced medical errors; and lower administrative and medical costs.
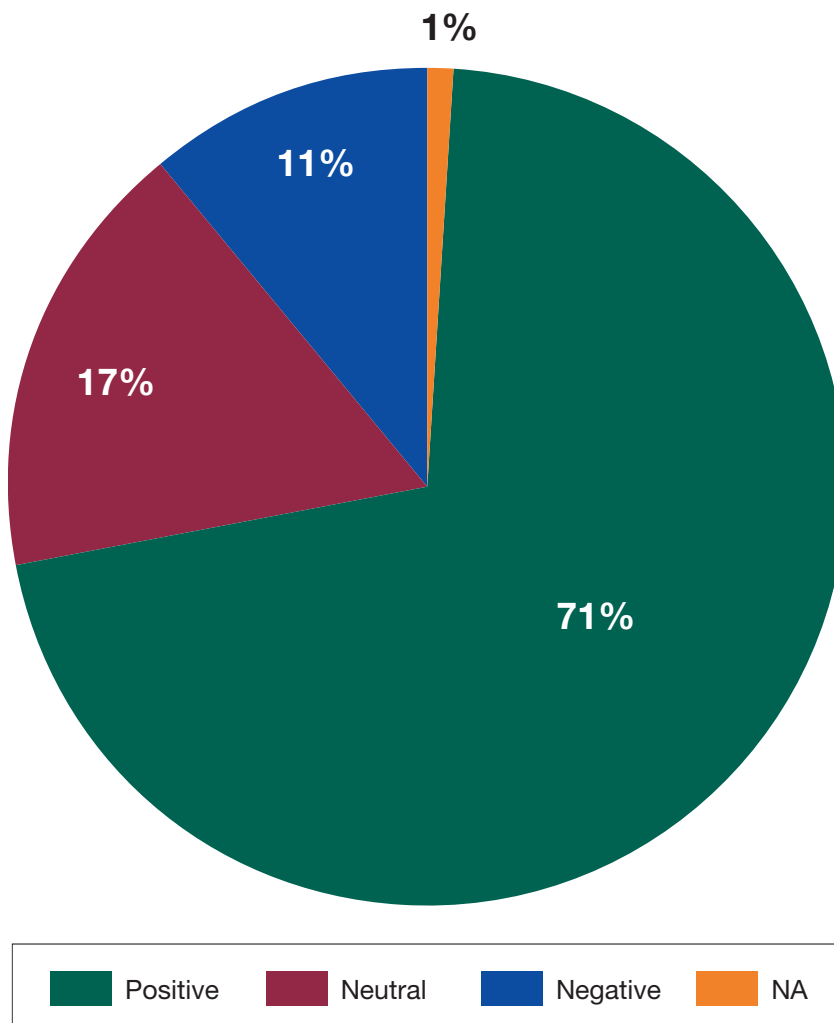
But many unanswered questions remain. What are health industry executives thinking about the government's call to action? What are they doing to respond, and what further action would they like to see from the government?

To explore their perspectives regarding EHRs, Capgemini 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

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

1%

11%

17%

71%

Positive   Neutral   Negative   NA

Our survey found that the majority of health organizations see EHRs as having a positive financial impact over the long term. Over 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.
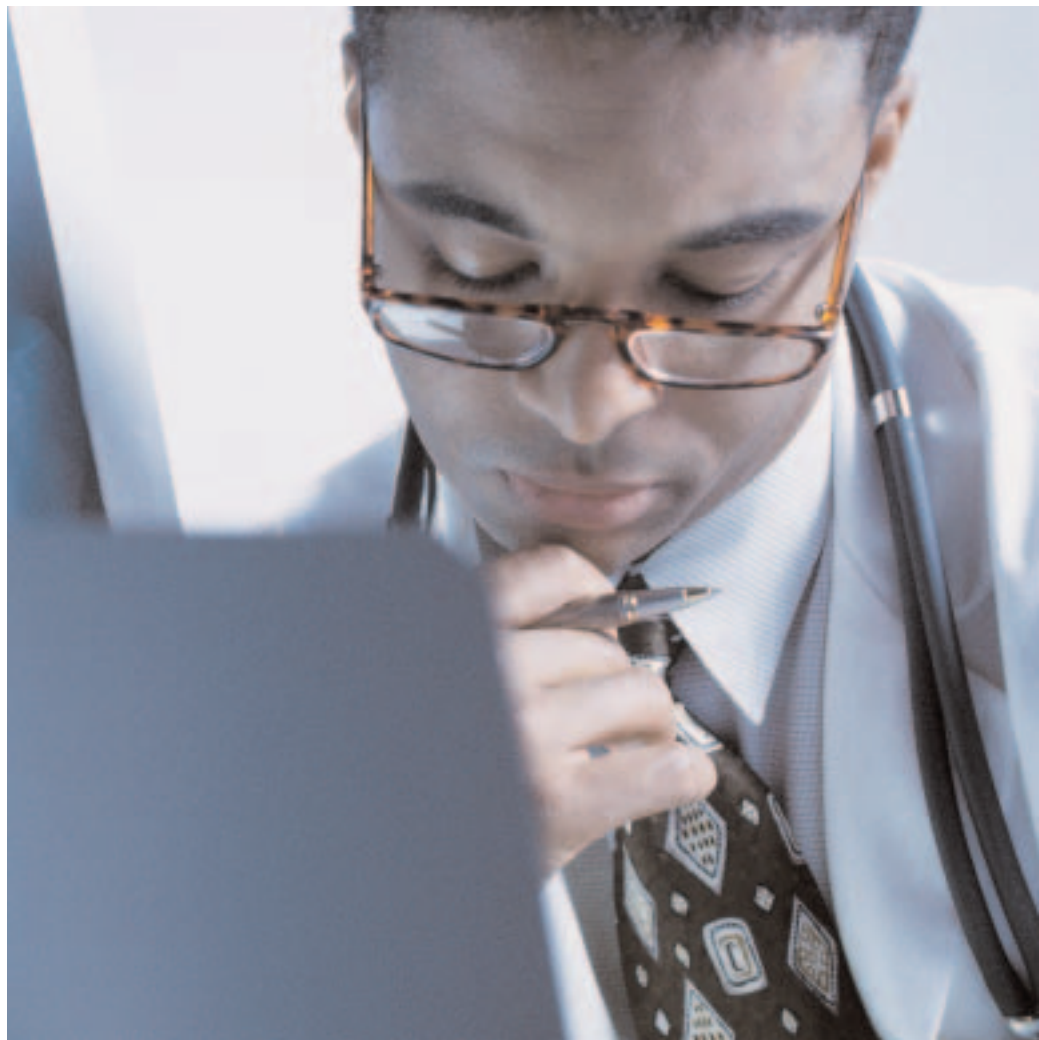
Implementation Barriers

Health organizations recognize that further development of technology standards will certainly be required for successful EHR adoption.

Capital costs are widely seen as the greatest barrier to EHR implementation. The majority (58 percent) of survey respondents noted capital cost outlays as the area of most concern. Health organizations view upfront financial expenditures as the primary barrier to EHRs, although they recognize the ultimate financial benefits.
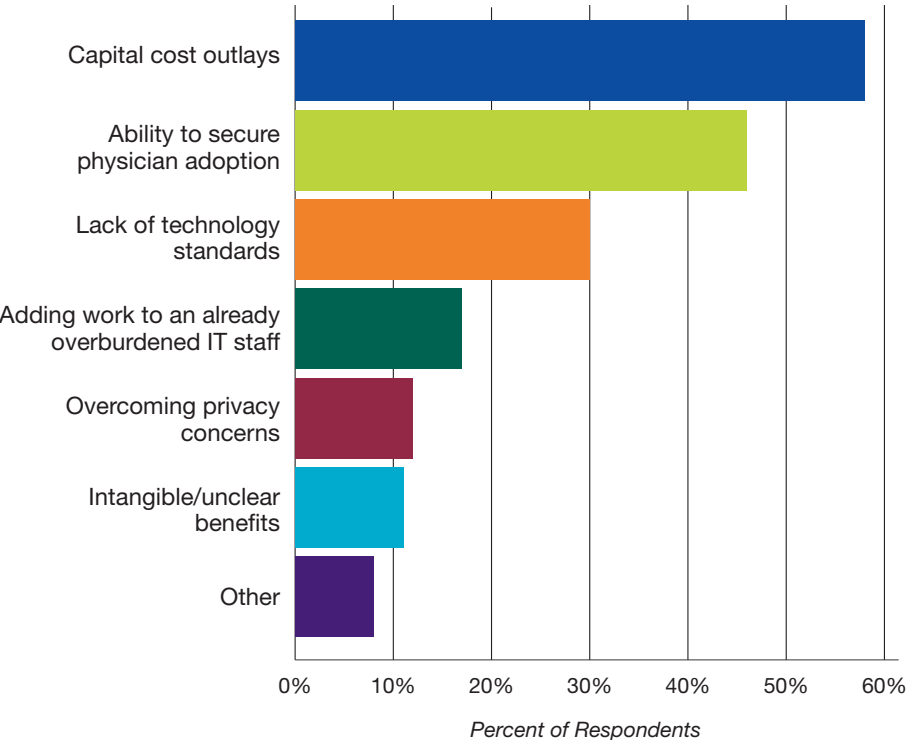
Another perceived barrier is physician adoption. Nearly half of respondents (46 percent) identified physician adoption as a major implementation barrier for their organizations. In particular, they identified physician resistance to change and lack of office technology as obstacles that need to be overcome. 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 towards implementing EHRs.

Widespread EHR adoption will require a major change in attitudes, workflows, relationships between health organizations, and attitudes.

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

Percent of Respondents

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 in order 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.

Increasing staff workload 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.

Action Steps

A large proportion of health organizations already see themselves as being on the path toward EHR adoption.

Concrete steps towards 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 6 months. Most 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 6 months.

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, KLAS recently found that only 3.5 percent of hospitals are 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.
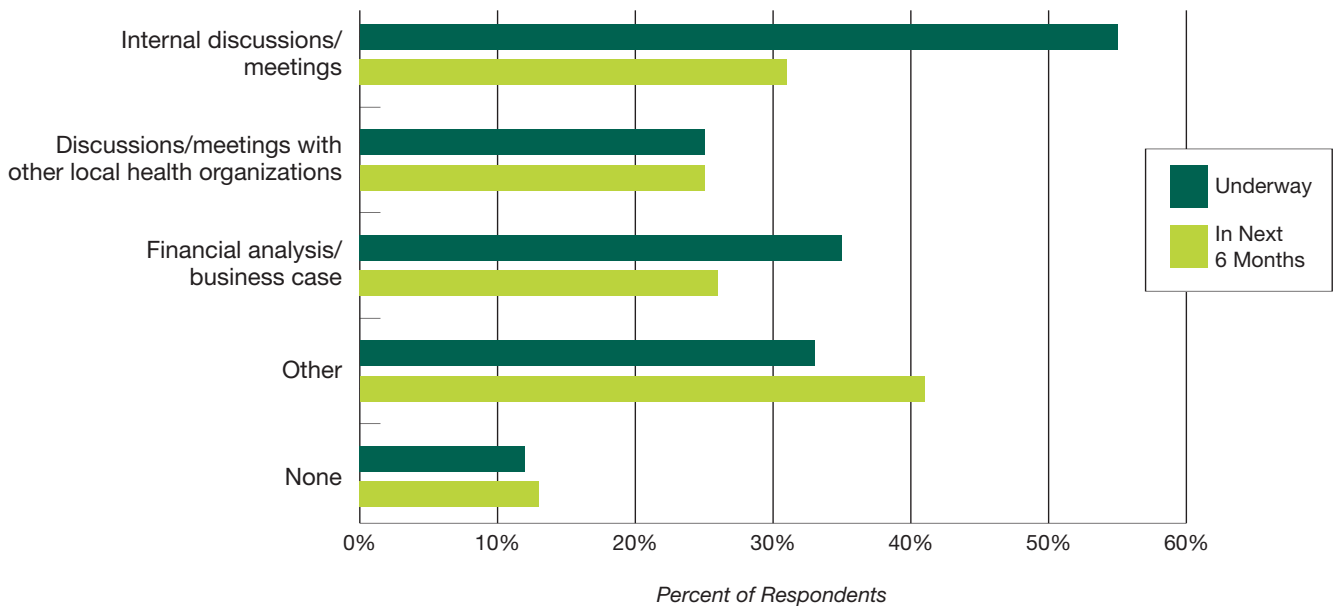
Many respondents acknowledged that significant work remains to achieve the government's vision. For example, health organizations still need to expand their clinical systems to encompass more clinical departments and functions. For example, some hospitals are just starting to expand their systems beyond 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.

Many health organizations are interested, receptive, and committed to adopting EHRs.

What steps are you taking to address EHRs?

	Underway	In Next 6 Months
Internal discussions/meetings	55%	31%
Discussions/meetings with other local health organizations	25%	25%
Financial analysis/business case	35%	26%
Other	33%	41%
None	12%	13%

Percent of Respondents

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, inter-connecting 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 in order to achieve The President'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 were in five major areas, as described below:

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 f or 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.** For example, the government could provide financial subsidies and/or tax credits to help defray the initial installation and conversion costs. It could 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.

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3. Mandate compliance. For example, 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.

About Capgemini

Capgemini is the global leader in professional services to the health industry, delivering results-driven solutions for today's business challenges.

We serve all sectors of the health industry, including hospitals and health systems, academic health centers, post acute care facilities, physician groups, health insurers, life sciences companies, public sector health agencies, and health-related technology companies. We offer leading practice experience around the world including the United States, Canada, United Kingdom, France, Netherlands, Germany, Norway, Sweden, Spain, and Australia.

Industry analysts confirm Capgemini's leadership position in healthcare consulting. Gartner, Inc. recently named Capgemini the #1 Top Consultant and System Integrator, and the #1 Top Outsourcer worldwide in the health provider market. Kennedy Information, Inc. ranked Capgemini #1 in the provider, payer and life sciences categories in a recent report entitled "The Global Healthcare Consulting Marketplace."

Capgemini's new white paper, "Health Information Technology and the Electronic Medical Record — Implications for Healthcare Organizations", addresses some of the issues surrounding health information technology. It explores the framework that the federal government has laid out for HIT and EHR development; key changes that will be required for the initiative to succeed; implications for physicians, hospitals, payers, employers, and patients; and steps that health care provider and managed care organizations can begin to take now to ensure their leadership position in the future. The white paper can be downloaded by visiting www.us.capgemini/health.

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Capgemini U.S. LLC
Health Consulting

Hindy Shaman
(703) 453-6161
e-mail: hindy.shaman@capgemini.com

Peter Kongstvedt, M.D.
(571) 382-6250
e-mail: peter.kongstvedt@capgemini.com

John Quinn
(216) 583-1242
e-mail: john.quinn@capgemini.com

Lewis Redd
(404) 806-5070
email: lewis.redd@capgemini.com

www.capgemini.com