

Volume 3 / Issue 5 / 2008 - Cover

Healthcare IT in Europe: Search for Efficiency and Cost Control

The Search for Efficiency and Cost Control

Author

Konstantinos

Nikolopoulos

is Programme Leader

for Healthcare IT & Life

Sciences IT at consultants

Frost & Sullivan.

Healthcare systems globally, and in the European Union in particular, have been evolving and adapting in the last couple of years to the impact of an ageing population and to epidemiological changes in the context of fiscal restraints. There is an increasing trend towards integrated care with the linking up of the range of healthcare facilities, including primary care and diagnostic centres, acute care hospitals and clinics. The situation is further enhanced by increased patient mobility, especially within Europe, and an increased expectation from the general public to have better services and a more customer-friendly healthcare.

Higher Efficiency and Effectiveness

In the light of the above factors, healthcare organizations are constantly trying to ensure higher degrees of efficiency and effectiveness in the provision of their services. An overriding priority in many EU countries remains the full implementation of Healthcare Information Systems, especially in the light of the new European environment for e-Health and the increased cooperation between EU Member States on this matter. This has created a clear interest to accelerate the transformation of clinical care so that clinicians will routinely use appropriate information systems technologies when diagnosing problems and subsequently planning and administering care to a patient.

A Higher Profile on the Political Radar

Across Europe, stakeholders and decision-makers have now come to realize the importance of the clinical, organizational, and financial benefits directly resulting from the implementation of healthcare information technologies. Although, disparate healthcare systems, payer mechanisms, languages and clinical/treatment protocols have retarded a more uniform systems adoption, healthcare IT is increasingly being placed high on the political agenda of most European governments.

Investment in Information Systems

The average IT investment of a healthcare organization in Europe lies in the range of 2-3% of its annual budget which is quite low compared with around 10-15% in the Banking/Insurance or Telecommunication industries. Fortunately stakeholders are now aware of this crucial gap and, according to the European Commission, we should see this going up to 5% of health budgets in the next few years.

According to Frost & Sullivan research, the European Healthcare IT market has crossed the \$5 billion mark in 2007, and is growing at more than 10 per cent year-on-year – one of the fastest among all industries. Major initiatives like government sponsored modernization plans and mandates to adopt and use IT systems, even though they might face issues around funding, changing political agendas, competing interests of involved parties, public acceptance, etc. have had a positive effect on the growth of the market.

The EU has also emphasised the importance of e-Health as a key focal point for the future of care delivery, making it an integral part of the i2010 initiative. The broad scope of this initiative covers information networks, electronic health records (EHR), telemedicine, personal and portable communication systems, and health portals.

Main Project Types in Europe

There are four main project types being implemented in Europe:

Ó Infrastructure Projects:

These projects aim to connect primary care, secondary care, pharmacies, and homecare to exchange administrative, procurement, prescription, medical and other information. Related to this infrastructure are also portal projects, which allow online access to medical, administrative or epidemiological information.

Ó Electronic Card Projects:

Most issued cards are currently used for administrative and insurance status validation purposes only. In the next stage they can be used to transfer prescriptions, store emergency data (allergies, blood group, etc.) and pointers to detailed clinical data. E-Card projects require a relatively expensive and complex infrastructure with card readers, millions of cards, card issue logistics and card access management regulations.

Ó EHR Projects:

Major components of an integrated e-Health model are local, regional or national EHRs. This term is used in a broad context beginning with high-level summaries (e.g. cancer registries) up to personal, life-long documentbased or – even better – structured health records containing all clinical information for each citizen.

Partial implementations of EHRs can also be used to support Medication Management or Chronic Disease Management. There are also a wide range of storage philosophies (completely central to completely decentralized) and approaches to access management (access by all necessary persons concerned; only by those who need access; only those who have been directly authorized by the patient).

Ó Telehealth/Telecare Projects:

These include implementations in areas such as vital signs monitoring, mobile disease monitoring, remote diagnosis and treatment or home care support tools. A broad usage of these technologies can support significant cost savings and quality improvements and a lot of focus is going into this area at present.

Almost all European countries have documented plans to implement key healthcare IT solutions. However, the United Kingdom, Germany and the Scandinavian countries seem to be ahead of the curve and leading the way with their implementation efforts.

The United Kingdom

In the United Kingdom, healthcare reform is high on the policy agenda. e-Health activities are recognized as a key component, and the NHS is one of the most computerized healthcare systems in the world (particularly strong in clinical computing). The main focus is on the “connecting for health” (CfH) plan – a programme of investment and reform, aimed at improving the use of information technology in the NHS.

However, the goal to provide an integrated IT infrastructure and systems for all NHS organizations in England by 2010 continues to present significant challenges. It is a large, complex programme within the NHS, one of the world’s largest organizations, itself undergoing radical change. The aim is to deliver better healthcare for people, and although IT is used in every organization, the way in which it is used varies from the minimal to the highly capable and innovative.

While some national initiatives, such as digital imaging, are progressing steadily towards widespread adoption, others

(e.g., national and regional care record management) are only just emerging and are not yet embedded into routine practice. In the primary care sector, provider/payer integration is well established and the sector continues to be a leader in the adoption of EHR as the result of many years of policy requirements and financial incentives - mainly from the NHS.

Germany

The overall health IT project in Germany is known as the “electronic health card” or “elektronische Gesundheitskarte”. This however generally refers to all applications in e-Health. The card is the only thing visible to the patient and has received the most public attention, but other important IT applications include insurance coverage, e-prescriptions, emergency data sets and electronic referral letters.

The personal health card will serve to identify, authenticate and possibly authorize access to the electronic patient folder holding information on longitudinal, person-related medical history and designed to be stored in one of a few centralized servers. Currently, there are two test regions in Germany. Each has 10,000 patient cards being tested offline for insurance coverage checks, but neither centralized services nor security certification has been implemented as yet.

A national German e-Health card rollout is planned to begin in 2009. The first application will be offline insurance coverage checks followed by online insurance checks against the insurers' data centres, e-prescription and emergency data sets.

Scandinavia

The first dedicated EHR and home care solutions have been in place in Scandinavia for 12-15 years, while the first GP systems have been available for more than 20. Routine tasks are nowadays carried out electronically by healthcare professionals on a daily basis. These include hospital admit/discharge/ transfer (ADT) functions, medication administration, clinical functions (planning, documentation and monitoring of results and vital signs), scheduling and physician order entry.

All Scandinavian countries focused early on building national e- Health networks. Now that they have been built, the focus has shifted towards providing patient-centric healthcare services across organizational boundaries, with a focus on security, regulation, and standardization.

Healthcare services across the Scandinavian countries also benefit from their collaborative efforts around technology. For example, Norway, Denmark and Sweden have linked each of their national networks to form the Nordic Healthcare Net. Additional examples of collaboration include the Nordic Centre for Classifications in Healthcare, and the Collaborative Network of Nordic e-Health Competence Centres.

In Denmark, hospital biochemistry and immunology departments will soon be able to receive electronic requests from GPs through the Danish National Health Portal, while to date, all 98 municipalities have invested in homecare solutions for administration, planning and clinical documentation. In Norway, the national healthcare network includes all hospitals and a significant proportion of primary care practices. It facilitates telemedicine and the interchange of electronic messages (lab reports, referral and discharge letters and radiology reports). Norway is also known for the fact that more than 99 percent of GPs use an EMR-system for a majority of their clinical and administrative tasks.

Conclusion

Overall, we are looking at exciting times for healthcare IT. As healthcare systems worldwide try to balance resources and improve business processes and workflows, there is a growing consensus that a more intelligent, innovative healthcare system is within reach. What is definite is that information technology is set to revolutionize healthcare delivery and to significantly impact healthcare systems and processes.

The role of European institutions and activities, in particular the e-Health action plan, in raising awareness in this field is evident. More than half of the countries within the EU make an explicit reference to at least one initiative or policy document at the EU level and seven refer directly to the e-Health Action Plan as the basis of their developed national strategy.

The i2010 Initiative, the eEurope Action Plan, the initiative to introduce a European Health Insurance Card (EHIC) and the aim to facilitate mobility of citizens, patients and professionals, as well as the EU's legal framework, are other impetuses having high impact across Europe.

We have a timely opportunity and an urgent need to build a 21st century health care system – a comprehensive, modern system capable of providing information to all members of the healthcare team who need to make decisions about our health. Patients, healthcare providers, public health professionals, employers, policymakers, and others recognize that ready access to relevant, reliable information would greatly improve everyone's ability to address personal and community health concerns. This is the role information systems are waiting to perform.

Exciting Times for Healthcare IT

Overall, we are looking at exciting times for healthcare IT, which is set to revolutionise healthcare delivery and to significantly impact healthcare systems and processes. As healthcare systems worldwide try to balance resources

and improve business processes and workflows, there is a growing consensus that a more intelligent, innovative healthcare system is within reach.

Transforming Clinical Care

An overriding priority in many EU countries remains the full implementation of Healthcare Information Systems, especially in the light of the new e-Health environment. This has created a clear interest to accelerate the transformation of clinical care so that clinicians will routinely use appropriate information systems technologies when diagnosing problems and subsequently planning and administering care to a patient.

Healthcare IT Will Buck Downturn in Sector

A recent report ('Technology Trends: Analyzing Global Enterprise IT Budgets 2008') from market analysts Datamonitor forecasts a further deceleration in IT spending in 2009. The consecutive decrease, for four years in a row, is largely due an exacerbation of problems following the current financial and economic crisis with its yet-unclear implications for credit and liquidity.

The only industry likely to see an increase in the stagnant IT market is healthcare.

Datamonitor researchers found that overall more than 60% of businesses (a record) plan to cut IT budgets or keep it flat in 2009. This is in marked contrast to 57% of companies in the healthcare area, who say they intend to increase spending.

Overall, companies planning to increase their IT budget has fallen from 21% in 2006 to just 9% in 2009.

The special position of healthcare is largely because of an aging 'baby boom' generation in Europe, the US and Japan, according to Datamonitor. This is beginning to increase demand on health services, leading to rising costs for healthcare. To address this, the industry is investing in new technologies which will enable them to cut costs in the long run and provide more efficient care.

Published on : Sat, 3 May 2008