HealthManagement
Promoting Management and Leadership

Volume 5 / Issue 5 / 2010 - Spotlight

Healthcare IT Reforms in the US

Healthcare reform was a pillar of candidate Barack Obama's vision during his presidential campaign. In HIT's analysis of his plans (Issue 1, 2009), we speculated that, in spite of huge challenges, the Obama reform package – known as the American Recovery and Reinvestment Act (ARRA) 2009 – would trigger fundamental structural changes in the US healthcare system. As Mr. Obama now crosses the midpoint of his presidential term, it is an opportune moment to revisit ARRA.

Healthcare IT Creating Jobs

Just a few weeks ago, one key obstacle to ARRA – a rout by the opposition Republicans in November's midterm elections to the Congress and a block "federal healthcare IT funding – was removed".
« It's not on the radar », said Jennifer Haberkorn, a healthcare policy expert with the influential US news bureau Politico, at a press briefing on November 5. The attitude in Congress, she concluded, « is that health IT funding is creating jobs».
Though the Republicans gained a majority in the lower House of Representatives, President Obama's Democrats still control the Senate. In the final analysis, it is also important to note that the US President retains veto power.

In other words, in spite of inevitable ups and downs, ARRA is here to stay. Based on progress to date (discussed below), it may not meet its key goal - « widespread use » of electronic health records (EHRs) - by the target date of 2014. However, ARRA has clearly made an impact on the American healthcare IT arena, and this will grow.

The Industry Response to ARRA

Given such an inevitability, it may be useful to look at how the US healthcare IT industry has been responding to ARRA, not least in terms of e-health initiatives.

In February 2010, executives from more than 160 US healthcare organisations participated in a survey on ARRA conducted by leading healthcare management consulting firm Beacon Partners.

The Beacon survey found that most hospitals were well on their way to implementing « some form of EHR solution. "Nevertheless, given the plethora of choices available and an incessant shift in technological goalposts, the bulk of hospitals were also having a hard time « finding the best solution."

Most hospitals stated that they sought an integrated enterprise system. However, they generally faced multiple barriers, of which the most common was a lack of internal resources. Another serious problem was the challenge of staying abreast of ever-changing regulatory requirements.

Strong Plans for Hiring

Nevertheless, the good news for the US government (and Mr. Obama personally) was that almost two-thirds of the executives stated they would be hiring or outsourcing to compensate for their lack of internal resources.

Soon after the Beacon survey, a report from the Board of Governors of the Federal Reserve System ('Fiscal Spending Jobs Multipliers: Evidence from the 2009 American Recovery and Reinvestment Act') found that the ARRA programme had already resulted in two million jobs "created or saved" by March 2010.

This perception reverberated through the November Congressional elections, by when most analysts were in tune with the verdict of Ms. Haberkorn cited above – that health IT funding, according to the US Congress, was « creating jobs. »

The Meaningful Use Roadblock

Nevertheless, between ARRA's potential and reality lie several roadblocks.One of the most serious is the condition of "meaningful use "of certified EHRs.

Meaningful use requirements are meant to address key health goals – based on 24 criteria. These include improved quality (seen by industry as the toughest), safety and efficiency, enhanced care coordination, the ensuring of privacy and security protections, and patient empowerment.

For critics, access to meaningful use information may allow government officials to steer doctors toward making cost-effective – instead of health-conscious –practices.

Serious Disparities in E-Health Readiness

In the months ahead, one of the biggest challenges will be to obtain more homogeneity in US hospitals, as far as e-health and healthcare IT is concerned. Otherwise, there is a risk that disparate levels of e-health readiness result in a minimal level of e-health infrastructure.

In its latest release, 'The Most Wired Survey and Benchmarking' study on US hospitals (conducted annually by Hospitals and Health Networks), found that the use of electronic medical record functions remains relatively rare, even with independent physicians practicing within hospitals. For the 'Most Wired' hospital category, a mere 43 percent of independent physician practices have the ability to electronically document medical records, 41 percent have computerised physician order entry and 44 percent have decision support.

And this is only the tip of the iceberg, since the 'Most Wired' hospital category consists of those which have the best e-health infrastructure.

In the wider US healthcare market, only 14 percent of hospitals have so far implemented even an entry-level e-health system such as CPOE.

The Standards and Certification Challenge

The other substantive challenge is political. While meaningful use is one face of ARRA, standards and compulsory certification of ARRA-eligible systems are another.

Like Europe, the question of healthcare IT standards has long been a vexing one in the US, given the rapid pace in the evolution of technology, its increasing complexity (especially for lawmakers and regulators), and the incessant growth in expectations from the public at large about e-health.

A related question is about the certifying body : one or many, and if so which one/ones. Most experts believe the consensus candidate for certification would be CCHIT (the non-profit Certification Commission for Health Information Technology). This has so far been largely responsible in setting basic standards for the healthcare IT industry.

Technology Does Not Stand Still

The ever-transitional state of high technology makes the need for a certification body a pressing issue. Many healthcare providers believe there is a need for vendors to get certified in a timely fashion. Indeed, for some, the issue of access to certified vendors is a bigger concern than meaningful use requirements.

As one source told HIT : « Technology does not stand still. If hospitals are required to implement major upgrades to their healthcare IT systems, based on solutions which may be certified only several months down the line, it would make no sense at all. But this is how it is, at the moment. And yet, we all do need the funds which ARRA provides. Or our competitors will get ahead. »

The problem is especially acute for vendors of niche subsystems, for example, security modules. Many such players have not even thought about certification, until recently. Most Big League players, on the other hand, have been ready for a while, but are waiting for the certification body (or bodies) to do so, too.

From Meaningful Use to Optimal Value

Some vendors are taking the initiative to give customers the requisite training to ensure they are consistent with the meaningful use criteria.

A few have even created a niche in moving beyond 'meaningful' to 'optimal' ; others are replacing 'use' with 'value'. In spite of some commercial and competitive hype, such education does play a useful role in catalysing receptiveness from users, above all physicians. This is one of the biggest barriers to a higher speed of healthcare IT modernisation, in spite of the ARRA largesse.

Physician Resistance Versus Patient Satisfaction

A variety of surveys in the US over the past six months have revealed a near-even split between hospitals which have managed to get their physicians to actually use new technologies, against those faring very poorly in adoption.
Nevertheless, hospitals reporting the highest physician adoption rates have also noticed better patient customer satisfaction scores.

If anything, such a direct linkage is one of the most powerful weapons in the arsenal of ARRA proponents.

Lobby Groups Step in

The Americans are pragmatic. Lobby groups have stepped up the pressure to accelerate healthcare IT modernisation via ARRA, by targeting

some of its more-evident shortcomings. Recently, the powerful American Hospital Association (AHA) urged the US government to relax its rules on meaningful use and remove the requirement that EHRs be certified against all 24 criteria – especially since only 19 need to be reported upon, for a transitional period.

In a November 30 letter to Health and Human Services Secretary Kathleen Sebelius, AHA President Rich Umbdenstock wrote : « The AHA asks that the department take a consistent approach to meaningful use that requires hospitals to have EHR technology certified against only those 19 objectives they will use to demonstrate meaningful use. »

Otherwise, he argued, hospitals would be forced to pay for the acquisition of unnecessary technical capacity and additional functionality. This, in turn, would mean a delay in the achievement of meaningful use, « because they will have to negotiate contracts with their vendors for additional functionality and wait for the vendor to schedule implementation. »

It is urgent to Wait

More pertinently, Mr. Umbdenstock pointed to two factors which also bedevil efforts by hospitals to implement e-health solutions and EHRs :

- To buy relatively new/untested technology that has not yet been widely used, and may not be effective or best meet their needs.
- To be locked into technology currently available on the market, limiting their ability to benefit from innovative solutions that arise in the coming years.

Such a dilemma – of gambling on the best-to-come versus settling for the good-enough-that-is-available – is also known to decision makers in European hospitals. One may do well here to recall French diplomat Talleyrand's advice: "Il est urgent d'attendre" (it is urgent to wait).

Published on : Tue, 6 Mar 2012