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'I Have a Dream'-Barack Obama's Healthcare IT Vision

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The November 2008 US presidential elections have brought to the White House one of the country's most resolute champions of healthcare reforms in recent memory. Barack Obama is – and has also long been a proponent of IT as a way to bring about efficiencies to the country's bloated healthcare spend, and the deep rooted structural challenges it must confront over the next decade. But how realistic are his plans? It may be too early to tell. Wars, recession and healthcare costs

Alongside two wars and a global recession, Barack Obama underlined his commitment to US healthcare reform at his inaugural presidential address on January 20.

"Our nation is at war…", he said. "Our economy is badly weakened….. Homes have been lost; jobs shed; businesses shuttered. Our healthcare is too costly...".

Later during his speech, Obama again highlighted the healthcare sector as a means to lay the foundations for economic revival. Towards this, he minced no words about the role he saw for high technology.

"For everywhere we look, there is work to be done… "We will restore science to its rightful place, and wield technology's wonders to raise healthcare's quality and lower its cost…. All this we can do. And all this we will do."

Bringing US Healthcare into the 21st Century

The new US President's hopes and vision for healthcare technology is hardly that of a fresh convert. In 2005, or well before the current economic crisis, then-Senator Obama cosponsored the Wired for Health Care Quality Act. After its unanimous passage by the Senate, he noted: "In our lifetimes, we've seen some of the greatest advances in the history of technology and the sharing of information. Yet, in our healthcare system, too much care is still provided with a pen and paper. Too much information about patients isn't shared between doctors or readily available to them in the first place. And providers too often don't have the information to know what care has worked most effectively and efficiently to make patients healthy."

The new Act, he then concluded, "is going to help bring down costs, improve quality, and bring the healthcare system into the 21st century."

The Wired for Health Care Quality Act

The Act aimed at three steps to build an American e-Health infrastructure:

Ó Providing grants for the implementation of regional or local health information technology plans

Ó Establishing a National Coordinator of Health Information Technology to develop a national health information technology infrastructure and to ensure patient health information is secure

Ó Establishing a process for the adoption and implementation of health information electronic exchange standards

Building on the Bush Legacy

Since then, the previous Bush administration has already launched numerous healthcare IT infrastructural projects, notes Stephen Schoenbaum, executive director of The Commonwealth Fund's commission on a high performance health system.

Individual States too have pitched in. Massachusetts, for example, plans to fully computerize records at its 14,000 physicians' offices by 2012 and the State's 63 hospitals by 2014. The task of building further on this is now up to the Obama government and the new President appears resolved to do so.

This is Part of the Emergency

Six weeks after his election victory, Obama returned to the theme of healthcare reform. In the middle of December, during his announcement of the appointment of Tom Daschle (previously the Senate Majority Leader) as the new US Health Secretary, he asserted that health reforms were "intimately woven" into his economic recovery plans. "The time is now to solve this (healthcare) problem," he said. It is not something that we can sort of put off because we're in an emergency. This is part of the emergency."

Healthcare IT: Down Payment for the Long Term

On January 3, in a radio address, Obama again affirmed his intention to invest in healthcare technology as part of an American Recovery and Reinvestment Plan – whose overarching objective is to make strategic investments which "serve as a down payment on our long-term economic future." As he went on to explain, "To save not only jobs, but money and lives, we will update and computerize our health care system to cut red tape, prevent medical mistakes, and help reduce healthcare costs by billions of dollars each year."

Given Obama's record level of popularity, the US political establishment seems ready to endorse the President's plans. "Every American has a right to affordable, high-quality healthcare," says Max Baucus, chairman of the Senate Finance Committee. "And I believe," he concludes, "that Americans cannot wait any longer."

An Elusive Goal

If Obama eventually succeeds, he will achieve a goal that has eluded US presidents since the end of the Second World War. The nearest attempt for major reform was by President Bill Clinton in 1994. However, the Clinton initiative collapsed after concerted opposition from interest groups and members of Congress.

Nevertheless, the new President has yet to provide more details about how he intends to achieve the reforms, or how the US would pay for such a major overhaul.

Electronic Health Records

Carrying on from his Wired for Health Care Quality Act, Obama has said that his administration will seek to contain healthcare costs, above all by making improvements in the technology used to handle patient records and other medical information as way to make savings and achieve efficiency. Indeed, efforts to make all health records standardised and electronic, and do this within five years, form one of the most concrete reform plans (and what Obama sees as its spin-offs into a turbocharger for the wider economy).

Obama's support for electronic health records "is one of the key efforts of health reform that actually will deliver lower costs for hard-working American families," according to Larry McNeely of the U.S. Public Interest Research Group. "Long-term savings can't happen," he says echoing then- Senator Obama after passage of the 2005 Wired for Health Care Quality Act, "unless we have 21st century health information technology."

Noble but Tough

However noble, such a task is likely to be a tough call. Less than 10 percent of the 5,000-odd hospitals in the US and an estimated 15-20 percent of its 800,000 physicians use any form of electronic health record.

One area on which the Obama administration is likely to push consists of fiscal carrots to help providers adopt new healthcare technology. Incentives involving the State Medicare system may firstly inspire physicians to reduce resistance to change.

Legal Challenges in a Land of Lawyers

Meanwhile, there also are concerns and vocal resistance about patient privacy (a huge problem in a litigation-friendly culture like the US). Other than concerns about hackers and medical data theft, new online health record systems, such as Google Health are not currently subject to the Health Insurance Portability and Accountability Act (HIPAA), the national health privacy law which was conceived before the Internet age.

Alongside catalysing coordination between standalone State initiatives (such as those by Massachussets), adaptation of untested HIPAA laws to EHRs will also need to be addressed.

The IT Skills Gap

Another problem is that of skills. Although the programme could create as many as 212,000 jobs, the US faces a shortage of skilled IT workers required to develop and implement the technology, and train physicians to use the system.

Costs also remain a challenge. Experts from the Commonwealth Fund and Harvard University estimate that a national EHR system would cost 75 to 100 billion dollars over the next ten years. In contrast, the entire economic stimulus package being envisaged is only about 800 billion dollars. Though this makes the healthcare modernisation project one of the biggest pillars of the overall economic reform package, there is a real risk that attention to healthcare IT is eventually drowned by competing initiatives in other areas.

Powerful Arguments

Still, compared to the 2 trillion dollar US healthcare industry, the annual outlay for a national EHR project seems manageable.

One of the most powerful arguments in its favour is that a national EHR system could save 200 to 300 billion dollars a year. This, in turn, could cap the rapid growth in healthcare costs (9-10% a year) and premiums, which have together slashed disposable incomes in the US even before the current recession.

In the final analysis, time will tell whether or not Obama succeeds, and how far he does so. But given the sheer size of the US economy, any 'new' American healthcare IT standards are likely to have an impact on Europe and the world beyond.

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