



## Is Healthcare Ready for Blockchain?



A number of obstacles must be overcome before blockchain can have widespread implementation in healthcare, according to technology experts. These include regulations, implementation costs, technical challenges, as well as deeply entrenched business models.

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Healthcare has sets of rules covering privacy, security and interoperability, among other things. Also, HIPAA presents the challenge of security mechanisms for requirements such as data minimisations and controls with blockchain. "There's so many more rules if it's in a designated record set," said Sharon Klein, a partner in Pepper Hamilton's health sciences department and chair of its privacy, security and data protection practice.

Klein's colleague, Joe Guagliardo, who chairs Pepper Hamilton's year-old Blockchain Technology Group, said that the emerging technology may never replace the current infrastructure, if only because of so many regulations. In addition, interoperability poses a problem to blockchain deployment.

"Without solving the interoperability issue, I don't think we're going to get any of this implemented," Guagliardo said, adding that aligning all relevant stakeholders will be more complicated than developing the technology.

Prashant Natarajan, director of healthcare solutions at Oracle, says blockchain has tremendous value for the healthcare space because it essentially moves away from the mistake-prone, documentation-centred approach to a flexible process where the transaction is key.

"The question is not whether it works," Natarajan said. "The question is who's going to pay for it? And blockchain is going to be expensive."

Not just financially expensive, either, in terms of updating or replacing IT systems to efficiently use the technology, although there's that. But also in the work it will take to change ways of thinking and adjust long-ingrained workflows.

"We're definitely at the height of the hype curve. I think there's going to be about two or three years of disappointment setting in once people figure out it's not the greatest thing since sliced bread," Natarajan said. "And then they're going to have to figure out how to build a skilled staff, how to change the mindset and change the existing systems to be able to accept this."

Source: [Healthcare IT News](#)  
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