EMR deadline does not compute: Falling short of 2014 goals

Although individual physicians have embraced electronic medical record systems, the nation is far from an interconnected, interoperable network. Costs, hassle and a lack of congressional action are among the factors slowing health IT development.

By Dave Hansen, AMNews staff. May 19, 2008.

In 2004, President Bush set a goal of most Americans using an electronic medical record by 2014. In his vision, doctors by then would be using EMR systems with interoperable standards that would allow them to share lab results, images, computerized orders and prescription information with hospitals and other health facilities.

So how much progress has been made in the past four years? Not nearly enough, many EMR experts say.

The nation's medical community is not substantially closer to an interconnected, interoperable EMR system now than it was in 2004, concluded a January California HealthCare Foundation report based on interviews conducted last summer with 22 health information technology experts from across the country.

The reasons for the insufficient progress are many, according to the report, "Gauging the Progress of the National Health Information Technology Initiative." They include slow adoption of EMRs by physician practices, the impractical nature of a national health information network, the difficulty of creating interoperability standards and Congress' failure to pass legislation addressing health IT roadblocks.

Only 14% of physicians have minimally functional EMR systems, found a July 2007 survey conducted by the Office of the National Coordinator for Health Information Technology. The office, created by Bush to guide the work on EMR standards and coordinate public and private efforts, defines minimally functional systems as those
on which doctors can record and manage progress notes, order tests, record test results and electronically prescribe medications.

The high cost of EMRs, combined with a small return on investment, is a main reason why physicians have been slow to adopt systems, said Jonah Frolich, senior program officer at the California foundation. The average cost of an EMR system is $20,000, said Karen M. Bell, MD, director of the ONC's Office of HIT Adoption.

**14% of physicians have minimally functional EMRs.**

While some EMR functions, such as billing and transcribing notes, financially benefit physicians, most of the return on investment accrues to health plans, Frolich said.

An American Medical Association study found that physicians receive only 11 cents for every dollar saved through the EMR use. The AMA cites that statistic in its support of refundable tax credits or another financing mechanism to indemnify physician practices for the cost of buying and implementing EMRs.

Bush proposed spending $66.1 million on the ONC in his fiscal year 2009 budget and $44.8 million on health IT funding for the Agency for Healthcare Research and Quality, which uses the money to test systems and recommend best practices. The federal government has spent a total of $216 million since fiscal 2004 on the agency's health IT activities, said AHRQ spokeswoman Karen Migdail.

Those amounts fall far short, said Laura Adams, president and CEO of the Rhode Island Quality Institute, which promotes health IT. She estimates at least $400 million is needed annually to achieve the savings promised by health IT, with $100 million alone to AHRQ for practical applications of the technology.

In some cases, state or local organizations and governments are stepping up. One example is the Massachusetts eHealth Collaborative, which started in 2004 and is funded with a $50 million grant from Blue Cross and Blue Shield of Massachusetts. The pilot project provided EMRs to doctors in three communities.

Newburyport ob-gyn Steven Mollov, MD, said he signed up for the project only because the grant paid for the hardware, software and support. "We couldn't have afforded to do it," said Dr. Mollov, medical director of Women's Health Care, a seven-physician practice.

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Slightly more than a quarter of practices with 11 or more physicians -- a situation that describes only 8% of doctors -- used comprehensive EMRs in 2006, according to an October 2007 Centers for Disease Control and Prevention report based the National
Ambulatory Medical Care Survey. Solo or single partner practices -- which account for almost half of all doctors -- reported much lower levels of comprehensive EMR use: 7.1% of solo practitioners, 9.7% of those with a partner.

The difference in adoption is generational as well. A lot of resistance comes from older physicians planning to retire in a few years anyway, said Angela K. Dinh, manager of professional practice resources for the American Health Information Management Assn., an organization of health information professionals that strives to improve the quality of medical records.

The CDC study found 7.6% of physicians older than 65 use some form of EMR, compared with 47% of physicians younger than 35.

Kevin K. Lanphear, DO, a Newburyport, Mass., family physician involved in the eHealth Collaborative, said he's seen the difference in attitudes. "Doctors say, 'I have done just fine for three decades in private practice with a paper record. Why change if I am doing fine?' The younger generation wonders why we aren't doing everything on the computer."

**National network unlikely?**

Another reason for slow progress on EMR adoption is that a national health information network is impractical, said experts in the California foundation report. The system is intended to be a "network of networks" linking state, regional and other health information exchanges so they can share information.

In 2005, the Dept. of Health and Human Services awarded contracts totaling $18.6 million to four consortia for developing prototype architecture for a national network.

**Physicians receive only 11 cents for every dollar saved through an EMR.**

That effort was not useful, because the four consortia did not coordinate their efforts, said William R. Braithwaite, MD, PhD, vice chair of the Healthcare Information Technology Standards Panel, a public-private partnership that promotes the adoption of health IT standards.

In response, Dr. Bell explained that the project was not intended to create a single network but to find the best computer architecture that a future system could use. According to the ONC, the project demonstrated best practices for such functions as finding and retrieving information inside of and between health care exchanges.

HHS is now conducting a project to test information exchange between physicians and other health care stakeholders. In October 2007, it awarded $22.5 million in
contracts to nine health information exchanges. The first results are due out in September.

When the Bush administration launched its health IT effort, it identified as a crucial element the ability of the various EMR systems to talk to one another. But the process of developing interoperability standards has been slow and difficult, the California foundation report noted.

"If you look at banking, everyone can go to a bank [ATM] and withdraw cash," Frolich said. "In health care, you don't have that same interoperability. There's no plug-and-play system where you install it, turn on the interface and get lab results quickly."

The effort to forge interoperability has been "painful," said Linda Kloss, CEO of AHIMA, in the California foundation report. "It's just the difficulty of the mission of bringing together organizations that have worked independently and competitively to work harmoniously."

The national health information network project will demonstrate the ability of systems to work together, said John Loonsk, MD, ONC's director of interoperability standards. "What we are doing this year is implementing the minimum set of standards and developing the common agreement binding these groups together."

**Congressional inaction**

Another reason that EMRs are not more widespread is that Congress has failed to create incentives, such as grants, loans or tax credits, Frolich said.

Congress had an opportunity to pass a major EMR bill in 2005 and 2006, said Don Asmonga, director of government relations for AHIMA. The Wired for Health Care Quality Act, proposed by Sens. Edward Kennedy (D, Mass.) and Mike Enzi (R, Wyo.), passed in the Senate but ultimately failed because House lawmakers preferred legislation that did not cost as much, he explained. Kennedy and Enzi reintroduced their bill in 2007 but haven't been able to get Senate approval because some members want stronger privacy measures in the bill, Asmonga said.

The "Wired" bill appears stalled, and it is uncertain if Congress will pass a major EMR bill in 2008, Asmonga said.

**Steps forward**

The Bush administration has made some progress, health IT experts said. The president's goal has raised awareness of EMRs and expectations among policy
experts, the health care community and consumers, the California foundation report noted.

The ONC's Dr. Bell downplayed the 2014 goal. The medical community may achieve a 50% rate of EMR adoption in the clinical setting by 2014, she said.

Dr. Bell pointed to factors creating momentum for EMR use. An example is the relaxation of the Stark self-referral and anti-kickback rules to allow hospitals to help doctors pay for the technology. In August 2006, the Centers for Medicare & Medicaid Services ruled that hospitals could offset up to 85% of the software and training cost of a physician practice's health IT software, as long as the hospitals did not expect referrals in exchange for the financing or make the system incompatible with other EMRs.

The new regulations have begun to accelerate EMR adoption by small practices, boosting their return on investment by lowering startup costs, said Brandon Savage, MD, chief medical officer for GE Healthcare's Integrated IT Solutions business. The company has seen hospitals buying more EMR licenses for small practices since Stark was relaxed, he said.

EMRs ultimately will form the foundation of medicine, Dr. Mollov said. "The accessibility is wonderful."

AMA Board of Trustees Chair-elect Joseph M. Heyman, MD, an ob-gyn in Amesbury, Mass., shares this enthusiasm. "I love my EMR," said Dr. Heyman, who also participates in the Massachusetts collaborative. "I can find anything on a patient anytime, in any place in the world."

ADDITIONAL INFORMATION:

Practice size matters

Larger physician practices, which are more able to bear the costs, have been quicker to adopt electronic medical records than smaller practices, a government survey showed. Here are the breakdowns for 2006.

<table>
<thead>
<tr>
<th>Practice size</th>
<th>Any EMR</th>
<th>Comprehensive EMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solo</td>
<td>24.0%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Single partner</td>
<td>28%</td>
<td>9.7%</td>
</tr>
<tr>
<td></td>
<td>Any EMR</td>
<td>Comprehensive EMR</td>
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<tr>
<td>----------------</td>
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</tr>
<tr>
<td>3-5 physicians</td>
<td>30.0%</td>
<td>13.4%</td>
</tr>
<tr>
<td>6-10 physicians</td>
<td>30.9%</td>
<td>16.6%</td>
</tr>
<tr>
<td>11 or more physicians</td>
<td>46.5%</td>
<td>26.6%</td>
</tr>
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Note: The survey defined "any EMR" as medical records that are either fully or partially electronic, and "comprehensive" EMRs as systems that include computerized orders for prescriptions and tests, test results (lab or imaging) and clinical notes.

Source: "Electronic Medical Record Use by Office-Based Physicians and Their Practices: United States, 2006," Centers for Disease Control and Prevention, October 2007

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**States embrace health IT**

Virtually all states are promoting and implementing e-health strategies with the goal of improving quality and cutting costs, found a report based on survey responses from 41 states and the District of Columbia. Here are some of the more significant health IT initiatives, both under way and in development:

<table>
<thead>
<tr>
<th>Initiative</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic health information exchange adoption</td>
<td>25</td>
</tr>
<tr>
<td>Policies to promote electronic HIE</td>
<td>12</td>
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<tr>
<td>Electronic health or medical records</td>
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<tr>
<td>E-prescribing</td>
<td>7</td>
</tr>
<tr>
<td>Protection of electronic data privacy/security</td>
<td>5</td>
</tr>
<tr>
<td>Improvement of quality and transparency</td>
<td>3</td>
</tr>
<tr>
<td>Telehealth</td>
<td>3</td>
</tr>
<tr>
<td>Public health registries</td>
<td>2</td>
</tr>
<tr>
<td>Personal health records</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
</tr>
</tbody>
</table>
Note: States were asked to identify up to two initiatives. The National Governors Assn. conducted the survey in partnership with Health Management Associates.