

## Avondale's HCIT Outlook & Review

*An Insider's Viewpoint of the HCIT Industry*

### Insider's Viewpoint — a Q&A

**Pat Hampson, CEO of Med3000**

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**Avondale:** How has the behavior of your customer base changed as a result of the HITECH Act?

**Pat:** It has spurred more interest in EHRs but not necessarily more sales. Physicians are weighing the options. \$44,000.00 over 5 years may not be enough to sway them into IT adoption. If you consider an orthopedist making \$750K per year, \$18K is not much of an incentive and the changes they will have to make in their workflow may not be worth the cost. We have two sets of customers, those that have an EHR and are very focused on making sure their use of our InteGreat EHR allows them to earn the incentives, and those that do not have an EHR and are waiting to make their final decision until they are clearer on the "meaningful use" certification process. We have also seen substantial interest in FQHC groups.

Hospitals and hospital systems have a great deal to gain and are moving more quickly to a solution. In some cases the physicians will be seeking safe havens under the umbrella of a hospital and therefore the decision as to investments in HIT will rest in the hospital and not the physician.

**Avondale:** Does your customer base believe that the "meaningful use" requirements are too onerous, or are they comfortable with where the bar is set?

**Pat:** Most do not have an EHR and, therefore, don't fully understand the impact of the requirements. The physicians who are interested or already have an EHR see the "meaningful use" criteria as overreaching. The sentiment is that most of the criteria have a good underlying goal, but they are moving too far too fast. Also, some of the criteria are unfair when comparing hospital to ambulatory. Example, CPOE has an 80% requirement for the ambulatory requirement and 10% for the hospital. MED3000's account management teams is personally meeting with each of our customers to educate them on "meaningful use" requirements and to emphasize that acquiring an EHR product is only the first step in process.

**Avondale:** What portions of the "meaningful use" requirements do you believe providers are going to have the most trouble with?

**Pat:** The two we feel will be most difficult are those that require direct physician documentation within the EHR and those that depend upon external resources for completion, such as interoperability and PQRI reporting.

Our experience has been that it takes most physicians 6 months or more to gain proficiency with CPOE and clinical documentation. This is in addition to typical 4-6 months implementation timeframe during which order set and templates are customized to the needs of each physician. Even with our more intuitive EHR product the issues for physicians will always be the possibility for initial productivity loss. Most physicians have not standardized how they care for patients so moving them to standardized EHR usage involves a learning curve. The key hurdle here is not the EHR products themselves, but the extent of personal involvement required on the part of already overbooked physicians. Most admit that they are better off once the EHR system has been live for a year, but up until that point the stress and demands for their time are very taxing.

Also with CPOE, physicians have routinely delegated this to others in the practice to complete the data entry. Requiring them to directly enter 80% of their orders into a certified system does not match

current workflow. Also, mandatory clinical summaries generated at visit will be hard to comply with. Lastly, Electronic access (patient portal) is going to be required and this is an extra expense that small practices are not going to bear easily.

**Avondale:** What do you think the impact of new regulations such as HIPAA 5010 and ICD-10 will have on providers' IT investments?

**Pat:** We believe that a large number of small practice management vendors will be unable to meet these regulations and will, therefore, force their customers to make a transition to a new PM system at the same time that they are implementing EHR technology. This presents a large market opportunity but places an overwhelming burden on these companies.

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**Avondale:** As we enter a more digital age for healthcare, what do you see the role for clearinghouses and intermediaries in this newer environment?

**Pat:** The long-term potential is that clearinghouses and financial intermediaries will no longer be needed due to providers connecting directly to payers. However, this will be, at best, a gradual transition that will evolve over the next ten years or more. In the short term, clearinghouses or middle ware vendors that provide technology to ease the transition to ANSI 5010 and/or ICD-10 will find their business booming. Also given the significant requirements for "meaningful use" we would expect that the demand for Health Information Exchanges will increase. With proper sponsorship and strong participation an HIE not only increases interoperability but helps improve care through the sharing of clinical information. Lastly working with HIE vendors will also require some due diligence. There are many HIE offerings that are available but quite a few are on old hard to scale technologies. There will be HIE offerings that will need to be replaced over time.