Health Information Technology

How Hospitals Can Enhance Physician Alignment by Offering HIE and EHR Technologies

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Executive Summary: EHR as a competitive advantage

In today's challenging economic environment, strategically aligning with physicians remains a critical business imperative for nearly every hospital chief executive. A HealthLeaders Media survey of hospital and medical group CEOs found that nearly 40 percent of respondents spent at least one-quarter of their time on physician relations.[1] Hospitals have experimented with a number of different strategies to improve physician alignment including direct physician employment, establishing clinical joint ventures, and providing physicians access to cost saving administrative and clinical services. These strategies enable hospitals to improve patient care and coordination while increasing revenue potential and building market share. When successful, these initiatives can also help improve overall healthcare delivery and patient satisfaction throughout the hospital's extended network, all while improving physician satisfaction and "stickiness" toward that hospital.

With recent trends and changes in the healthcare market, some hospitals are looking to add technology and information sharing capabilities and services to their physician alignment tool box. With the federal government's large investment in Health Information Technology (HIT) and recent changes in Stark and anti-kickback laws, hospitals are now able to offer community physicians access to Electronic Health Records (EHR) packages and other patient information sharing resources. By offering physicians these technologies, hospitals can give physicians important new capabilities that can vastly improve patient care for both organizations. Once successfully implemented, EHR technologies, Health Information Exchanges (HIE), and external patient portals create interoperability among participating physicians and the hospitals to improve patient care coordination, information exchange, and billing, while providing both with the data they need to help drive quality improvement initiatives and ensure reimbursement.

Past Challenges, New Opportunities

It's no secret that many physicians have resisted moves to install EHR and other practice management systems for a variety of reasons. However, with the federal government's aggressive carrot and stick funding approach and promises by the Administration to reduce healthcare costs for consumers while improving patient access to health information, even the most technology-averse physicians will be driven to re-evaluate their positions on EHRs. A majority of physicians indicate that they are in the process of making EHR technology decisions (see our survey results later in this document). By helping them successfully navigate EHR acquisition, implementation, and "meaningful use" challenges, hospitals have the opportunity to take advantage of their IT expertise and market position to greatly extend their network of community physicians.

This paper provides hospital and practice management executives with a point of view as to how they can take advantage of this emerging dynamic by becoming a key community driver for health information technology implementation and medical information exchange. Hospitals are in a far better position than local physicians to provide access to affordable, flexible EHR and practice management software suites that can effectively be implemented, and maintained by a third party systems integrator. Hospitals also have the resources and can serve as the nexus point for establishing an HIE that can promote patient care coordination and information exchange. Couple these services together, and forward-thinking hospitals can create another incentive to help better align with community physicians while improving patient care.

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[1] HealthLeaders Survey of Hospital and Medical Group CEOs, published: January 2008.

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71% of independent physicians are interested in working with their local hospital in developing their EHR solution.

Source: Harris Interactive survey[2]

Case-In-Point: Information Sharing Improves Physician Productivity

"The ability to exchange clinical information is what really excites our physicians. We're talking about more than just sharing information between practices; we're talking about connecting to the many entities within Sharp HealthCare and Palomar Pomerado Health, as well as to many outside service providers, which will enable our doctors to access lab results, radiology reports and much more."

— Jeff Evoy,
EHR Manager,
Sharp Community
Medical Group

Emerging Market Trend

The American Recovery and Reinvestment Act of 2009 (ARRA) committed nearly $30 billion in new HIT investments over the next five years. However, the unique back-ended funding structure for both hospitals and physicians — which requires that providers meaningfully use the technology in order to obtain incentive payments for their HIT investment — has created a new market environment that hospitals can benefit from if they move aggressively.

The Department of Health and Human Services estimates the HIT community will need to install, train, and bring online about 13,069 physicians per month from now through 2015 in order to meet the goals stipulated in ARRA. Similarly, the HIT community will need to install, train, and bring online 61 hospitals per month to make the 2015 deadline for providing every American with an electronic health record.

Certain hospitals, because of their advanced clinical environment, IT buying power, and market presence, are in an excellent position to serve as a trusted technology partner for community physicians who are seeking an EHR solution.

Harris Interactive[2] conducted a survey of 150 independent physicians in order to gain a better understanding of their perspectives on EHR implementation. An overwhelming majority of those physicians surveyed (65%) were in the EHR technology decision making process, with only 25% of those surveyed having completed an implementation. The survey also found that of those physicians who had not already acquired an EHR system, over 90% anticipated acquiring one within the next 36 months. Most important for hospitals, 71% of independent physicians are interested in working with their local hospital in developing their EHR solution.

Our research further indicates that independent physicians need access to additional information and assistance in order to make an informed EHR acquisition, and to ensure a successful implementation and transition. They need this help now because a majority of physicians hope to maximize the federal incentive payments that are available to them from 2011 through 2015.

Hospitals can take advantage of their IT expertise and market position to build an even stronger extended physician network. Providing physicians with access to a comprehensive suite of cost-competitive technology solutions — including prepackaged, but flexible subscription-based EHR and Practice Management software with hosting and implementation by a proven systems integrator — can achieve "meaningful use" and ensure maximum reimbursement.

Hospitals can establish local HIEs that provide interoperability to aligned physicians (and in some cases other referring hospitals), so they can begin to maximize the technology through patient data exchange. Such HIEs will very likely form the critical nexus point that physicians and hospitals require in order to be "meaningful users" of EHR technology and qualify for incentive payments in later years. By establishing an HIE as an additional cornerstone of a technology alignment strategy, hospitals are far better positioned to drive improved patient care coordination and information sharing within extended networks. In addition, once the HIE becomes populated with patient data, hospitals can use the information to establish and measure key metrics designed to improve hospital satisfaction, quality and patient care throughout the extended network.

If successfully implemented and managed, a technology and information sharing alignment initiative will significantly advance a hospital's extended physician network while generating a number of ancillary benefits including, but not limited to: improved patient care and coordination, maximizing federal incentive payments from ARRA, better quality metrics and improvement programs, higher patient satisfaction, improved revenue cycle management, and ultimately, increased revenue. With these benefits in mind, a technology and information sharing alignment initiative represents a unique "win/win" alignment opportunity for both partners.

[2]Harris Interactive is a leading independent survey firm.

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A Technology Solution Suite for Alignment

A technology and information sharing alignment strategy must be tailored in a way that not only serves to meet the current and future needs of the hospital, but also those of the general and specialty physician groups it hopes to better align — because with EHRs, one size or solution does not fit all.

Hospitals need to use their market presence and established IT expertise in the healthcare market to help develop a suite of EHR and information sharing capabilities that will serve the extended network. That solution must help drive care coordination and integration, include a seamless information sharing capability and be interoperable. The solution suite should include:

- **EHR and Electronic Physician Management (EPM) Solutions** — Provide access to certified software vendor solutions that can quickly be implemented. Most of these applications should be implemented in practice groups in as little as 60 days, using a hosted, software-as-a-service approach. This approach limits up-front capital requirements by physicians and reduces day-to-day operating burdens.

- **Health Information Exchange (HIE) Connectivity** — Facilitates the flow of health-related data among hospital partners within an area to support processes that improve the quality and efficiency of healthcare. HIEs are a crucial nexus between physicians and hospitals as both strive to become meaningful users of EHRs. HIEs can include pharmacies, reference laboratories, home health organizations, and other providers in the continuum of care.

- **Patient Portal** — Provides patients with instant access from a secure network to their medical records.

- **Patient-education Support** — Gives physicians the ability and materials necessary to reach out to educate patients about the use of these new technologies through emails, voicemail messages, or computers used for onsite registration. A complete set of customizable marketing tools can be made available to participating physicians so they can effectively communicate the benefits of these new advances to their patients.

- **Alignment Marketing Strategy** — The sponsoring health system needs to develop and finance a robust marketing and awareness campaign to generate interest from targeted physicians.

Why Team With a Systems Integrator?

By using a proven systems integrator such as Dell Services, you are likely to gain stronger buy-in and acceptance from targeted physicians. In fact, our market research indicates that a majority of physicians would prefer to work with a systems integrator to help acquire and implement an EHR solution rather than the software provider. We believe this perspective stems from physician preferences regarding the "completeness" of the solution provided by a systems integrator. Physicians worry about any loss of productivity during the EHR transition, and trust that an experienced systems integrator will use proven migration processes to ensure a smooth transition. Finally, physicians want to be assured that their new EHR system and the HIE and patient portals within the network will appropriately protect patient data and meet all HIPAA privacy compliance requirements (see Appendix Two for additional Dell research findings).

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55% of Physicians prefer to work with a systems integrator to help acquire and implement an EHR solution rather than the software provider.

Source: Harris Interactive survey

Perot Systems (now Dell Services) is ranked number one by KLAS in the February, 2009 Specialty Report for Market Segment — Clinical Implementation Principal[3] and has helped hundreds of hospitals and physician groups install, integrate, and manage their clinical systems implementation. We have experienced clinicians on staff, and our rigorous proprietary implementation methodology — which we call ADOPTS (Assess, Define, Optimize, Prepare, Transform, Sustain) — enhances adoption rates of clinical projects such as EHR and HIE implementations. By relying on Dell Services, hospitals will also relieve physician concerns regarding system maintenance, redundancy, security, and flexibility to scale. We provide 24/7 access to a global technical support team that hospitals and physician practices cannot afford to offer themselves.

A Dell Services-created solution suite can include multiple EHR software providers and includes a pre-packaged and hosted EHR capability. We can also offer participating physicians a robust practice management suite that can help reduce back-office requirements and drive efficiencies in their revenue cycle. Many organizations are also providing access to a private HIE so that the entire network can exchange and share patient data, thereby achieving meaningful use.

Dell Services provides access to an external facing "Patient Portal" which allows participating physicians and hospitals to provide their patients with secure, real-time access to medical records. We believe patient portals are an important addition to any community alignment strategy because they create a stronger bond between the hospital, physicians, and the patient. Finally, Dell Services can place marketing personnel and assets in the region to serve as the hospital's "marketing engine" to quickly generate and manage the outreach and other external activities required with such an aggressive alignment program.

Our technology and information sharing model is cost competitive. In most instances, the physician solution package, depending on application platform, is priced in the range between $650 to $1100 per physician per month. This package includes an EHR and EPM solution that is hosted in a secure Dell Services data facility and includes system installation and provider training as well as access to our workforce of highly skilled clinical adoption specialists and technology support teams.

Dell Services also provides access through its alliances with leading hardware providers to new innovative technology solutions that will improve clinical computing while increasing clinician mobility. Our Virtualized Desktop Infrastructure (VDI), hosted software solutions and mobile computing device integration capabilities can create an end-user environment that complements, rather than detracts from, the clinical and treatment setting.

Dell Services has over 20 years experience in providing secure environments for complex healthcare client needs. By working with our team to initiate a technology and information sharing alignment initiative, hospitals will have the engine required to successfully establish and manage the program. In addition, we can help you generate awareness and demand among physicians in the market.

[3]"Maximizing Your Consulting Investment: A Report on Healthcare IT Consulting Services," February 2009. KLAS Confidential Information. © 2009 KLAS Enterprises, LLC. All rights reserved. www.KLASresearch.com (Note: KLAS rankings above were for Perot Systems, which is now part of Dell Services.)

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Appendix One

Why Hospital and Physician Alignment is More Viable Today

Looking at past physician alignment strategy failures begs the question, "What has changed and why is 'now' the right time to aggressively approach a connected community alignment strategy throughout your health system?" One of the biggest reasons is that this differing approach is centered on technology service offerings that help physicians overcome the following challenges:

- Implementing complex software solutions in a healthcare environment quickly and easily;

- Maximizing government incentives by meeting "meaningful use" standards;

- Connecting effortlessly, through a Health Information Exchange, to the hospitals and providers;

- Automating patient administration and accounting processes to speed up reimbursement through practice management software;

- Improving clinical productivity through patient coordination and care; and,

- Relieving technology maintenance and support hassles associated with technology support.

ARRA incentives for EHR implementation — With approximately $23 billion of the ARRA dedicated toward grants and incentive payments for healthcare IT, it pays to be an early adopter of EHR technology. Late adopters will receive smaller incentive payments and be penalized through decreased Medicare and Medicaid reimbursements starting in 2015.

Hospitals are not required to help physicians meet "meaningful use" standards, but rather they are being given the leniency to help assist smaller practices in getting this done. Hospitals typically have stronger IT capabilities and greater access to technology through systems integrators. They also usually have far more advanced IT capabilities and maturity than most practice groups. For these reasons, hospitals are seeing an opportunity to help physician practices make the right decisions on software selection and implementation.

Since survey after survey shows that doctors are concerned about transition time and loss of productivity when implementing EHR solutions, it only makes sense that they would seek the assistance of the health systems they work with on a daily basis and their experienced systems integrator. Dell Services appreciates the complexity that healthcare leaders face when implementing a comprehensive EHR system that will meet the ARRA requirements and has developed a suite of solutions to address these challenges and facilitate widespread end-user adoption.

Interoperability and data exchange — Transparency of patient data helps build trust among physicians and health systems. Doctors are realizing implementation is just the tip of the EHR iceberg. They have to make these systems interoperable AND they must exchange some levels of data to gain access to federal incentive funds. Health Information Exchanges (HIEs) are expected to help healthcare providers better exchange critical patient health information and improve the interoperability of EHR systems within a community. This dynamic step in itself can drive improved alignment and prompt some physician groups to see affiliation as a better approach.

Health systems are in the perfect position to lead the development of HIEs that rely on a more robust information sharing environment. They can help drive down the cost of care and improve quality. We are seeing new efforts that are constantly developing while bearing significant promise in helping better align physicians with their community hospitals.

Today, hospitals are more competitive than ever. Physicians want to see additional benefits from the ones to which they are aligned. Therefore, health systems need to provide the highest quality experience for their patients. They also need to focus on creating quality metrics, measuring performance, and adjusting as they seek to improve. As part of this effort, they need to take a long look at their technology environment.

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The Federal Stark law and the Federal Anti-Kickback statute are obstacles that hospitals and health systems have had to overcome when working with physicians on technology initiatives. However, in August 2006, the creation of new information technology exceptions to these regulations substantially increased the ability of hospitals and other providers of Medicare or Medicaid services to donate information technology to physicians without violating the statute. When developing physician alignment strategies, it is important to carefully consider whether they are compliant with the subject exceptions and safe harbors.

The new regulations address prohibitions in both the anti-kickback statutes and in the physician self-referral regulations by defining specific activities permissible under the statutes. The permissible areas are known as "safe harbors" under the anti-kickback statutes and "exclusions" under the self-referral prohibitions relating to physicians. Since Health and Human Services (HHS) enforces these prohibitions under separate agencies, HHS published two sets of final rules to provide consistency in approach, terminology, and implementation. In spite of the similarities, the final rules are still complex and contain more than 300 pages of detailed discussion.

In general, the regulations attempt to clarify the circumstances under which hospitals can support the HIT needs of physicians by providing two broad categories of safe harbors/exclusions:

- Electronic prescribing; and
- Interoperable EHRs.

Of all these requirements, the most problematic condition is the definition of "interoperable," which includes the ability of the software to:

- "Communicate and exchange data accurately, effectively, securely, and consistently with different IT systems, software applications and networks, in various settings;" and
- "Exchange data such that the clinical or operational purpose and meaning of the data are preserved and unaltered."

Given the reach of the definition and the scarcity of existing standards or criteria on which to base such a determination, HHS offers what it calls a "bright line" determination of interoperability. Products are deemed interoperable if they are certified by an organization recognized by the HHS Secretary. As long as certified products contain e-prescribing functions and distribute under a cost-sharing agreement where the recipient pays 15 percent of the cost of the software or service, then the safe harbor/exclusion applies.

HIPAA regulation and data security is also a significant concern that needs to be addressed. The major issues you should consider that could become "big ticket items" include:

- Stiffer penalties and higher enforcement for breaches of protected health information (PHI);
- Breach notification applies to covered entities, business associates, personal health record vendors and pertains to acquisition, access, use or disclosure of PHI;
- Patients will soon be able to request a full accounting of disclosures of PHI (pertaining to treatment, payment and healthcare operations) housed in an EHR;
- Health Information Organizations (HIOs) and Regional Health Information Organizations (RHIOs) will be required to be in compliance with HIPAA; and,
- Audit logs will be required for EHRs.

Reviewing and determining how best to comply with the HIPAA Security Safeguards, whether "Required" or "Addressable," is crucial to the success of HIEs and compliance with the privacy and security aspects of the HITECH Act. Performance of a "thorough and accurate" security risk analysis (assessment) in order to identify potential threats and vulnerabilities to information systems and any associated risks is paramount to moving forward.

This should include identifying devices, portable or otherwise, used by the organization (i.e., Blackberries®, PDAs, medical devices, drives, memory sticks, etc.) that must be tackled so that a plan can be devised.

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Appendix Two

Dell Services Research on EHR Implementation and Physicians Alignment

Methodology: Dell Services sponsored an online survey of physicians and hospital IT decision makers between June 24 and July 2, 2009.

- One hundred and fifty physicians who make information technology decisions for their practice were interviewed. A mix of practice sizes was included.

- One hundred and fifty IT decision makers working at a mix of hospitals with regard to both size and for-profit and non-profit status were interviewed.

- All respondents were recruited from an online IT panel.

Topic Areas: The survey was designed to obtain performance metrics for Dell Services and their competitors among the two key audience groups and included an examination of the following issues:

- Assessing the importance of healthcare industry issues for the next 12 months.

- Assessing perceptions of and concerns about EHR technology.

- Awareness of healthcare industry IT providers, including Dell Services and its competitors.

- Qualitative feedback from hospital executives and physicians who make information technology decisions.

Key Result Findings: Physicians and hospital IT decision makers are currently assessing EHR technology.

- Almost two-thirds (65%) of physicians are in the EHR technology decision making process and over one-quarter have already completed the implementation.

- Of those physicians that had not already acquired an EHR system, over 90% anticipated acquiring one within the next 36 months.

- Almost three-quarters (71%) of hospital IT decision makers are in the EHR technology implementation decision process and 16% have already completed the implementation.

- An opportunity exists in the EHR technology market for the integration company that best positions itself as a solution for both hospitals and physicians.

- Physicians and hospital IT decision makers identify providing quality healthcare and the security of electronic health information and records as extremely important issues to the healthcare industry over the next 12 months. (See Fig. 1)

- The majority of physicians (55% - See Fig. 2) and hospital IT decision makers (58%) would prefer to partner with a company that focuses primarily on the implementation and integration of EHR technology, rather than a company that develops the software.

- Physicians and hospital IT decision makers view the implementation of EHR technology as a solution that will improve the overall quality of medical care in the U.S. and make individuals' medical records more secure. (See Fig. 3)

Concerns and Challenges: Physicians and hospital IT decision makers do have concerns about implementing EHR technology.

- Both physicians and hospital IT decision makers are concerned about financing the upfront costs of implementation. (See Fig. 4)

- Physicians are also concerned about the loss of productivity during transition to an EHR system. (See Fig. 4)

- Hospital IT decision makers have concerns about ensuring patient data security/privacy compliance. (See Fig. 4)

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Figure 1 - General Industry Context

Survey Question: Thinking about the next 12 months, please indicate how important you think each of the following issues will be to the healthcare industry.

Issue	Physicians	Hospitals
Providing quality healthcare	89%	90%
Ensuring the security of electronic health information and records	69%	71%
Reducing the cost of healthcare delivery	69%	65%
Increasing cash flow	63%	75%
Making health records available electronically	60%	57%
Providing health insurance coverage for all Americans	53%	46%

Figure 2 - Physician Partnership Preferences

Survey Question: Would you prefer to partner with a company that focuses primarily on the development of EHR software or one that focuses on the implementation and integration of this technology?

- Enables user friendly/customized software — 28%
- Want to be involved from the ground up — 16%
- Specialized in Electronic Health Records — 16%

Pie chart:
- 55% — EHR technology implementation and integration company
- 17% — EHR software development company
- 28% — No preference/Not applicable

- Better implementation/integration — 41%
- Enables practical, easy-to-use software — 20%
- Better service and support — 19%
- Customized/specialized software — 10%
- Good to work with only one company — 6%
- Offers expertise in healthcare — 4%

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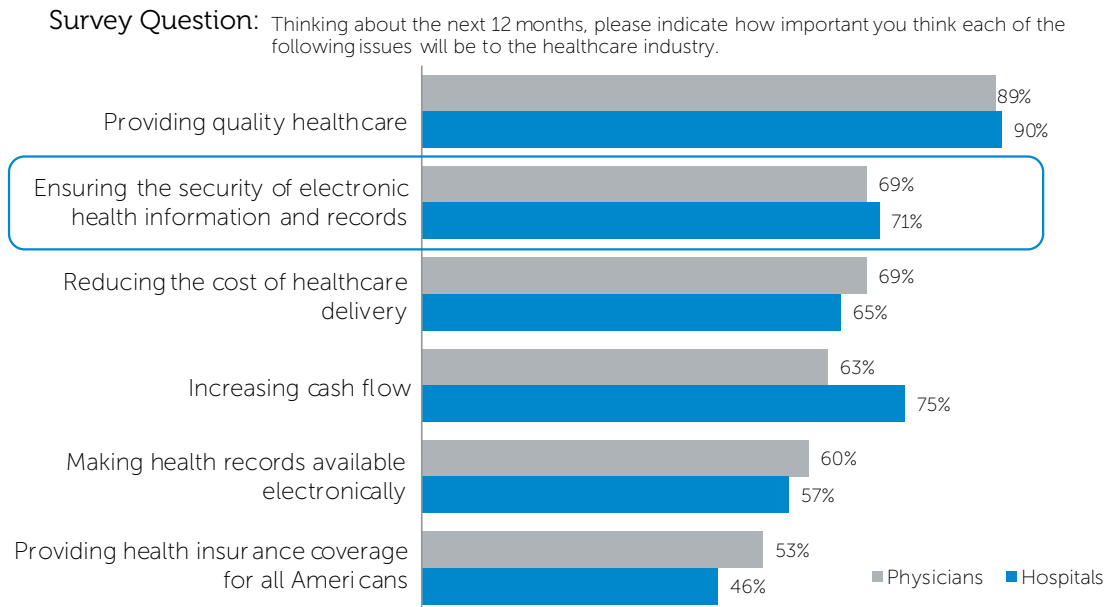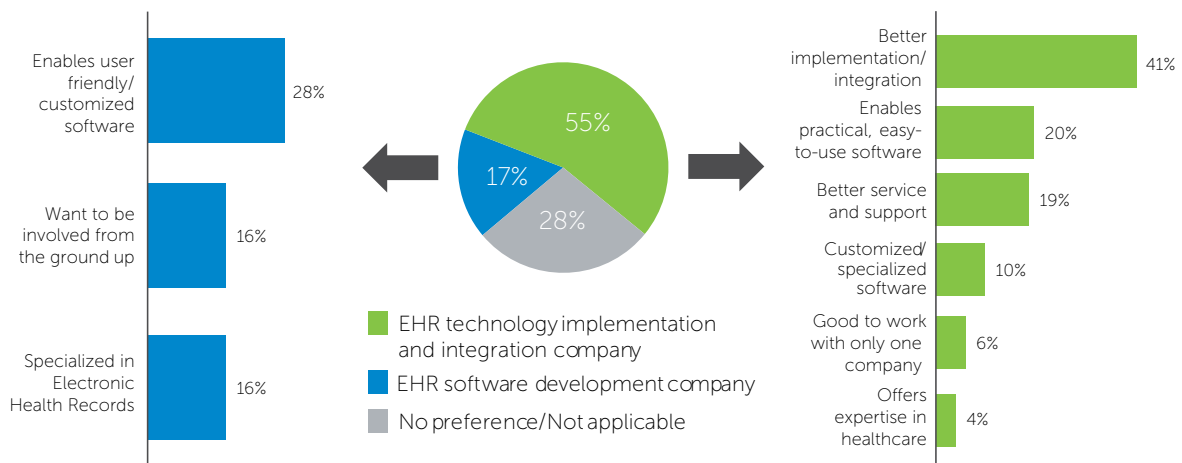
Figure 3 - Perceptions of EHR Technology

Survey Question: As you may know, the American Recovery and Reinvestment Act of 2009 provides funding to the healthcare industry for implementing new or additional Electronic Health Records technology. As U.S. organizations begin to adopt this technology, how likely do you think it is that each of the following will occur?

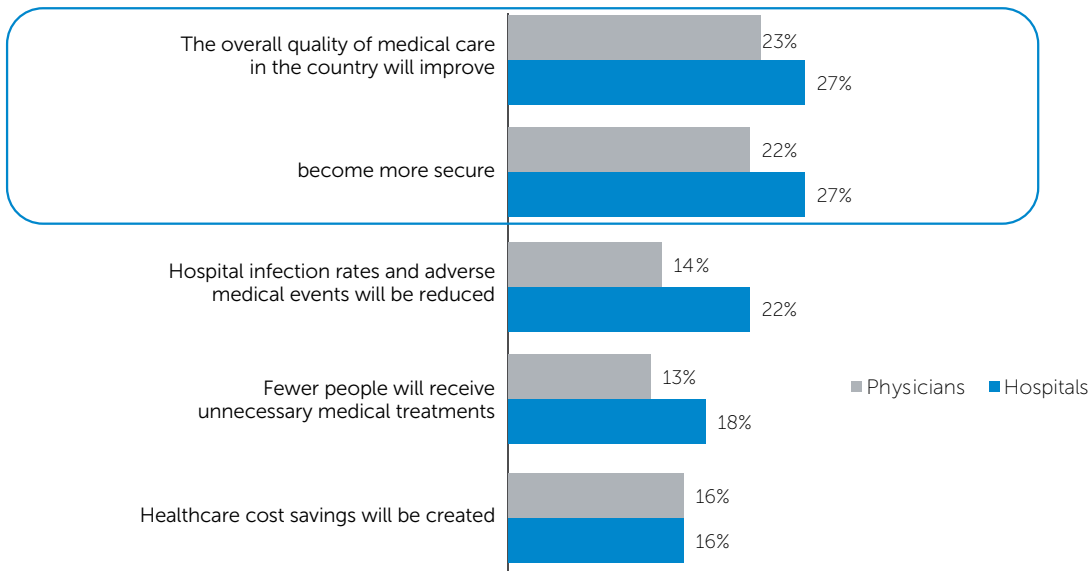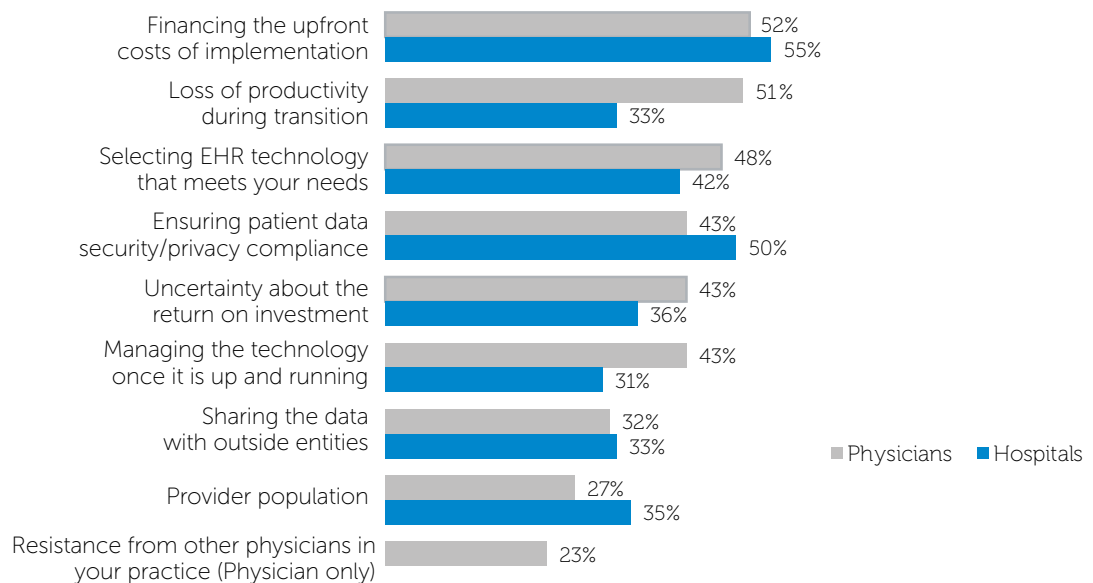|	Physicians	Hospitals
The overall quality of medical care in the country will improve	23%	27%
become more secure	22%	27%
Hospital infection rates and adverse medical events will be reduced	14%	22%
Fewer people will receive unnecessary medical treatments	13%	18%
Healthcare cost savings will be created	16%	16%

Figure 4 - Concerns About EHR Technology

Survey Question: Please rate the level of concern you have for each of the following issues regarding Electronic Health Records technology.

	Physicians	Hospitals
Financing the upfront costs of implementation	52%	55%
Loss of productivity during transition	51%	33%
Selecting EHR technology that meets your needs	48%	42%
Ensuring patient data security/privacy compliance	43%	50%
Uncertainty about the return on investment	43%	36%
Managing the technology once it is up and running	43%	31%
Sharing the data with outside entities	32%	33%
Provider population	27%	35%
Resistance from other physicians in your practice (Physician only)	23%	

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