

Electronic medical records are taking root locally

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In New York's Hudson Valley, more than 600,000 patients are blazing a trail with a new regional medical-information network that lets area hospitals, doctors, labs and pharmacies share medical records securely over the Internet.

The Taconic Health Information Network and Community project is one of the most ambitious efforts yet in a growing movement to establish large regional health-information networks around the country. While it may be a decade or more before Americans have a national system of electronic medical records -- as promised this year by the Bush administration -- more than 100 state and local groups are moving quickly to establish their own networks, securing seed money from federal agencies and nonprofit groups, and lining up local employers and health plans to offer financial incentives, including bonuses for doctors to participate.

The regional networks aim to get local providers to convert patients' paper medical files to electronic records, and persuade doctors to exchange pertinent information with a patient's other health-care providers. By using a single network, regional health groups say they can reduce medical mistakes, better track patients with chronic diseases such as diabetes, zip prescriptions electronically to pharmacies, and cut costs by eliminating duplicated lab tests and X-rays.

"The simple vision is that we want to see every American covered by one or more regional health-information organizations," says David Brailer, who was appointed as the nation's first health-information-technology coordinator this year. Regional networks are better suited to meet the needs of specific geographic populations, he says, and eventually, the regional networks can all be interconnected to form a national network that will enable officials to track health trends, report disease outbreaks and better identify public-health issues.

With no money or federal authority to mandate a national health-care network, regional networks are also emerging as the only solution to wiring up the country's medical system. Creating a nationwide system for sharing medical information would cost billions of dollars, scaring off many legislators. While the U.S. Department of Health and Human Services says a national health-information network can save about \$140 billion, or about 10 percent of total health-care spending, it has pledged only \$100 million to fund small pilot projects.

Because the U.S. has a highly fragmented private health-care system, "starting from the bottom and working up is the only viable approach," says Lewis Redd, who runs the health-care consulting practice at Capgemini. The federal government's role, he says, is to push for widespread adoption of a single technical standard that will let all the different medical records in the country eventually talk to each other and share data, all the while allowing access only to authorized users, to ensure privacy. Such technical standards already exist, and Mr. Brailer, the government's health-information-technology czar, is in the process of deciding how best to endorse them and provide guidelines for their use.

For consumers, the growing patchwork of regional health networks will divide patients into electronic "haves" and "have-nots" for the next few years.

Access to the latest medical-information technology will depend largely on where you live: Residents of states including Delaware, Massachusetts, California, New York, Colorado, and Tennessee, for example, will be the first to benefit. A handful of large health plans such as

Oakland, Calif.-based Kaiser Permanente have their own electronic medical-records systems, as do regional medical powerhouses including the University of Pittsburgh Medical Center.

Doctors and hospitals don't have to participate in the regional initiatives, and most have been reluctant to share medical records for competitive and privacy reasons. But as evidence mounts that easily-transferable electronic medical records reduce costs and errors, they are feeling pressure to join in.

Nationally, only about 14 percent of hospitals and far fewer doctors' offices have purchased their own electronic systems.

The eHealth Foundation, a nonprofit group, in July awarded small grants to nine regional network projects, including the Taconic project. But Janet Marchibroda, the group's executive director, says employers and health plans must provide substantial financial aid to regional networks, which are in the best interest of their employees and can help them trim health-care costs in the long run.

In the Taconic project, for example, health plan MVP Health Care is paying participating doctors 40 cents per patient per month, which can help offset the less than \$1,000 monthly cost to doctors of using the electronic system. International Business Machines Corp., which covers about 80,000 to 100,000 Hudson Valley residents through its health plan, is also discussing participation in the bonus program.

The Taconic IPA, a 2,300 member independent physician practice association that is leading the Taconic project, says it expects to have the region's eight major hospitals as well as local labs on board soon, and within five years expects 90 percent of its own doctors to be online. By next year, patients will be able to log on to the system to view their medical records and communicate securely with their doctors.

Already, doctors using the system are able to get lab-test results electronically as soon as they are ready, instead of waiting until the next day for a fax or courier to drop off results, says A. John Blair, chief executive of the Taconic IPA.

"There are bad things happening all around the country with very competent physicians because there is not enough information at the point of care to keep them from making mistakes," Dr. Blair says. By developing a regional health-information network, "we are improving the safety and quality of care for our patients in the Hudson Valley."