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High noon for federal health records program?

2015 will be a critical year for testing the system.

By ARTHUR ALLEN 12/28/14 8:04 AM EST

Vast spending, frustrating software, angry doctors facing a punch in the wallet — and a hungry new Congress. It could add up to a powerful threat to the Obama administration's $30 billion program to digitize the nation's medical records.

Many doctors hate the clunky, time-sucking software they got through the massive subsidy program, and most complain that cumbersome information exchange is frustrating their efforts to coordinate and improve patient care. A quarter-million — half of those eligible for the electronic health records program — will face fines in 2015 for failing to use the systems in the way the government required.

State Medicaid officials don't know how many of their doctors are using electronic records, although they have handed out $9 billion of those federal funds to encourage their adoption. Nor do they have much sense of how much the technology is helping low-income patients.

All in all, while many believe digital health will eventually bring huge

benefits, physicians have seen few of them to date.

Now, as the government begins cutting payments to those who have failed to demonstrate "meaningful use" of the electronic health records Washington began subsidizing four years ago, physician groups are fighting mad. And Congress wants to know why an industry with three freshly minted billionaires isn't making better software.

2015 promises to be a critical year for determining whether electronic health records will enable physicians to communicate with each other efficiently to create better care. If they can't get their systems to interact, the program may be seen as largely a waste.

Why it has failed

Since 2011, U.S. doctors and hospitals have had to show they were using electronic records to do things like prescribing and ordering tests, getting patients to download information, and to prove they were asking patients questions about things like smoking and blood pressure control.

When the subsidy program was announced as part of the federal stimulus, 12 percent of doctors had computerized records. Now, 60 percent of doctors and nearly all hospitals do. That's a major commitment, and no one wants to go back to paper. But it's a two-edged sword.

Those who see Medicare patients can earn up to $43,720 in federal payments for demonstrating "meaningful use" of their computers, but eventually they face penalties of as much as 5 percent of their Medicare payments for failing to meet the program's requirements.

The first year of penalties starts in January; more than 250,000 doctors will have 1 percent of their Medicare payments docked.

Members of Congress who track health IT are convinced the program is on the wrong track, according to House Energy and Commerce Committee staff. They aren't entirely sure how to fix it, but 30 House members, including two Democrats, have co-sponsored a bill that

would keep more doctors from being penalized by Medicare.

The fines are a bitter pill for doctors, who are spending an average of nearly an extra hour a day typing information into their computers because of the new rules. That means lost time with patients, and less income.

Rather than saving physicians and health care money, the program in effect has created a new industry — the medical scribe. About 100,000 of these glorified typists are expected to be working for doctors by 2020.

“After five years I can’t really do anything I couldn’t do before the program started,” says Martin O’Hara, a cardiologist who practices in northern Virginia. Computers make everything more legible, O’Hara says, but otherwise the payoff has been slim.

At one hospital in the D.C. area, administrators were pulling their hair out over the huge fees charged to transmit data including routine lab and radiology tests. “I talk to EHR vendors all day long and many of them have these criminal-like practices of setting whatever price tag they want because they can,” said a medical informatics officer who spoke on condition he not be named.

Recently an EHR vendor charged the hospital $50,000 just to pull information from the computers of 20 affiliated physician practices and send it to the Department of Health and Human Services. The hospital had no choice but to pay, because HHS would withhold certain Medicare payments without the data.

EHR vendors promise they are working to improve the flow of data between medical offices and hospitals. But these blocked exchanges have attracted the attention of the Federal Trade Commission, and Congress put language in the spending bill President Barack Obama signed Dec. 16 that requires HHS’ Office of the National Coordinator for Health IT to investigate why records aren’t flowing smoothly — and to decertify software that blocks such transactions.

Free data flows were a prime objective of the federal health IT push. The idea was that computers would make it easy for, say, a doctor to

learn that his diabetic patient had been hospitalized. He could make sure she went home with the right drugs and a home nurse, so she didn't end up back in an ER a week later after falling during a blood sugar-related bout of dizziness. And if she had other specialists, perhaps affiliated with different hospitals, they could follow her progress and communicate with each other too.

The idea is to both help the individual patient have better coordinated care, and to save the health care system money. If the records of 10,000 such diabetics flowed into databases used by researchers, went the thinking, they could more easily figure out the best drugs and treatments and make health care safer, cheaper and more effective.

The slow progress of health IT has also put a drag on research. Multiple sclerosis patients trying to set up a database leading to cures for their disease "run into a brick wall" trying to get information out of their electronic health records, says Marcia Kean, a consultant who works with one MS group.

Many of these patients see multiple doctors, each of whom has a different policy or capacity for sharing data. It's not easy to obtain a record that makes sense to either the patient or a researcher, Kean said.

Hope on the way?

Optimists think an $11 billion contract to rewire the military's electronic health records system could give software vendors the kick in the pants needed to get the country's systems talking to each other.

The military, which wants the medical records of its active-duty soldiers to move smoothly to the Department of Veterans Affairs when they retire, has said it will pay only for a computer system that openly talks with others.

The major health IT giants, including Epic and Cerner, both run by Fortune 400 billionaires, have been vying for the contract by talking up their ability to exchange information.

Epic, a privately held company that holds the medical records of about half of Americans, has often been accused of failing to provide cheap or easy ways to connect with doctors or hospitals that don't use its software. But now Epic and other vendors have joined alliances promising to improve information exchange.

"Whether these are real or just shiny keys — time will tell," said Joel White, CEO of the tech-promoting advocacy group Health IT Now.

HHS is weighing whether to require vendors to equip their health records software with a single programming interface, like what Apple uses to allow app makers to smoothly and freely plug into its computers.

Meanwhile, as Congress focuses on data exchange, researchers say there are lingering problems with the usability of computers — and, potentially, their safety.

Doctors have to multitask much more of the time after switching to computerized systems. That explains why they feel more stress, says Raj Ratwani, scientific director of the National Center for Human Factors in Healthcare in Washington.

Studies suggest that electronic systems do make health care safer overall — for example, by replacing doctors' chicken scratch with electronic prescribing, and alerting them to dangerous drug combinations. Yet computers are introducing their own risks due to the strain they put on doctors' brains.

Most health record vendors didn't pay enough attention to medical workflows when they designed the current generation of software. Better designs are coming down the pike, Ratwani says, but hospitals that spent hundreds of millions to install a software system can't quickly switch to a new one.

Jon White, the deputy National Coordinator for Health IT (and no relation to Joel White), sees hopeful little signs in the health care system.

Several days ago, his 13-year-old daughter broke a finger playing tag.

She had it X-rayed, and by the time she reached the orthopedist's office a half an hour later, the radiologist had already transmitted the image. It was hanging on the wall of the exam room.

"It made me so happy the orthopod could look at the results so quickly," White said. "That wouldn't have been possible five years ago."

David Pittman contributed to this report

Authors:
Arthur Allen

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