

## Docs see peril, promise for IT

By Richard Pizzi, Contributing Editor January 1, 2008

While physician adoption of healthcare information technology remains low nationwide, many observers are hopeful that things will change for the better in 2008.

Healthcare IT News spoke with industry experts who say that U.S. doctors will be focused on multiple IT-related issues in the coming year. Michael Barr, MD, vice president of practice advocacy and improvement at the American College of Physicians, says the high cost of IT adoption in the small practice space limits investments in technologies like electronic medical records.

"We'd love to see a healthcare IT bill that helps practices invest in IT," Barr said. "We've been advocating for various options, like low-cost loans and grant funds. Practices have to make the investment, but the biggest return goes to other parties, like the payers. The ACP is supportive of healthcare IT, but it's not going to be taken up by a lot of physicians until there's an appropriate amount of financial support."

The ACP and other physician organizations were very concerned about the proposed 10.1 percent cut in the Medicare physician payment rate that was initially scheduled to take effect on Jan. 1 under the sustainable growth rate formula. Less income means fewer IT purchases, they claim.

In late December, Congress agreed to a temporary fix, a 0.5 percent increase in the Medicare physician payment rate for the first six months of 2008. "We were hoping for a long-term fix to the SGR, although the likelihood of that is pretty slim," said Barr. "There's always the potential for more damaging cuts down the road, and that would certainly hurt investment in IT. You can't expect to see greater uptake of technology when physicians are facing reimbursement cuts."

Daniel Palestrant, MD, CEO of Sermo, an online information-sharing Web site, echoed Barr's cost concerns for physicians. Palestrant says physicians on Sermo almost always cite cost and quality concerns when debating EMRs. "Physicians are not technophobic, contrary to some suggestions," Palestrant said. "But because the vast majority of practices have fewer than 10 doctors, they are very worried about price. Doctors on Sermo seem very skeptical about the quality claims of EMR vendors and are critical of the high costs. And any mandate for using EMRs or e-prescribing is a really bad idea without reimbursement. Physicians wouldn't react well to that."

The fiscal year 2008 omnibus bill did not include a requirement for doctors participating in Medicare to use EMRs, a request initially made by Health and Human Services Secretary Michael Leavitt.

Palestrant predicted that another big IT-related issue in 2008 would be online learning. He said doctors have a difficult time acquiring continuing education through conventional means, and there is an increasing demand for physician education via the Internet.

Another project of interest to physicians is the planned demonstration project that will reward doctors to adopt electronic health records. The Department of Health and Human Services will recruit 1,200 doctors from 12 communities across the United States to participate in a five-year pilot.

Robert Tennant, senior policy adviser for health informatics at the Medical Group Management Association, said HHS has not yet announced details on how to apply for the demo, nor how much the incentive will be. He noted that the demo, along with other HHS-associated physician IT initiatives, will have greater impact if the administration and Congress show support for the Office of the National Coordinator for Health Information Technology and the American Health Information Community.

"I think it's imperative that the federal government remain involved with AHIC," Tennant said. "The real value of AHIC was its close relationship with HHS. Without that strong relationship, AHIC becomes just another industry group that will ultimately have significantly less impact on physicians."