

Productivity gains from health IT must await bigger health system changes

June 13 2012

Productivity gains that can be achieved by widely adopting health information technology are likely to come from the reengineering of health care and may require new measurement tools to accurately gauge their impact, according to a new analysis from RAND Corporation researchers.

While debate remains about whether [electronic health records](#) and other health IT investments will deliver promised improvements, RAND researchers suggest that existing administrative data used to measure [productivity gains](#) may be unable to detect the effects of health IT. Their analysis is outlined in a commentary published in the June 14 edition of the [New England Journal of Medicine](#).

"As seen previously in manufacturing and other industries, the benefits of computerization in health care may only become evident over time as the delivery of health care is reengineered," said Spencer Jones, the paper's lead author and an information scientist at RAND, a nonprofit research organization. "Health IT has the power to change the way health care is delivered and we need to develop tools that can accurately measure the impact of those changes."

One recent study found that less than 2 percent of ambulatory performance metrics were suitable for measuring the effects of computerization, with other performance measures unable to capture improvements that can be made through health IT, according to researchers.

For example, health providers who use telephone calls or email in lieu of some office visits will appear to be less productive based on existing health care productivity measures, even if they deliver care in a more-convenient and effective fashion than other providers, according to the RAND Health analysis.

The U.S. government is investing \$27 billion to encourage adoption of [health information technology](#) under the Health Information Technology for Economic and Clinical Health Act of 2009.

Proponents expect health IT to transform [health care delivery](#) from a fragmented enterprise plagued by poor quality and high costs to a highly organized, integrated system that delivers high-quality care efficiently. Skeptics suggest the productivity benefits of health IT have been overstated, arguing it may create safety problems and even increase costs.

In their analysis, RAND researchers discuss a productivity paradox that became apparent during the computerization of many other U.S. industries during the 1970s and 1980s. Despite a vast increase in computing capacity, the growth of productivity fell dramatically during the period. The relationship became known as the "IT productivity paradox" and economists debated whether the investments in IT were worthwhile.

Further study showed that once these industries reengineered their processes to fully harness the benefits of IT, the anticipated productivity gains were realized. But it took time for this to happen.

For health IT to produce similar gains, the [health care](#) professions need to do more than just digitize paper-based workflows, according to the RAND analysis. Health IT should lead to new processes that support teamwork, care coordination and innovative approaches such as

interactive patient portals. Such approaches have the potential to yield greater convenience, access and quality while dramatically lowering costs -- the definition of greater productivity.

Other authors of the analysis are Paul S. Heaton and Robert S. Rudin of RAND, and Dr. Eric C. Schneider of RAND, Brigham and Women's Hospital, the Harvard Medical School and the Harvard School of Public Health.

Provided by RAND Corporation

Citation: Productivity gains from health IT must await bigger health system changes (2012, June 13) retrieved 26 June 2024 from <https://medicalxpress.com/news/2012-06-productivity-gains-health-await-bigger.html>

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