

Health info exchange: Short-term growth, but long-term concerns

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While record numbers of hospitals and doctors participate in electronic health information exchange efforts, which enable medical histories to follow patients as they move between healthcare providers, the long-term success of these programs is in question.

That's according to a new national survey of <u>health information</u> exchange organizations led by a University of Michigan researcher.

Health information exchange efforts come into play primarily when patients switch doctors or are admitted to a hospital. Because they give doctors access to patients' <u>medical histories</u>, they could improve diagnoses and reduce redundant tests, boosting both the quality and efficiency of care. They've been deemed a national priority, and \$548 million from the 2009 American Recovery and Reinvestment Act was devoted to helping states establish them.

So it might not be surprising that since the research team's last survey in 2010, there's been a doubling in the percentage of U.S. hospitals that take part in an exchange program and a tripling in the percentage of participating doctor's offices. The new study counted 119 operational exchange efforts nationwide – a 61 percent increase from 2010. Today, 30 percent of U.S. hospitals and 10 percent of doctors' offices are involved in one.

"What we've seen is this <u>federal money</u> really has made a big difference," said lead study author Julia Adler-Milstein, an assistant



professor in the U-M School of Information and School of Public Health. "What hasn't really moved, though, is the perception that the organizations haven't figured out how to fund themselves, which will be a big problem after the government grant money runs out in January 2014."

A full 74 percent of the exchange programs reported that they're struggling to develop a sustainable business model. Over the years, some organizations have closed their doors when grants ended. Adler-Milstein offers one explanation why:

"The <u>health care providers</u> are not willing to pay for the service at the level needed," she said. "They don't see enough value, and that's because much of it doesn't accrue to them. It goes to patients and to health insurance companies. The central challenge is that the incentives and the business model are not aligned yet for this to really work."

Will they ever be aligned, and what are some possible outcomes? Some believe health information exchange is a public good and that the government should make a long-term commitment to funding it. It's been suggested that a small payroll tax could cover the service. Others say the free market should determine the fate of health information exchange organizations. That could mean they're never permanently established, or that they find a way to make money. Adler-Milstein sees strides toward the latter.

"One piece of data that makes me a little bit hopeful is that many of these organizations are trying to figure out the broader role they can play in efforts to improve healthcare delivery," she said. "They're realizing that the data they have is very valuable for research and performance reports."

Beyond any immediate benefits to patients, exchange efforts could help



enable large clinical studies across institutions. Such studies could, for example, explore how effective certain treatments or diagnostic tests are in a broad range of situations. Exchange efforts could also aid in the establishment of "accountable care organizations," voluntary groups of doctors and hospitals that agree to coordinate care and reduce duplicated services.

"If these accountable care organizations are going to be successful, they need to know what care patients are receiving," Adler-Milstein said. "If you want to know how things are going from a quality perspective, that requires data. It's a broader effort that's really about aligning incentives for healthcare, but underneath it all is <u>health information exchange</u>."

The study is published online July 9 issue in *Health Affairs*. It will also appear in the journal's August issue.

More information: The paper is titled "Operational Health Information Exchanges Show Substantial Growth, But Long-Term Funding Remains A Concern."

Provided by University of Michigan

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