

IT to save money, coordinate care

BLUES TO INVENTORY HEALTH CARE IT

MACKINAC ISLAND — **Blue Cross Blue Shield of Michigan** said Thursday that it would lead and finance a statewide inventory of health care provider spending on medical information technology. Working with the Blues are the **Michigan State Medical Society**, **Michigan Osteopathic Association** and the **Michigan Health & Hospital Association**, which make up the **Partnership for Michigan's Health**. The state inventory study will catalog electronic medical record databases, hospital and physician Web portals, compatibility and connectivity of business systems and electronic prescribing capabilities, among other things. The goal of the partnership is to prevent duplication of efforts and ensure hospital systems can communicate with each other. The group said it expects to present results of the study within a year.

— Michelle Martinez

pilot is already active in 10 Henry Ford primary care centers, said Francine Parker, CEO of HAP.

Eventually, doctors say, insurers could start to weed out lower-tech hospitals from their networks. "I don't think that, long-run, CMS and the bigger, private payers will allow you to participate with them unless you're electronic," said Thomas Malone, executive vice president and chief medical officer of **The Detroit Medical Center**. "They want some comfort that the data that you're reporting is truly your data."

Last week, the DMC's board of directors approved spending \$36 million over two years to continue building its infrastructure.

The investment will give the DMC a state-of-the-art order entry system for physicians. But getting there is often a daunting prospect.

Despite the new spending, hospitals have lagged other industries in information technology for years. At the end of the 1990s most American industries were spending about \$8,000 per worker for IT, while the health care industry spent just \$1,000 per worker, U.S. government numbers show.

Hospitals are playing catch-up now at a time when many are just barely profitable. Hospitals in Southeast Michigan average a 2.4 percent operating margin, said Elliott Joseph, CEO of Warren-based **St. John Health** in an interview last month, and are nervously eyeing proposed cuts to reimbursements from Medicaid, which insures one out of seven Michigan residents.

Three-quarters of health care executives said their IT budgets will increase next year; about 56 percent said the increases would be at least 6 percent, according to a recent survey by the **Healthcare Information and Management Systems Society**. But the same survey said 20 percent of executives cited a lack of money as the biggest barrier to using new technology.

Providing hospital boards with hard proof of savings derived from IT investments is tough. Providers say they will have to monitor years of quality measurements and outcome improvements before they can assign cost savings specifically to the new systems. The current evidence supporting IT spending is promising, but anecdotal.

During the past four years, Trinity's drug system alone flagged more than 25,000 potential reactions, saving Trinity between \$1,200 and \$6,000 for each incident, Kini said.

Henry Ford is spending about

\$100 million over the next six years to take its CarePlus system to the next generation. "We believe it will lead to cost savings," said Robert Enberg, medical director information technologies at Henry Ford. "But we don't know how much."

The results could also improve as IT systems are better integrated into hospital processes. Changing entrenched hospital systems takes time. Trinity estimates that more than 300 business processes will be changed by Project Genesis.

"It's not just about installing the technology," said Mary Trimmer, senior vice president of Project Genesis operations. "It's about changing the basic underlying processes in the hospital. That's a huge cultural change."

Trinity is working with large groups of physicians and clinicians to hone the technology to fit their needs. Screens that alert doctors to possible drug interactions are important, but without appropriate filters the alerts multiply like e-mail spam. Even the device that physicians use to enter orders is a critical decision; devices that are too big or small will make electronic order entry too cumbersome to become ritual.

Other hospitals are working to rid the technology of similar bugs.

"It will be a total change in how we work," Malone said. And system updates will have to keep pace with medical knowledge, a never-ending process.

Even after hospitals learn to use the technology to integrate their own systems, there will still be more work to be done. The full payoff from IT spending will come when disparate provider systems can communicate with each other across cities or across the country — an important tenet of Bush's health care IT directive.

That will require a common national language to identify patients and treatments, doctors say, so that a person's medical history could be understood the same way anywhere in the United States, a difficult proposition.

The shorthand doctors use to describe patient ailments and treatments is as varied as they are, and there is little agreement on the definition of such basic terms as "examination," physicians say.

The Bush administration has budgeted just \$125 million for the national IT push for fiscal year 2006, which may not be enough to make much progress.

Independent physicians would also have to accelerate IT buys, a tough proposal for many smaller offices. About 56 percent of Michigan physicians were using computers to link to labs, hospitals and pharmacies, said a new survey from the **Michigan State Medical Society**, which represents 14,000 Michigan physicians. But only 26 percent used computers to access medical records.

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Joseph



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