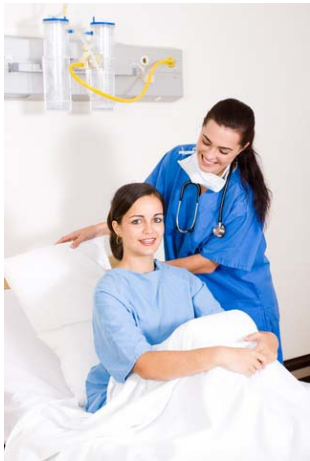


Health IT Legislation Impacts Small Physician Practices

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It might be hard to believe, but according to experts, there are still some physicians who haven't heard about the \$19 billion dollar stimulus package meant to spur EMR adoption, bumping up the 18 percent adoption rate of today. Other doctors are skeptical about whether they will really ever see the stimulus money.

And then, of course, there are those like Dr. Tom Stevenson, a rural physician in Grand Rapids, Mich., who is ahead of the curve and has used a practice management (PMS) and EMR system for years. But like many of his colleagues, he views the pending legislation as both a blessing and a curse. "For the first time, there are nationally based incentives for HIT (Health Information Technology) by docs," says Stevenson, who is also Chief Medical Officer for Compuware/Covisint, a software and service provider.

"However, the funds are not provided 'up-front' to the docs – in fact, the physician has to front the money and hope for the incentive re-payment. Also, the disincentives do not outweigh the costs."

To summarize the incentives from the American Recovery and Reinvestment Act (ARRA): physicians must have an EMR solution fully implemented by Oct. 1, 2010. Qualifying doctors can qualify for up to \$44,000 under the Medicaid incentive option or \$64,000 under Medicare, with payments made over a five-year period beginning in 2011. But there are penalties as well: starting in 2015, providers face the prospect of substantial long-term Medicare funding cuts if they lack the required technology.

"Doctors need to consider their EMR options quickly and carefully, as time is not on their side," says Rick Jung, COO of Medsphere Systems, Inc., an open source software EMR system. "The ARRA deadlines are fast approaching, and physicians must look for affordable, yet proven solutions."

Dr. Peter Deane, a specialist based in Rochester, N.Y., has begun the implementation process, with electronic messaging, prescribing and encounters already in place; electronic charting for the seven-M.D. practice begins this fall, along with electronic patient access via a secure Internet portal. "Do not wait for the technology to 'mature' or 'be ready,'" says Deane. "I've been waiting for that for 20 years, and I don't think it will ever be so. Find a system that looks good and take the plunge within the next year. The current incentive, although inadequate, is likely all we will ever see."

With so many iterations of the Healthcare stimulus package to come, some physicians are taking a "wait and see" approach for the final outcome. But already defined are these "[meaningful use](#)" objectives: an EHR by 2011 should electronically capture and report health information in a coded format for tracking key clinical conditions; by 2013, guide and support care processes and care coordination; 2015, achieve and improve performance, and support healthcare processes on key health systems. "Familiarize yourself with meaningful use guidelines and develop an implementation plan around meaningful use. Examine the various deadlines and prioritize functionality requirements as dictated by ARRA timelines," says Andy Riedel, director of product marketing at Sage medical software.

"It's difficult to anticipate all the impacts that are coming – even more so because the final legislative solutions are not yet published and the time allocated for the introduction of some of the reforms will be measured in years," says Jay Gleischman, head of 4Gen Consulting, an IT management firm. But some elements are definitely clear: physicians will

need to maintain a highly capable practice management system that can comply with expanded insurer and government regulations. The use of automated claims and billing systems will be “absolutely mandatory,” says Gleichman, as well as the ability to provide and track preventative care treatments.

Stevenson, the Grand Rapids family practice clinician, says the buzz among his colleagues is that “most of us are now resigned to the fact that HIT will happen, that it had to happen, and there is a certain amount of relief that funding is now becoming available.” He sees fellow physicians shopping around among the some 300 EMR vendors, all offering a hodgepodge of solutions. “And docs are scratching their heads, since they’re skilled with stethoscopes, not IT purchasing skills.”

Deane, the immunologist from Rochester, N.Y., agrees that EMR implementation is inevitable. But, as he does not accept Medicaid and only a small percentage of his patients have traditional Medicaid, he says he will see relatively little of the bonus money intended to encourage doctors to use EMR. “It’s not much incentive to us. We are going to be paying for this mostly ourselves, although others will derive most of the benefit, I fear.”

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