

ISSUE BRIEF

The Impact of Health IT on
Quality and Value
November 2008

ENGELBERG CENTER for Health Care Reform
at BROOKINGS

On Monday, November 24, the Engelberg Center will host a forum, "Advancing Health Information Technology Adoption and Quality Improvement through Value Cases." This event will feature leading experts who will discuss ways to promote adoption of health information technology (health IT) through the identification and application of "value cases" related to measuring and improving quality of care. Discussants will illustrate how this approach can lead to higher-value care in communities and for specific clinical conditions. The event will also cover how linking such reforms to changes in payment will increase their impact.

Introduction

Health IT has the potential to play a critical role in improving health care quality, value, and efficiency by allowing providers and others to more easily manage, exchange, and integrate medical information in order to improve patient outcomes. The economic impact of broad health IT adoption has been estimated at \$80 billion annually in net cost savings.¹

The greater availability and exchange of health IT could lead to enhanced quality assessment and reporting, tracking of health outcomes, and provider performance feedback. Such capabilities will in turn help engage consumers more meaningfully in decisions about their care, reform current payment models to reward superior care, and improve provider performance.

Despite these apparent advantages, the rate of health IT adoption continues to be slow, and the actual achievement of substantial cost savings has been less certain. Current estimates of physician health IT adoption indicate that only 17-29% of physicians around the country employ either a fully functional or a more basic electronic medical record (EMR) in their practice.^{2,3} The reasons often given for this lack of widespread adoption include acquisition and installation costs, the inability to recover such costs through current payment systems, and lack of interoperability standards, among others.^{4,5}

Current low rates of adoption are an obstacle to the establishment of an urgently needed national quality measurement and reporting enterprise. Maximizing the potential of health IT adoption to support performance measurement will likely depend on prioritizing technology standards development and the effective development and use of demonstrable value cases for such adoption.

The "value case" concept refers to "health care communities (public and private) uniting to identify and harmonize interoperability standards by clearly articulating how these standards increase quality and/or reduce costs of care for patients, generate meaningful value propositions to stakeholders, address business questions, and drive health care IT adoption."

– AHIC Successor, Inc.

Value Cases as a Path to More Widespread Health IT Use

According to the AHIC Successor, Inc., the “value case” concept refers to “health care communities (public and private) uniting to identify and harmonize interoperability standards by clearly articulating how these standards increase quality and/or reduce costs of care for patients, generate meaningful value proposition to stakeholders, address business questions, and drive health care IT adoption.”⁶ The AHIC Successor will select value cases that fit within an overall health IT strategy through a transparent competitive process using established criteria.

By identifying clear returns on investment in health IT, value cases are a critical means of building support for sustainable approaches to broader adoption. Of course, there are many opportunities for quality measurement, reporting, and improvement that do not require the widespread installation of electronic medical records in clinical settings. These opportunities should be vigorously pursued in the short- to medium-term as they represent tangible pathways to better quality measurement and reporting and, ultimately, improved care and health outcomes. Promising examples are currently under way in several regions around the country (e.g., IN, MA, NY). In these markets, electronic health care data that are already being collected are being linked to facilitate clinical decision support around specific services (e.g., preventive care), medication reconciliation, cross-site access to imaging information, among other purposes.

Value cases can also be identified for specific clinical areas (e.g., heart disease, cancer, and diabetes). By linking the information in disease or population registries maintained by some physician specialty societies with health care data (e.g., claims) maintained by payers, these data can do more to improve health care value in combination than each source could individually. For example, consistently linking information about cancer stage/health status with claims data can facilitate a better understanding of treatment costs and pathways. Similarly, linking heart disease registry data to claims data allows the tracking of longer-term outcomes for specific surgical and non-surgical interventions (whereas registry data today track only short-term results). In addition, with linked electronic laboratory results and claims data, it becomes possible to measure, track, and report on critical intermediate outcomes such as blood sugar (Hemoglobin A1c) or cholesterol levels for patients with diabetes.

Measuring Health Care Value at the Patient Level

Quality-related value cases are particularly helpful if they illustrate how quality and outcomes can be measured both within and across particular care settings. This “patient-centric” approach allows providers, payers, and patients to assess value more holistically along the care continuum. As more efficient and effective delivery models are identified as a means of reducing health care costs and improving access and quality, measurement and reporting efforts should clearly demonstrate the value rendered by such innovative approaches. Such value cases in quality measurement can promote the adoption of innovative practices because they permit financial, regulatory, or other types of support to be linked to steps that improve care. In turn, such steps reinforce the payoff to the adoption of health IT that actually improves care or reduces costs. Connecting payment reforms with improved outcomes achieved through increased use of health IT can increase the value of health IT investment compared to financing models that focus only on health IT adoption.

A patient-centric view of health ‘value’ measures results across episodes of care, care settings, and providers.

These potential pathways to greater quality and value through targeted development of health IT standards and adoption warrant further exploration. Presenters at this meeting will illustrate how progress in this area can lead to higher-value care and how these improvements can be linked to payment reforms in order to sustain and build on them going forward.

¹ Hillestad R, et al. "Can Electronic Medical Record Systems Transform Healthcare? An Assessment of Potential Health Benefits, Savings, and Costs," *Health Affairs*, Vol. 24, No. 5, September 14, 2005.

² Blumenthal D, et al. "Health Information Technology: Where We Stand in 2008." Health Information Technology Adoption Initiative. 2008.

³ Hing ES, CW Burt, and DA Woodwell. "Electronic Medical Record Use by Office-Based Physicians and Their Practices: United States." *Adv Data 2007*, Vol. 393, No. 1-7, 2006.

⁴ Congressional Budget Office. "Evidence of Costs and Benefits of Health Information Technology." Pub. No. 2976. May 2008.

⁵ First Consulting Group. 2003. Computerized Physician Order Entry: Costs, Benefits, and Challenges. First Consulting Group. Available at: www.fcg.com/research/research-listing.aspx?rid=36&NoIntro=True.

⁶ "A Process for Establishing Nationwide Health Information Technology Priorities." Document for Public Comment released by the AHIC Successor, Inc., October 29, 2008.