How to Take the Paper Out of a Medical Practice

BY JENNIFER SILVERMAN
Associate Editor, Practice Trends

SAN FRANCISCO — There is a cost-effective way to go paperless and make a profit for your group practice, Jeffrey P. Friedman, M.D., said at the annual meeting of the American College of Physicians.

Dr. Friedman, an internist and founding partner of Murray Hill Medical Group in New York, increased office appointments—and saved $238,000 annually in staff pay and benefits—by installing an electronic medical record (EMR) system and integrating the new technology on a gradual basis, cutting down on staff and phone time.

Patient registrations grew rapidly (currently at 18,000), and salaries for the group's internists and subspecialists in 2004 were two to three times the national average, Dr. Friedman said.

Murray Hill started out in 1992 with just a few partners and associates, one exam room per physician, and no ancillary help, using a local, small electronic billing package. Over the years, the practice filled its space, adding more subspecialty partners, associates, and equipment, and in 1998 acquired an EMR system. The practice added online bill paying this year.

The practice now has 35 doctors, an office lab, and a technician who oversees the fully automated practice. "Our employee/doctor ratio is very low," he said.

Installing an EMR system does cost money, "but a major thing physicians need to understand is that you have to spend money to make money," Dr. Friedman said.

When considering software vendors, it's important to visit practice sites that are using installed systems. He advised physicians to look at big vendors that are likely to be in business at least 10 to 20 years down the road. "This is a big investment, because whatever one you buy you're going to live with for a long time," he noted. In researching vendors, Dr. Friedman learned that the per-doctor cost to install an EMR system, "including the whistles and bells," was $30,000-$50,000, including training.

Training should ideally take place during the slow season, from the end of June through early September. Murray Hill physicians went through 3 months of formal training during such a period. The practice hired college and medical students to preload diagnoses, medicines, and vaccines into the new EMR system.

Conversion to an EMR system should take place gradually, he cautioned. A staff of two physicians, for example, should take turns going online. "You should have cross coverage so physicians are not out seeing patients while they learn how to use the system," he advised.

It's crucial to practice with the software before going live with the system. Within 1 to 2 weeks, Murray Hill's physicians had learned the system and regained or surpassed their usual level of efficiency.

Besides handling appointment scheduling (see box), the system helps automate prescription refills. Physicians using an EMR can check drug interactions when looking at their patients' prescriptions. Also, online preventive notices can remind physicians of what needs to be done for each patient. "And any work you do provides income," Dr. Friedman said.

An EMR also can point out errors in coding. "A lot of times we find out that the doctor has been undercoding. It's not fair to give back to carriers and the government. That's a lot of lost income," he said.

"It continues to amaze me that 90% of physicians are not" paperless, he said. People traveling on planes "would never put up with a pilot navigating by the stars." ■

Go Online for Appointment Scheduling

Patients favor online systems that provide a 24/7 service for appointments. "By integrating with the Internet you get patients to do things for themselves without staff," Dr. Friedman said.

His practice, Murray Hill Medical Group, developed its own software so patients could sign in online, make their appointments, refills, or referrals, or pick a physician or location. Dr. Friedman is now marketing the software for physicians who use compatible electronic medical record systems.

Patients get a tracking number plus three e-mail reminders about their visits. For annual exams, the e-mail will remind them not to eat or drink for 8 hours prior to the visit.

If it's a Sunday night, a patient who has forgotten the time of a Monday appointment can look up the visit instead of becoming a "no show," he said. The practice estimates that 35%-45% of all of its appointments are made online, and the no-show rate with those appointments is less than 1%.

Murray Hill Medical Group has open-access scheduling, so most appointments are scheduled within 24 hours. "We always add on more hours. Patients can always get in because that's how we make a living. We're not going to make them wait 3 weeks." The electronic system makes it easy to fill up slots when patients drop out of appointments.

Physicians have long struggled with patients having online access to their practice, Dr. Friedman said. "They have a problem with letting patients see their open schedule slots." In addition, "they think patients are too dumb, they'll abuse the system, [or] they don't know what they're doing." But patients are smarter than you think, he said. Of Murray Hill's patients, 95% have Internet access. A 2003 Harris poll found 80% of all patients go online to get information.

HSAs May Make Consumers Try Harder to Stay Healthy

BY MARY ELLEN SCHNEIDER
Senior Writer

Health savings accounts and other consumer-directed insurance products can help lower health care utilization and encourage better health behaviors, according to an industry expert.

Consumers begin to recognize that their behaviors can lead to a health outcome that might cost them money in the long run, said Doug Kronenberg, chief strategy officer for Lumenos, an Alexandria, Va.–based company that sells health savings accounts (HSAs). And so they begin to think about changing their behavior, he said.

When an employer or insurer combines an HSA with a program that also shows consumers the financial benefits of changing their behavior and offers support tools, consumers really become engaged in their health care, Mr. Kronenberg said during a teleconference sponsored by the Kaiser Family Foundation.

HSAs were authorized under the Medicare Modernization Act of 2003 and are portable accounts that consumers can use to pay for certain qualified medical expenses. The accounts are generally offered in conjunction with a high-deductible insurance plan, and both consumers and employers can contribute.

HSAs and similar accounts, such as health reimbursement accounts, can also create big savings for employers, Mr. Kronenberg said. With these types of plans, consumers tend to see the money as their own, and utilization of health care services typically drops.

But Mila Kofman, J.D., assistant research professor at the Health Policy Institute at Georgetown University, Washington, said that HSAs coupled with high deductible plans are just shifting the cost burden for health care from the insurer and the employer to the consumer.

And one of the possible pitfalls of the plans is that consumers who are facing deductibles of $1,000 or more each year will simply forego needed medical care. ■