

Physicians Seek Federal Funds to Finance EMRs

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WASHINGTON — Several individual physicians and professional organizations urged members of Congress to extend tax credits or deductions and small business loans to physicians who purchase information systems and to require Medicare to offer incentive payments to physicians who adopt electronic medical records.

Electronic medical records (EMRs) can make practices more efficient, but the initial expense—both monetary and in staff training—can be devastating to small physician offices, the witnesses told the panel members at a House Small Business Subcommittee on Regulation, Healthcare and Trade hearing.

Subcommittee chairman Charles Gonzalez (D-Tex.) agreed that the federal government should give physicians some kind of financial carrot to invest in health information technology. "Without changes in the way we promote health IT, small physician practices will be left behind the

technological curve, and as a result, patients will fail to benefit from the quality of care electronic health records provide," said Mr. Gonzalez, who recently reintroduced his National Health Information Incentive Act. The bill was aimed at assisting smaller practices but would also direct Medicare to make add-on payments for office visits facilitated by EMRs.

The American College of Physicians has called for just such a payment for several years, Dr. Lynne Kirk, ACP president, said at the hearing.

Mr. Gonzalez noted that the full Small Business Committee had recently passed the Small Business Lending Improvements Act of 2007 (H.R. 1332). The bill would let small practices borrow from the Small Business Administration to finance information systems.

Coming up with the capital for health IT is particularly tough for smaller physician groups, Dr. Kirk noted. One 2006 study showed that only 13%-16% of solo practitioners had adopted health IT, she said. Small practices are the lifeblood of inter-



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Finding capital for health IT is tough for smaller physician groups, noted Dr. Lynne Kirk (left).

nal medicine, she said, adding that 20% of internists are in solo practices and 50% are in practices of five or fewer physicians.

Acquisition costs average \$44,000 per physician and yearly upkeep amounts to about \$8,500 per physician, according to a 2005 study published in Health Affairs, Dr. Kirk said. ACP advocates an add-on payment from Medicare scaled to the complexity of the technology, as well as grants, loans, or tax credits from the federal government, Dr. Kirk said.

The lack of reimbursement for using health IT is a major obstacle to adoption, said Dr. Mark Leavitt, chairman of the Certification Commission for Healthcare Information Technology, a publicly funded agency that for the last year has been vetting hardware and software systems. CCHIT has certified 57 office-based systems, he said. Some payers are now offering financial incentives to physicians who use these certified systems, Dr. Leavitt said.

Dr. Margaret Kelley, an obstetrician in a two-person practice with her father in San Antonio, said they had spent \$100,000 to purchase an EMR system. Initially, the

system devastated the practice's efficiency, said Dr. Kelley, who also spoke on behalf of the American College of Obstetricians and Gynecologists.

"It took our practice nearly 2 years to be able to accommodate as many patients as we could before we invested in our EMR system," Dr. Kelley said. Even so, they would not consider returning to their old way of practice, noting that one of the biggest benefits has been access to patient charts 24 hours a day, she said.

Dr. David O. Shober said that implementing an EMR system at his two-physician family practice has been draining but beneficial. In 2004, the practice—four physicians and two offices—spent \$200,000 to buy a system. Yearly costs have averaged \$50,000-\$60,000, said Dr. Shober, who is based in New Castle, Pa. The system has allowed the practice to create more thorough notes, standardize charts, and retrieve records easily and quickly. But the system can't communicate with radiology centers and labs, and many local pharmacies refuse to accept an e-prescription, he said.

"The only way to provide incentives for the adoption of health IT is to provide financial assistance," said Dr. Shober, adding that the federal government should make no-interest loans available.

Dr. Kevin Napier, an internist in a nine-physician family and internal medicine practice in Griffin, Ga., said that he and his colleagues had spent \$400,000 for the purchase of a system and subsequent training since 2005. There was a huge drop in patient volume and income the first year of implementation, but the benefits have outweighed the risks, Dr. Napier said. ■

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