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eHealth Initiative Survey Links Health IT to Lower Costs and Improved Outcomes

Growing number of providers also report a positive financial return on investment

WASHINGTON DC (September 11, 2008) The exchange of health information electronically between physicians, hospitals, health plans, and patients is decreasing the cost of care and improving outcomes, according to a new survey released by the non-profit eHealth Initiative today. The 2008 *Fifth Annual Survey of Health Information Exchange at the State and Local Levels*, which included responses from 130 community-based initiatives in 48 states, shows the significant impact fully operational initiatives are having on improving health care delivery and efficiency.

The key findings from the 2008 survey are as follows:

- A majority (69%) of the fully operational exchange efforts (29/42) report reductions in health care costs. These respondents say health information exchange allows them to:
 - Decrease dollars spent on redundant tests
 - Reduce the number of patient admissions to hospitals for medication errors, allergies or interactions
 - Decrease the cost of care for chronically ill patients
 - Reduce staff time spent on administration
- About half (52%) of fully operational exchange efforts (22/42) report positive impacts on health care delivery, including:
 - A decrease in prescribing errors
 - Improved access to test results
 - Improved compliance with chronic care and prevention guidelines
 - Better care outcomes for patients
 - Increased recognition of disease outbreaks
 - Improved quality of practice life
 - Reductions in malpractice insurance costs
- In addition to improving care delivery, tackling population health challenges continues to be a goal of many operational health information exchange efforts with ten offering disease or chronic care management services, eight offering quality improvement reporting for clinicians, six offering public health reporting, and five offering quality improvement reporting for purchasers or payers.
- For the first time, a majority (69%) of the fully operational respondents (29/42), report a positive financial return on their investment (ROI) for their participating stakeholders, including health plans, hospitals, laboratories, and physician practices. In 2007, just ten (31%) reported a positive ROI.

“The 2008 survey shows a direct link between the exchange of health information electronically and improved efficiency, reduced costs, and better patient outcomes. These are exciting results and demonstrate that the significant potential impact predicted for electronic medical records is now being realized all across the nation,” said Janet Marchibroda, chief executive officer, eHealth Initiative.

Additional findings in the current survey are as follows:

- Forty-two health information exchange efforts are now in the advanced stage of development and fully operational—a 31% increase over the 32 operational initiatives in 2007.
- As in previous years, health information exchange initiatives are continuing to focus their efforts on supporting direct care delivery. 2008 survey results show that 26 of the 42 operational initiatives are offering clinical messaging, results delivery, or clinical documentation as one of their services. Sixteen are providing either alerts to providers, consultation/referral services or enrollment or eligibility checking.
- The variety and volume of data being exchanged increased significantly from 2007 to 2008. In 2008, a total of 26 operational initiatives reported that they are exchanging laboratory results, up from 19 in 2007 and 23 are exchanging outpatient episodes up, from 21 in 2007. In addition the number of operational initiatives exchanging radiology results (23), inpatient episodes (22), dictation/transcription data (20) and emergency department episodes (20) all increased from 2007.
- The most significant challenge for all 130 efforts reporting continues to be the development of a sustainable business model, with 50% of respondents citing this as a very difficult challenge, followed by securing upfront funding, with 47% citing this as a very difficult challenge. Both challenges are related to the current reimbursement system in health care which provides disincentives for the sharing of health information to support improvements in care.

“Clearly, securing upfront funding and achieving a sustainable business model are among the most difficult challenges that state and local initiatives focused on health information exchange are facing”, said Rachel Block, Executive Director of the New York eHealth Collaborative and President of the eHealth Initiative Foundation. “The good news is that we are now making progress—efforts across the U.S. are now able to demonstrate value through collaboration among and sharing of the costs of the exchange across all participating health care stakeholders, which ultimately provides benefits to everyone—particularly patients”.

The report is available on the eHI Website at www.ehealthinitiative.org.

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About eHealth Initiative and Its Foundation

The eHealth Initiative and its Foundation are independent, non-profit affiliated organizations whose missions are the same: to drive improvements in the quality, safety, and efficiency of healthcare through information and information technology.

eHI engages multiple stakeholders, including clinicians, consumer and patient groups, employers, health plans, health IT suppliers, hospitals and other providers, laboratories, pharmaceutical and medical device manufacturers, pharmacies, public health, public sector agencies, and its growing coalition of more than 200 state, regional and community-based collaboratives, to reach agreement on and drive the adoption of common principles, policies and best practices for improving the quality, safety and effectiveness of healthcare through information and information technology. For more information, go to www.ehealthinitiative.org.