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The Mid-Term Political Outlook for HIT: The Best Way to Get Things Done

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By working together, HIT professionals scored some significant wins in the political arena in the past few years. The White House responded to our industry's collaborative efforts by creating an office to develop infrastructure for the nationwide adoption of electronic health records in 10 years.

Under the leadership of the national coordinator for healthcare information technology, providers and vendors began working together on standards-based certification for information technology. Congress authorized programs to develop policies and fund demonstration projects for improving healthcare through data sharing.

On the other hand, some major battles were lost. The money actually appropriated for demonstration projects was a drop in the bucket—only enough to finance full IT installations for perhaps a handful of health systems. Most significantly, Congress constrained reimbursement and left

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the hospital industry without an operating surplus to invest in software and hardware. The federal government strongly endorsed healthcare information technology between 2000 and 2006, but it did not make any meaningful commitments to pay for it.

Politics, defined as the art of getting things done, was the explanation behind both the victories and the defeats. However, the dramatic shift in political control in both the House and Senate for 2007-08 suggests that many things will be done differently during the next two years. The Democrats, who now will preside over both legislative chambers, have

a very different agenda than their Republican predecessors. As a result, the beginning of the new session of Congress is a good time for the HIT community to look ahead and make its political plans accordingly.

The More Things Change...

The shift in political power in the 2006 elections should not be interpreted as a green light for healthcare. Significant roadblocks will continue to impede the digital transformation within the industry.

Pre-election polls showed that a strong majority of voters believed Democrats would do a better job guiding healthcare, but healthcare reform didn't emerge as a major issue in the November elections. The Congressional winners were able to regain control without making any promises about injecting more money into the medical economy.

Even if Democrats had promised more funding for health insurance or electronic records, Congress simply

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will not have any extra dollars. Defense spending, tax cuts and debt service all but eliminate financial flexibility. Democrats will generate some new ideas for healthcare during the next two years, but federal expenditures are very unlikely to increase in real terms, when adjusted for inflation and population growth. The only way to increase real spending would be to increase the federal deficit—something the Democrats promised not to do.

Democrats are also very unlikely to reverse the most significant change that Republicans engineered during the past six years—the privatization of healthcare. The shift from defined benefits to defined contributions might be slowed a little in the upcoming session of Congress, but it will not be stopped. Neither governments nor employers are able to continue subsidizing health benefits at historic levels, and consumers will be expected to take more fiscal and physical responsibility for their healthcare.

The principal mechanism for privatization, high-deductible health plans, will further weaken the already precarious financial condition of most hospitals. Adding insult to injury, some key Congressional leaders have little sympathy for hospitals. They believe the country has a surplus of beds, and they would tacitly accept more hospital closures. All things considered, healthcare is now a zero-sum game. One stakeholder's gain will be another stakeholder's loss for the foreseeable future—about two years, in my opinion.

Stronger Call to Action

Because the big picture is not promising for 2007-08, the HIT community and its allies will need to fight even harder during the next

two years to maintain momentum.

Digital transformation must be vigorously promoted inside our enterprises because we are not going to get meaningful financial help from outside.

As HIT leaders, we will need to be very political, enlisting allies one at a time by showing how IT can get things done for them. We will need to lead the charge because our colleagues in other operational areas will be fighting just as hard for the same limited resources.

We cannot count on others to lobby for HIT if we do not give them compelling reasons to want it. For example, information technology professionals should work closely with managers in the emergency department to help them explore how information systems can solve the problem of overcrowding. Without appropriate education and support from IT peers, many emergency department managers will push for more treatment bays and inpatient beds rather than an information system that would reduce the need for bays and beds by improving throughput with faster treatment.

Similar arguments must be made for installing information systems that eliminate bottlenecks in the operating room, on the hospital floor and in the doctor's office. The fundamental issue is not return on investment. Rather, it is finding the least expensive way to do the things that healthcare providers must do to stay in business.

Eliminating Waste

Cynics may believe that I have lost my way in this column, but Congressional politics and enterprise HIT are interdependent. With almost no hope for federal supplements to balance rising costs and declining revenues, providers need to look

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within for solutions. Health systems are sitting on a large pool of resources—the money they waste on inefficient operations—that could be used to fund HIT.

Economic studies consistently suggest that one-fifth to one-third of all money spent on producing medical services is wasted. The same or better outcomes could be achieved for 20 percent to 33 percent less with a tool that eliminates medical errors, duplicated efforts, counterproductive haste and other inefficiencies permeating the production processes of health-care. HIT is the best tool for the job.

In light of the grim political realities

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of 2007, information systems must be funded by redirecting dollars that are currently being wasted. HIT's leaders must become even more politically active to show that information technology is the least expensive solution to healthcare's persistent problem of waste. HIT is essential to

getting things done. In spite of the new regime in Washington, enterprise survival now must come from within. Pundits are correct when they say all politics are local.

About the Author

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