Wye River Group On Healthcare

IT IS NOT JUST A STRATEGY-
INFORMATION TECHNOLOGY IS A WAY OF DOING BUSINESS

Introduction

Although readily and effectively applied in banking, utilities, and retail for decades, information technology is one of the most misunderstood and misapplied tools in healthcare today. Yet, it holds out promise of "fixing" many of the infrastructure, accountability, and coordination challenges common to all healthcare sectors.

Consumers, employers, health plans, physicians and hospitals have recognized the importance of information technology for some time. Although they struggle to justify costs and sort out the seemingly endless public policy concerns, all stakeholder groups have developed plans for integrating IT into their operations. Then why is it not operationalized broadly in healthcare as it is in other business sectors?

Recently Wye River Group on Healthcare convened a cross-section of healthcare interests to explore this question. Large and medium sized physician group practices, hospitals, employers and healthcare consumer groups participated. The result- recognition and appreciation of the challenges shared and the strategies developed by some to begin to address them. This meeting gave rise to the development of this white paper.

Our purpose is several fold. 1st ,we would like to begin to examine traditional problems associated with adoption of IT healthcare and unearth the assumptions underlying its integration. 2nd, we seek to explore a new perspective to influence thinking about information technology within the healthcare business context. Finally, and perhaps most importantly, we hope to begin to provide cross-sector leadership for appropriate adoption of 'IT' in healthcare.

Background

How important is IT to health care? The reality is that it has significant impact on every aspect: coverage and access; patient safety/quality; workforce; regulatory relief;

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payment; disaster readiness. As a result, experts in most sectors would agree that information technology is critical to health care's infrastructure and key to transforming how health care operates.

Health care clearly needs integration. Computer systems within a single enterprise often don't talk to one another. Integrating disparate systems is costly and difficult, but necessary, to ensure coordination. Further, quality and operating performance can be improved through standards-based information systems.

Considerable urgency for adoption of broad-based healthcare IT systems is coming from many directions. To address escalating health care costs, there is the opportunity to create efficiency and eliminate administrative waste and redundancy. More stringent regulations necessitate systems to enhance compliance (HIPAA, Medicare, etc.)

Growing public and payer concerns about medical errors and patient safety demand effective solutions. And pressure is building to provide consumer-centric health plans with decision-support services enabled by IT. Culturally, the baby boomers are used to having their demands met--they want what they want, when and how they want it, at a price they want to pay!

Barriers are real and daunting for all players in the delivery system. With regard to technology, there is no clear choice or shining light. Multiple vendors promise solutions but rarely deliver on expectations. And there is the common problem of the "not invented here" syndrome that plagues organizations of all types.

However, the main barriers are internal and relate to culture. From the perspective of leadership, there is not a clear vision or organizational strategy, nor a real understanding of the issues. Fear and mistrust permeate all groups-from physicians to hospital management to vendors. There is no standardization, and a lack of resources and inability to measure ROI create more impediments.

These barriers create significant implications and raise several questions:

- How do we fill the educational void-with regard to vision, best practices, strategic assimilation?
- What will lead to interoperability? Organizational, cross sector, inter sector?
- How do we promote collaboration and eliminate the "NIH" syndrome?
- How do we close the large and growing divide between the "haves and have nots?"

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- How do we create affordable IT solutions for small/rural organizations?
- Should a core level of IT in healthcare be treated as a public utility?
- Where is leadership coming from in each sector?
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Traditional vs New Thinking

The healthcare business model traditionally views IT as a tool. Simplistically, it can help to streamline an organization's administrative functions or to market products by providing an effective way to move information to targeted customers. This information can help them make value-based decisions about what health plan, physician or hospital they should choose based on price and quality.

What we learned in our Wye discussions is that these approaches are legitimate and effective applications of information technology in healthcare, but are far from sufficient from the public policy perspective, if we are seeking to systematically address the healthcare system's ills and promote more consumer control. Our goal with healthcare, and thus with IT, should be to put the patient at the center of healthcare and redesign the system from the patient perspective to improve care at the point of service- and patients experience care holistically, not as transactional events.

Unfortunately, most healthcare executives evaluate IT as a linear proposition, that is, based on return on investment (ROI). When viewed through this lens IT rarely wins-the cost of state-of-the-art IT systems is so high, it simply cannot be justified by cost offsets alone.

Process

On the other hand, those organizations that have been successful with IT centric solutions do not see IT as their counterparts do. Rather, when IT is seen as a strategy to support their business objectives--hopefully aimed at creating more patient-centric care!!--an entirely new way of doing business and new opportunities appear.

A critical guiding principle for IT should be to provide technology solutions to enable corporate strategy. Information technology is NOT a strategy. It needs to be looked at in the total business context. Derived from corporate goals, a strategic plan and strategic objectives drive the IT strategies.

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For example, a strategic objective to deliver the most effective care based on clinical evidence without error is enabled through advanced clinical information systems. A goal to ensure coordination of care to best meet an individual patients needs is enabled through inter-entity coordination of care, requiring an electronic medical record (EMR.) Similarly, to be the most trusted source of information and improve the health of the community requires patient-specific education and communication systems.

Another key point for successful implementation is understanding the cultural dynamic and the proposition that employees have to "buy-into" the benefits of the technology, if it is going to be truly accepted. Change is threatening and absent a definable benefit, people do not readily adopt new technologies. We typically have done a poor job of articulating the benefits to different constituencies on a level to create ownership in the change.

IT has a major impact on work processes. For IT to be successful you cannot take what you were doing and just “automate” it-you need to transform work processes. The users must design the system if it is going to work well. Few realize that 80% of decisions are on users shoulders-vendors are only involved in 20%.

Strong leadership from both senior management and the medical staff is critical to success. In addition, committed resources, sound execution strategies, and consistent measurement are important.

Content

We may need to rethink our view of the components of IT. What you see depends upon where you sit. It appears we should reframe the IT issue to focus on the need in healthcare for information, as technology is an enabler of information exchange-and information transfer IS care.

If we were to reorder our view of IT, it would be constructive to see the need for information first, then the need for information exchange, and finally the need for information technology. This model would provide a way of placing value on and prioritizing the importance of information as it is integrated into healthcare.

It may also be useful to separate the information and the IT applications focused on health plan and caregiver/facility selection from clinical information for use at the point

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of care. Interestingly, at the current time, government resources are focused on the former, though it will have less impact on clinical outcomes.

There is minimal health services delivery research currently being done. We are not strategic in healthcare-if we were, we would not have the imbalance we do between resource allocation for information research (plan/provider choice vs clinical point of care.) We need to provide education on these issues differently to physicians and administrators.

What role should government play?

Government, like technology, is really just an enabler (or an impediment, depending on your perspective.) But the ability of both of these forces to level the playing field and promote empowerment is extraordinary. It can provide incentives or remove barriers-but what is more important?

When we use government to effect change it should be for a good reason--government should set the rules and get out of the way! It should not legislate or in other ways stifle innovation. Addressing fears by articulating reasonable rules of privacy and development of 'low-key' standards are potential areas where government could help to expedite the appropriate and effective adoption of IT strategies.

Government can also play an important role in helping to facilitate education and make widely available the data it has regarding quality of care. However, it is unlikely that government will be able to educate the consumer about these issues -it is too complex. However, it can support community wide efforts to develop strategies for consumer education. Perhaps, we should consider information as a "public good."

As the major healthcare payer, government should take the lead in initiating reimbursement for "information therapy." And, as usual, the private sector is likely to follow.

What is less clear is whether or not government should directly fund or provide incentives for the development if an information technology infrastructure in healthcare.

Next Steps

Fundamentally, IT should be used to leverage human nature, not to change it. But we

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need to get to the "tipping point" to create the cultural change needed if we are to use IT to enable creation of a more satisfying healthcare system. To change behavior, we need to identify gaps then apply incentives specifically to the gaps.

And we have to remember-if we are to solve the real problems in healthcare, we cannot get between the doctor and the patient! IT can help us address some of the most stressful issues in the doctor/patient relationship, such as convenience, management of continuity of care, especially for patients with multiple chronic illnesses, and provision of information to both doctor and patient to promote informed decision-making.

Future WRGH endeavors might include:

- Research on successful examples of 'IT' adoption/integration in other industries as models-understand what worked and avoid same mistakes;
- Examination of the value equation with regard to 'IT': should some level of 'IT' be viewed as a public utility?
- Clarification of the need to reorder our thinking, e.g., information first, information exchange and finally information technology;
- Analysis of the value in separating 'IT' applications: information at point of care; information for caregiver/facility selection;
- Development of an approach to alignment of incentives within and across sectors;
- Messaging-how can we articulate the benefits to different constituencies?

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