

Value Driven Healthcare in Action: A Four Pronged Approach to Meet Consumer Transparency, Quality and Access Demands

PATRICIA DONOVAN: This is Patricia Donovan for the Healthcare Intelligence Network. Today I'm speaking with Gary Austin, Vice President of the MedDecision Interoperability Competency Center. Gary is presenting at HIN's audio conference on "Value Driven Healthcare in Action: A Four Pronged Approach to Meet Consumer Transparency, Quality and Access Demands". Thanks for joining me today Gary.

GARY AUSTIN, VICE PRESIDENT OF THE MEDDECISION INTEROPERABILITY COMPETENCY CENTER: Thanks Patricia.

PATRICIA DONOVAN: First of all what is the biggest obstacle today to an open exchange of patient health information among the healthcare industries key stakeholders?

GARY AUSTIN: I think probably the biggest issue, in my travels anyways, to give you a sense of where I've been over the last year, I've visited 32 states and probably 100-150 health plans or major IDN's or RIO's or whatnot, and probably have enough frequent flyer miles for the rest of my life now. And honestly the biggest thing really has to do with two things, trust and competition are the two. I think in most marketplaces it's very, very difficult, and I think this will probably be the undoing of the RIO market. Quite honestly, very, very difficult to get staunch competitors whether that's in the payer space, whether that's in the IDN space, whether that's various IPA's or down to the atomic level with physicians to want to share that information with their competitors. They view it as a competitive differentiator for them and what not, and then over and above that. Frankly, they just don't trust giving somebody else that information. They're very concerned about liability issues they're very concerned about where that information will go, how

their patients or their members will perceive them if they give that information out.

PATRICIA DONOVAN: That's interesting Gary because I guess I expected your response to be a resistance to technology, because we hear that so often from at least the physician organizations?

GARY AUSTIN: Actually, I don't think that's quite the case. I've got to tell you going into my travels over the last year, year and a half or so I guess, I really thought the resistance to technology was going to be a huge thing, and clearly there's a demographic where it is, okay. But I think as I talk to physicians out there the vast, vast, vast majority of them under the age of somewhere around 40-45 fully expect they're going to be on technology. They're not opposed to it. They're using it in some way shape or form already. There may be some barriers around cost in terms of getting that technology deployed and I think that's certainly a fairly big one for small practices and such.

But I think culturally most of those physicians and ancillary medical professionals feel that they're going to be using technology it's just kind of a question of when, not if. I think that middle boomer generation to maybe kind of the end of the boomer generation so say 45 and up or 50 and up, I think in many cases they're very culturally opposed to the technology and they really struggle with it. Many of them see they have 5 or 10 years left in their career. They don't see a return on investment to put that sort of technology in and frankly they're probably not using that technology too much in their daily lives for other things. And I think they won't. But I see that as a cultural thing, and it's a half a generation away before it's gone.

PATRICIA DONOVAN: I see. Thank you Gary. A by-product of this open exchange is going to be the 2-way flow of information

between patients, payers and providers. In this regard consumer smart cards have been mentioned as a way of flowing data to consumers. How do you see these cards working and how will the cards be updated for example if a patient has multiple providers?

GARY AUSTIN: It's an interesting kind of dilemma. It's in a sense kind of analogous to the beginning of the credit card industry back in I guess the 70s early 70s it was, or the ATM's in the early 80s. I was in banking actually way back then and it was kind of at the early stages of the ATM industry. That started as basically proprietary cards as it were. So if you were with whoever, Chase Manhattan or Citibank or Bank of America you had this card that was a cool little thing, but it would only work on their network. And I would be frankly kind of surprised if consumer health cards don't start out in that same manner.

So I could see larger IDMs around the country let's say up in Boston. I could see the partner system issuing a smart card to a consumer where as long as you stayed in the partner system get your hospitalization there, get your preventive care there, get your specialists care there, get your health and wellness care there, your rehab care there, then they would be able to take it and capture all that data or the necessary and appropriate data on the smart cards and such. So I would see smart cards, and I think they have some legs to them. I don't know if they'll be pervasive, quickly or ever. But I can see them being used within IDM's probably over the next 3-5 years I would think is probably a reasonable timeline for that. And then at some point once you get enough of them out there then you'll start seeing some interoperability between them. But I suspect what will happen is it will be seen as a competitive differentiator for either IDMs or potentially for health plans. But I think it more will take off on the IDM side.

PATRICIA DONOVAN: Thank you Gary. And finally have you seen any methods that payers are using to motivate providers to get on

board with the interoperability effort?

GARY AUSTIN: Clearly we've seen that. Probably in the last year I've probably met with an order of magnitude about 3 dozen payers around the country I would think maybe a little bit more than that even. And what I'm seeing is on the lead end the progressive sorts of plans out there as an example, blue Cross Blue Shield of Mass, former life of mine, Excelis, HMSA over in Hawaii, certainly some of the Kaiser plans and things like that, HCSC.

So some of the leading plans are clearly putting up what to physicians is big money to take and start underwriting this interoperability. So you're seeing a large number of plans that are doing ePrescribing programs now across their physician base. Highmark has one, CareFirst, Horizon, just a number of plans around the country that are doing that right now. The next wave I think now that we're seeing some pretty good adoption of ePrescribing tools out there, and that's kind of your baseline electrification.

I think the next wave is going to be EMR programs out there. I think we've only seen a couple of those so far, but I suspect that they're going to show up in much greater amounts over the next '08 and '09 years I think is where we'll see it. I don't think we'll see too many more of these in '07. But I hear a lot of plans are looking at setting aside pretty good money for the '08 year. As an example HMSA which is Blue Cross of Hawaii put out \$20 million at the beginning of this year to underwrite physician EMRs around the state of Hawaii. Now \$20 million to HMSA is a decimal point basically, but frankly to physicians across the island, that is a substantial amount of money. And even if you think at say \$10 grand a pop that's an awful, awful lot of physicians that you can electrify get EMR's in and get internet access and do things like that. And they're seeing some pretty decent uptick out there. So I think more and more over the next—starting in '08 well into '09, 2010, I would be shocked

if we don't see half a billion, maybe a billion in payer supported funding coming to the table to take an underwrite EMR programs around the country.

PATRICIA DONOVAN: Well that is some big money. Those are all the questions that I have today, Gary. Thank you for being with us and we're looking forward to hearing more from you during the audio conference.