

## Financial Considerations Dominate Physician Attitudes Toward EHRs

Efforts to achieve widespread adoption of electronic health records (EHRs) received the weight of a \$19 billion federal investment through the American Recovery and Reinvestment Act (ARRA) signed by President Obama in February 2009.

The bill incents EHR adoption by providing special Medicare reimbursement payments – up to \$44,000 over a five-year period – to physicians who demonstrate meaningful use of the technology. In addition, ARRA sets future penalties for those who claim payments for Medicare and Medicaid services and are not a “meaningful user” of an EHR by 2015.

*Will these carrots and sticks motivate physicians to implement EHR technology? What barriers remain to EHR adoption among the nation’s physicians? How do physicians foresee using EHR technologies in their practice?*

Ingenix conducted an online survey of 1,001 U.S. physicians and physician practice administrators to gauge their attitudes toward EHR technologies, and to understand how federal incentives might affect purchase decisions. Following are the results and related observations of this survey.

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### Key Findings

- There is low familiarity with ARRA provisions that reimburse physicians up to \$44,000 over a five-year period for meaningful use of EHR technology.
  - More than half (58 percent) of respondents have little or no familiarity with the ARRA, while 42 percent have some familiarity with its provisions.
- Still, financial incentives are a significant motivator.
  - 82 percent say they are more likely to adopt an EHR system if they are reimbursed for their investment, including 34 percent who would be much more likely to do so.
- Respondents cite *Burdensome Cost* and *Disruption of Workflow* as the two greatest risks for EHR deployment.
  - 82 percent rank cost in the top three risks
  - 74 percent rank disruption of workflow as one of the top three risks
- ARRA penalties are also likely to motivate EHR adoption
  - 77 percent say that penalties for not adopting EHR technology by 2014, as prescribed by the provisions of the ARRA, are likely to motivate them to implement the technology.

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### Methodology

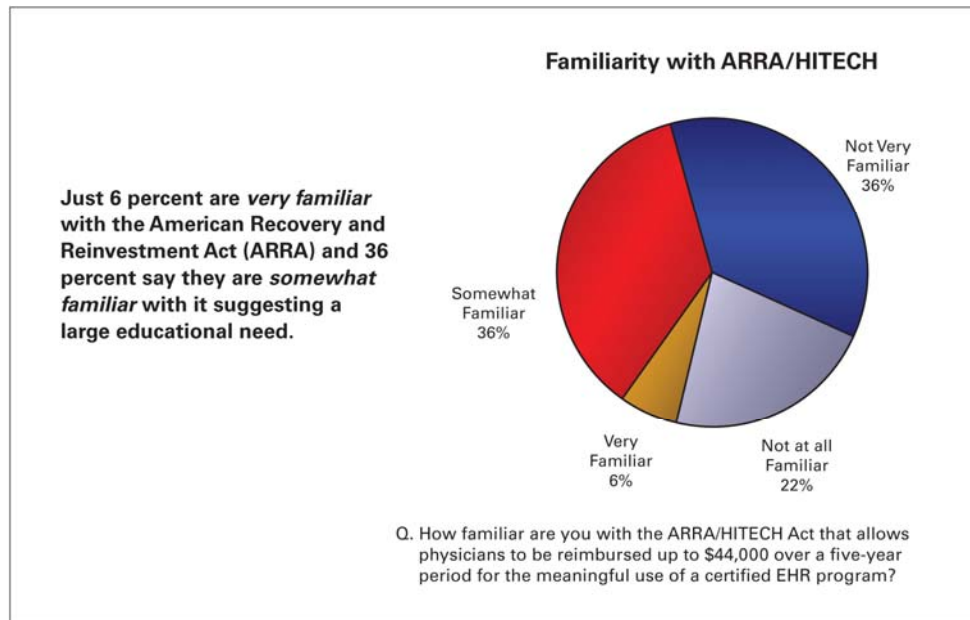
Data for this research brief were compiled from a Web-based survey of 1,001 physicians and practice administrators who are members of an E-Rewards panel. All results have

undergone statistical testing, and statistically significant differences are reported at the 95 percent confidence level with a maximum margin of error of 3.1 percent.

## Observations and Conclusions

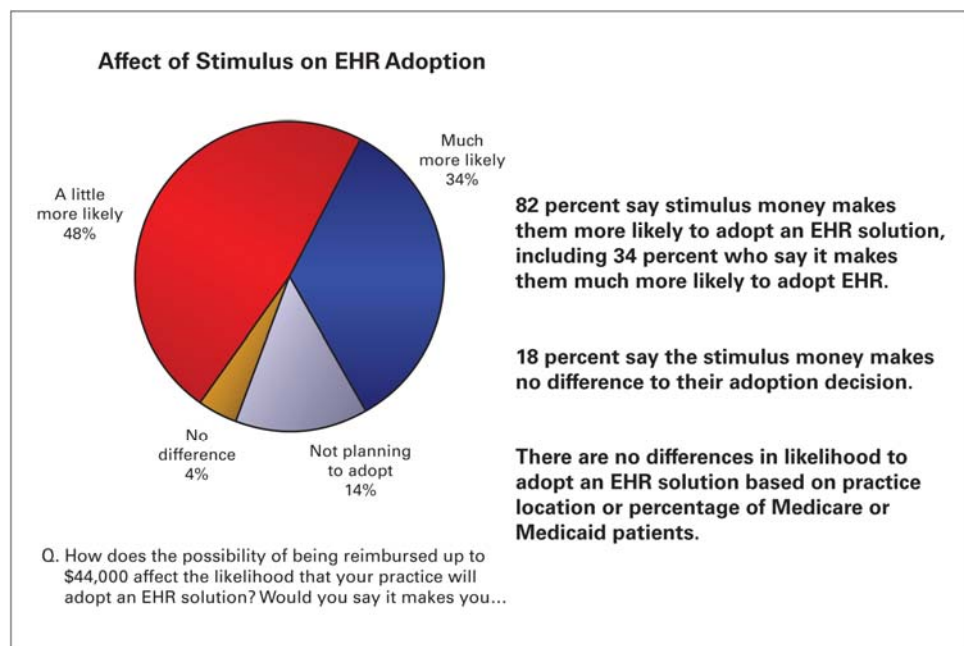
### ***Familiarity with New Federal Incentives***

Despite widespread news reports of the stimulus bill and continuing debate within the medical profession about how to define “meaningful use” of EHRs as stipulated by the legislation, few physicians are familiar with the details of the ARRA or the incentives available to them.



### ***Effect of ARRA Incentives***

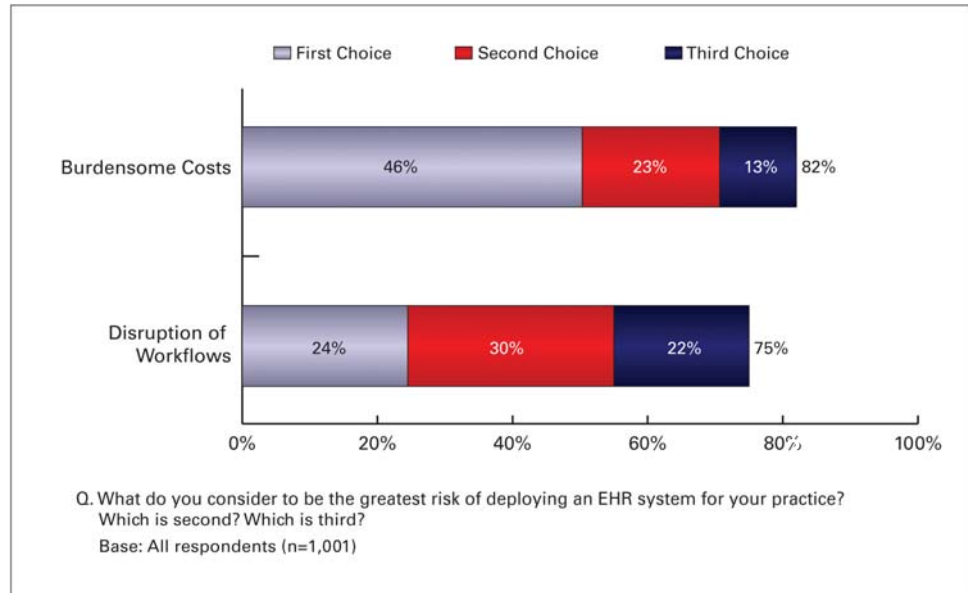
Despite limited familiarity with ARRA provisions, the overwhelming majority of respondents say they are more likely to adopt an EHR as a result of new financial incentives, largely because of the opportunity to offset deployment costs.



### ***EHR Adoption Risks Remain***

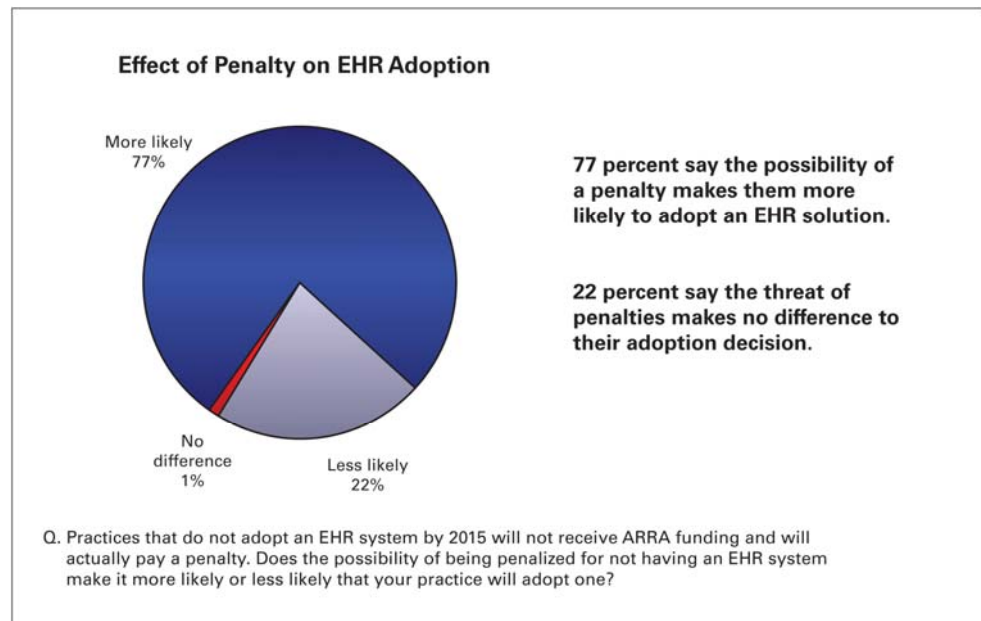
Burdensome cost is the risk respondents most commonly selected first across all subgroups. In all, 82 percent say burdensome cost was one of the top three risks of deploying an EHR system, including 46 percent who say this is biggest risk.

The second greatest concern to survey respondents is disruption of practice workflows. Seventy-five percent placed this in their top three concerns, including 24 percent who say this is the top risk.



### ***Potential Penalties***

Looming penalties, in the form of reduced Medicare and Medicaid reimbursement rates, are another key consideration for physician practices evaluating whether or not to implement an EHR.



## Conclusions

### ***Education, Well-Designed Systems Will Be Essential To Achieving EHR Goals***

The federal incentives hit the sweet spot in addressing physicians' top concern – cost – about implementing EHRs. While familiarity with the provisions of the stimulus bill is low, educating physicians about the opportunity as well as the range of low-cost, certified EHRs available to them will be essential to achieving the nation's goals for widespread EHR adoption.

While increasing adoption of EHRs is an essential building block to achieving the long-term vision of improving health care quality and reducing costs, it is important to note that adoption is not the end in itself. In fact, the ARRA provides reimbursements only for physicians who achieve “meaningful use,” a term not yet officially defined, but which affirms the intent to create measurable improvements to the health system through proliferation of information and technology.

EHR technologies should also support physicians' ability to improve the quality of health care services they deliver. However, significant numbers of respondents say they *don't* plan to use many of the EHR features most experts believe essential to meaningful use, including:

- Evidence-based medicine (24 percent)
- E-Prescribing (20 percent)
- Accessing patient drug histories, allergies or other medical history online (29 percent)

These findings underscore the importance of education regarding the cost savings, improvements to quality and transparency made possible by EHRs. It also emphasizes that physicians' perceptions have been shaped by their experiences to-date with cumbersome, expensive EHR systems.

Health IT vendors can contribute to efforts to speed implementation of EHR technologies by offering a range of educational opportunities to physicians, as well as by designing technologies that can conform to the way their end-users work. These steps will ensure physician practices and the public receive optimal value for their investments in health IT.

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