

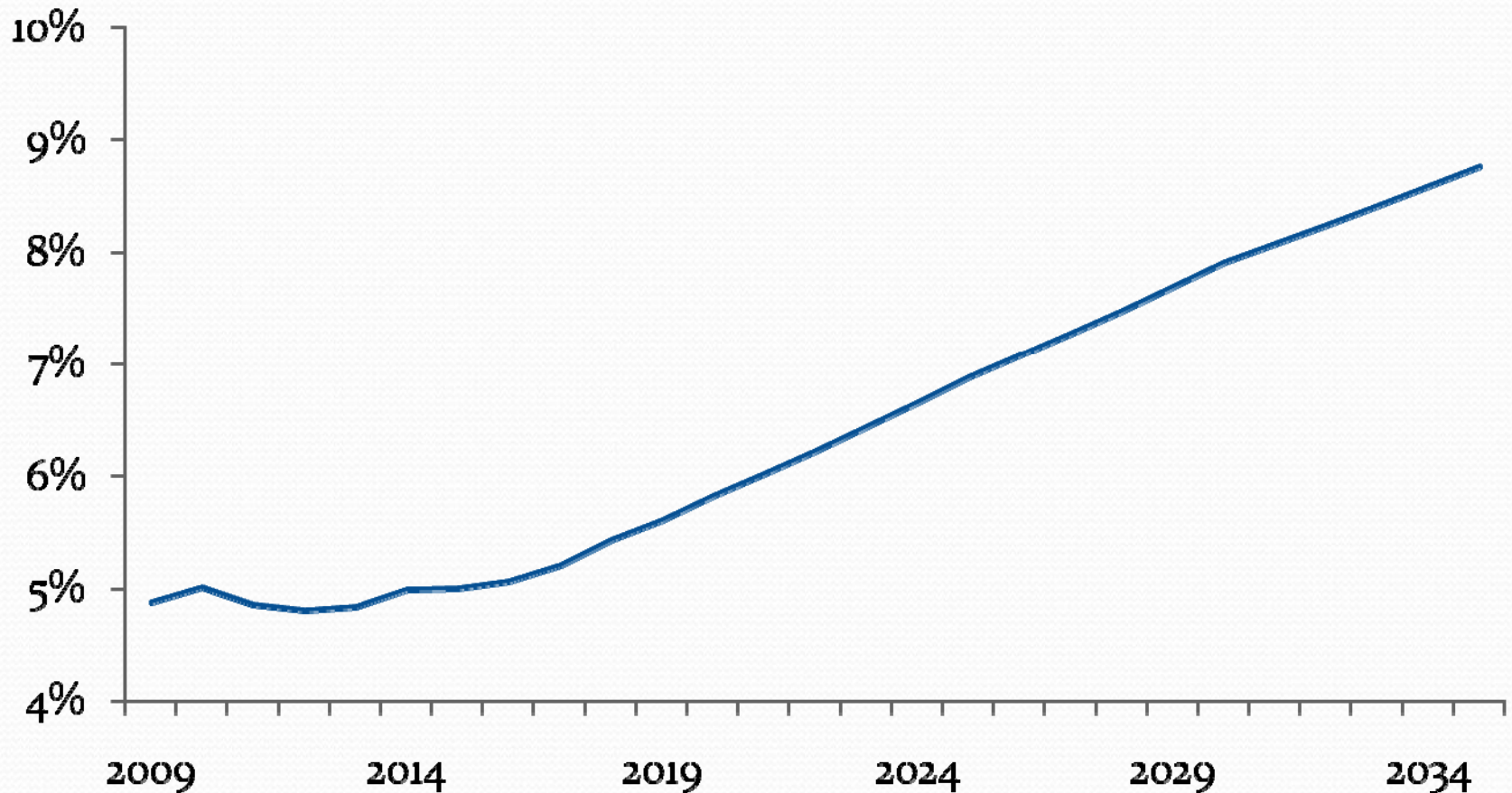
The Economic Implications of Health IT

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The Challenges Facing the United States

- Spend more now – any spending is good in a recession
- Put us on a path towards long-term economic growth
 - Investment in key infrastructure
 - Solving the Federal budget
- Both of these lead to health care IT
 - ARRA: \$19 billion in health IT with goal of 90% uptake by 2014

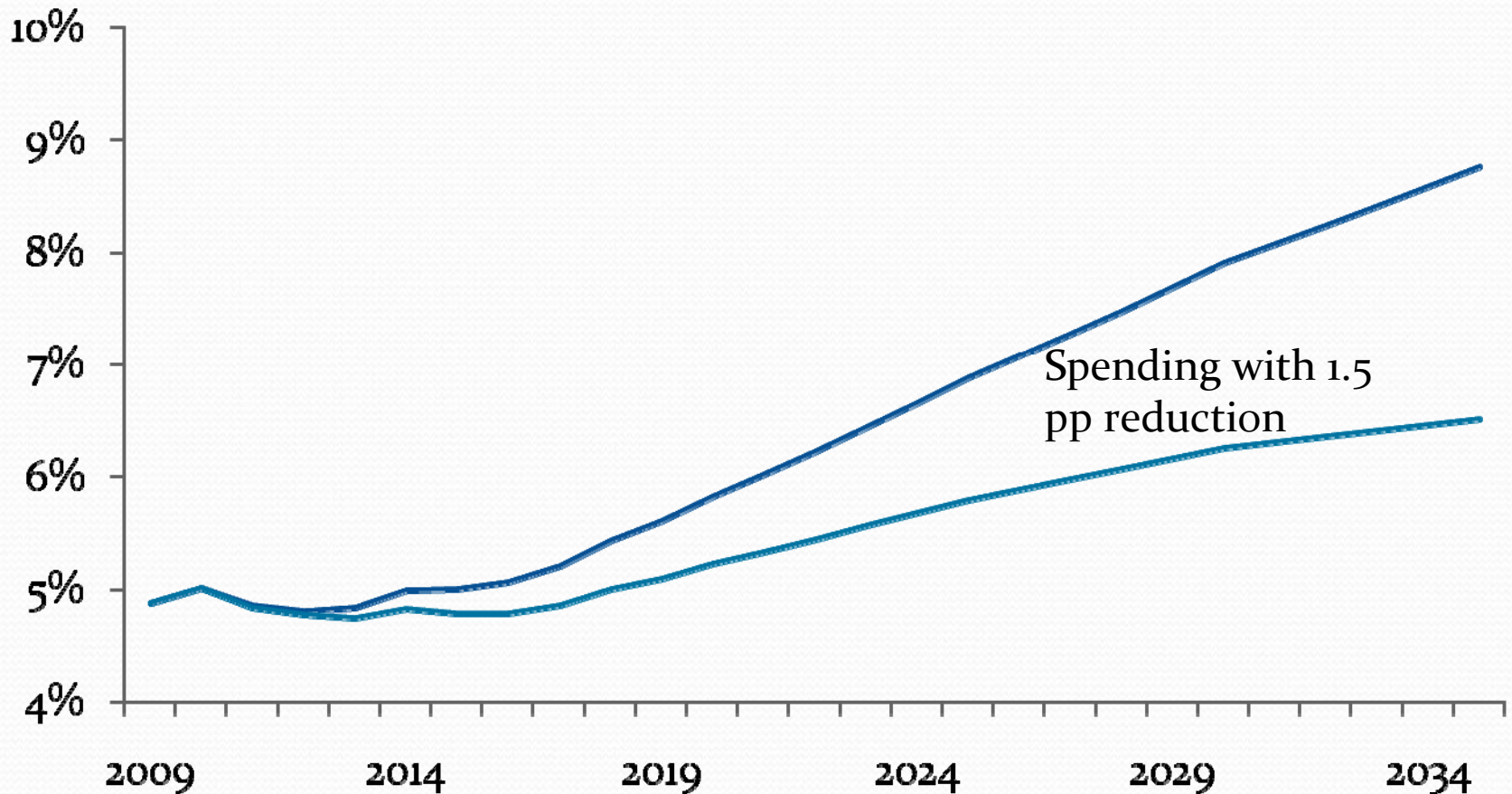
Health care is projected to blow up the Federal budget



Health Care Reform Needs to Address This

- Cover everyone (adds to spending)
- Make care more efficient
 - Eliminate unnecessary people, lower administrative needs
- Provide different kinds of care
 - Prevention
- Learn what works and what does not, and who does better and worse

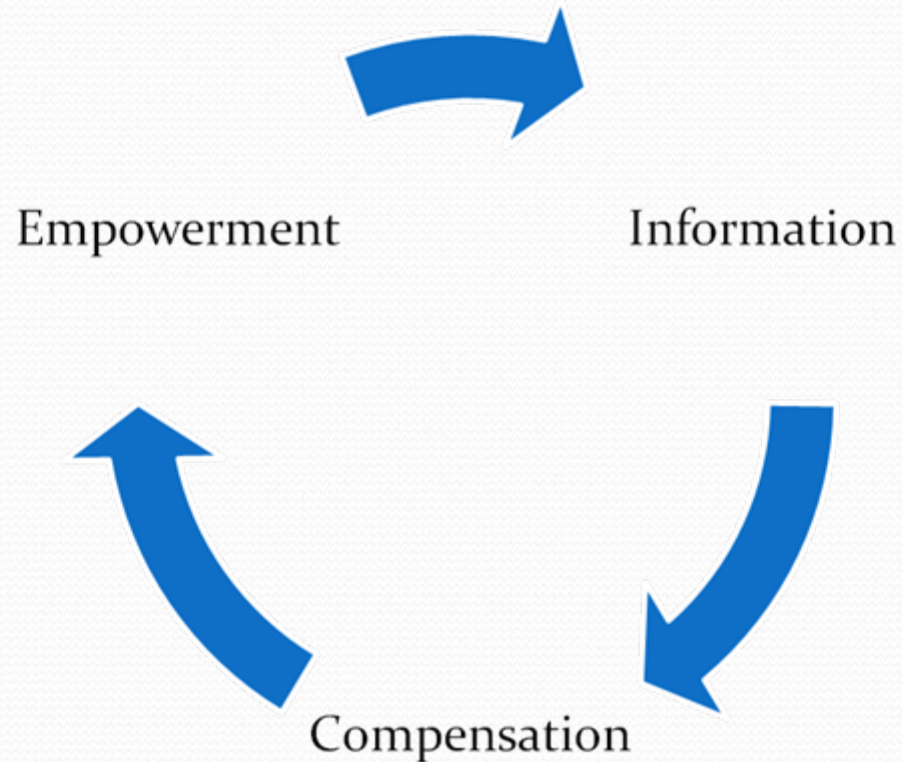
A modest increase in productivity would significantly 'bend the curve'



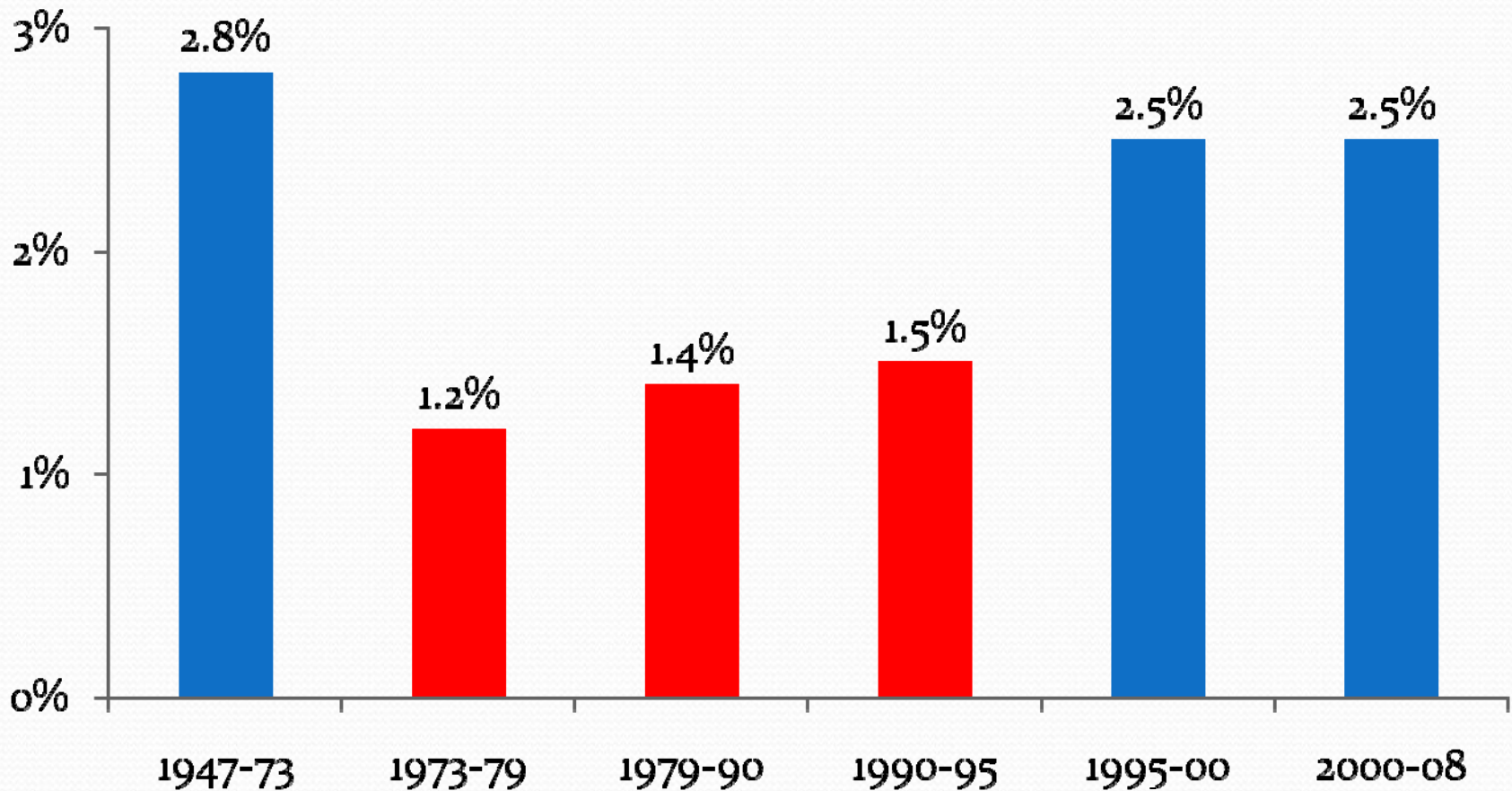
Three lessons about productivity come from industry studies

- **Information** – knowing what is done
- **Compensation arrangements** – supporting productivity
- **Worker empowerment** – allowing workers to make changes to production

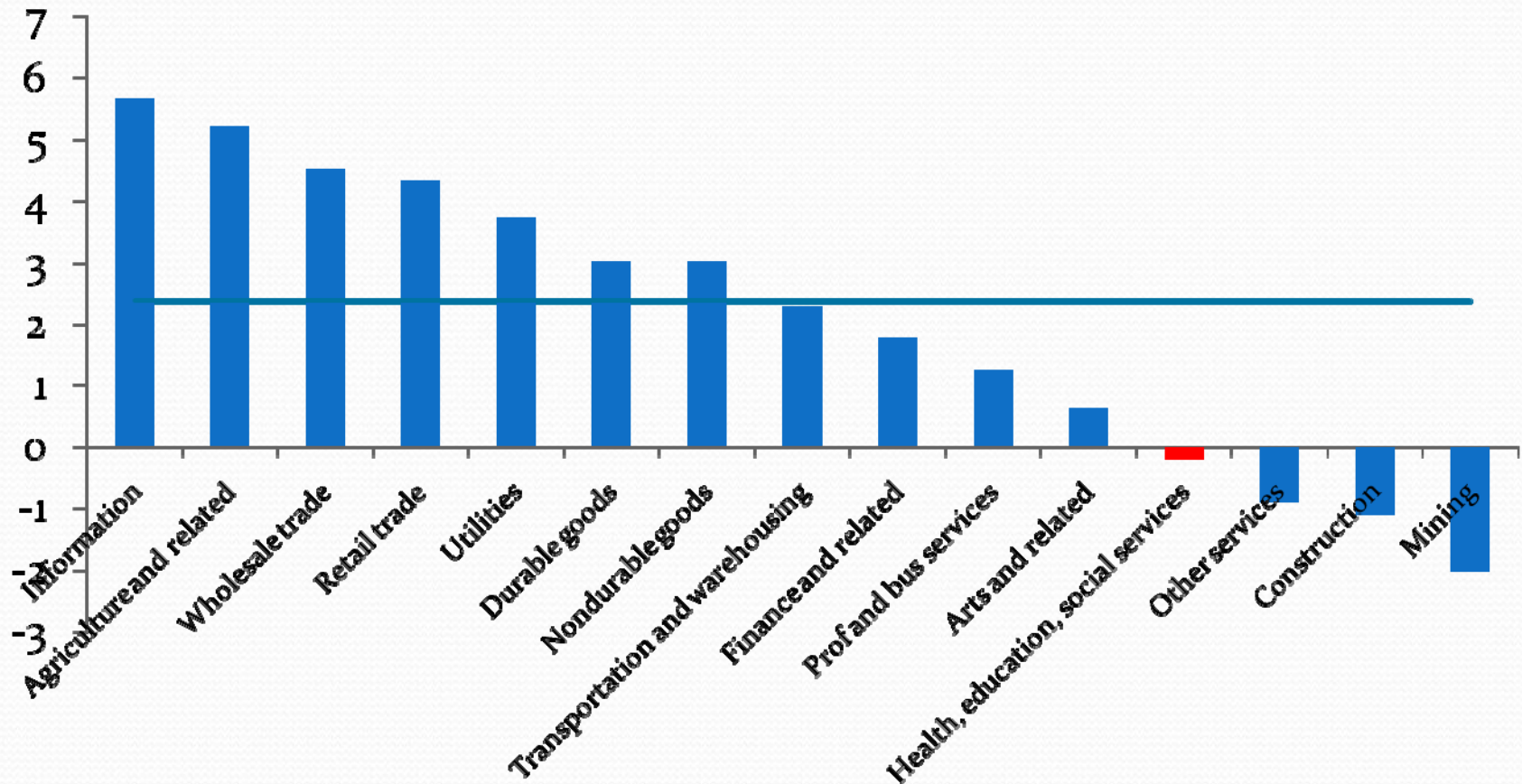
The Virtuous Cycle of Productivity



Productivity Growth in US Industry



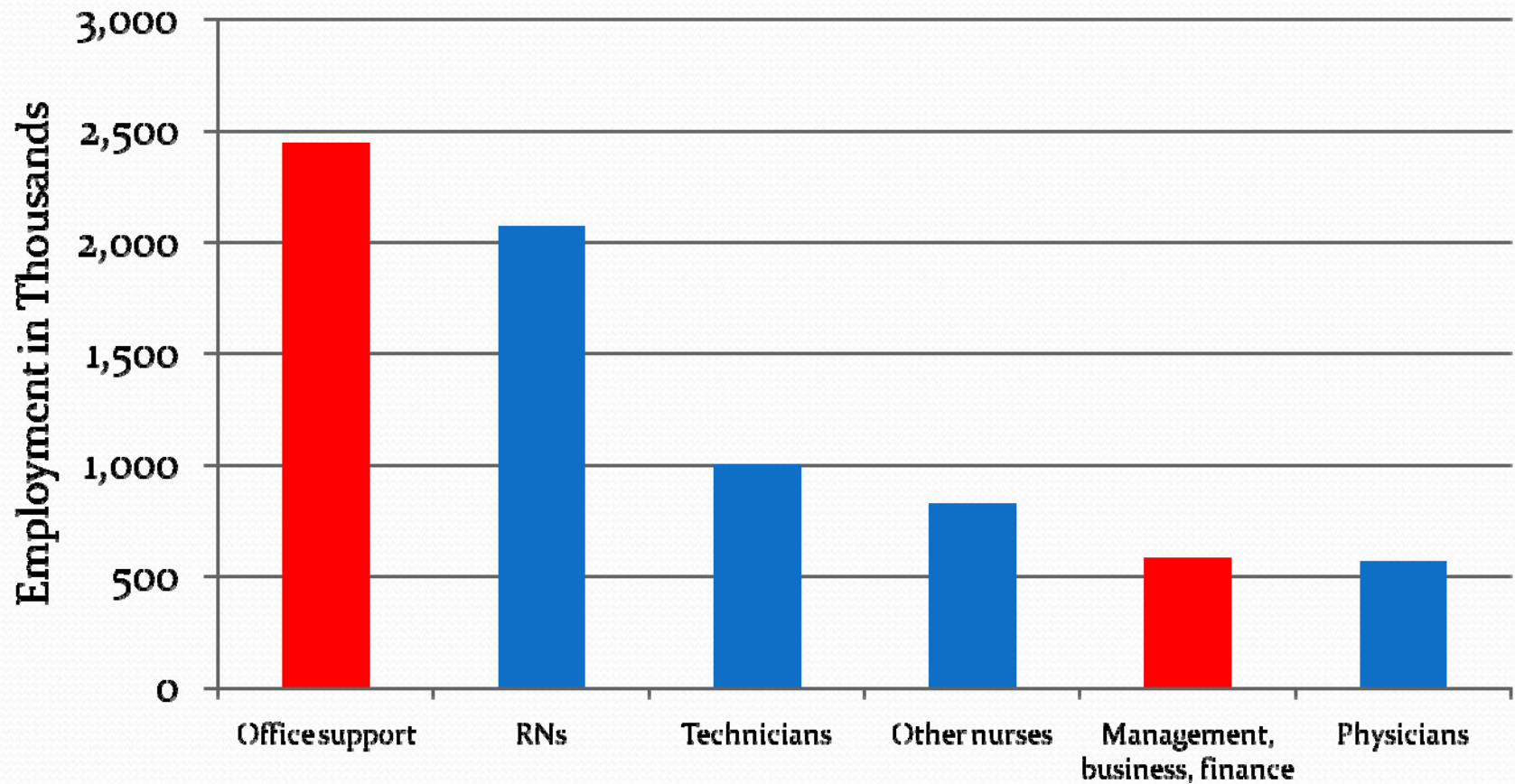
Productivity Growth by Industry, 1995-2005



Lessons for EMRs

- **Simplifying billing**
 - Eliminate billing people

Health Care Employment, 2006



What Does Information Mean?

- Simplifying billing
- **Providing decision support to MDs and patients**
 - The EMR is the base, but it's not all of it

What Does Information Mean?

- Simplifying billing
- Providing decision support to MDs and patients
- **Learning which treatments are effective**
 - One branch of comparative effectiveness

What Does Information Mean?

- Simplifying billing
- Providing decision support to MDs and patients
- Learning which treatments are effective
- **Learning which providers are better and worse**
 - Use that to set payment and coverage standards

Conclusion

- Electronic medical records are the beginning, not the end.