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The HealthCare Digitization Opportunity

The US government has developed plans that will mandate all Americans to have an electronic health record (EHR) by 2014. The National Health Service (NHS) in the UK aims to have 60 million patients with a centralized EHR by 2010.

The successful execution of these plans requires a hierarchical set of centralized networks on regional and national level that facilitate peer-to-peer sharing of patient electronic health record information. Data included in EHRs typically includes patient demographics, medical history, medicine and allergy lists (including immunization status), and laboratory test results, radiology images, billing records and advanced directives. The solution would require an integrated model that includes comprehensive multimedia data from many specialties, a graphical user interface that allows health care providers to review and update a patient's electronic medical record at any of the organization's healthcare facilities. Electronic documentation would also facilitate HIPAA and regulatory compliance.

These plans by the government bodies of the biggest healthcare spender nations in the world represent a huge opportunity for the healthcare outsourcing industry. In 2009, the US government has declared provision of more than US$17 billion for the health care industry with incentives to acquire and implement EHR technology and the associated infrastructure. At present, only about 4% of the US based physicians use fully functional EHR and about 13% of the physicians use basic EHR systems. The financial incentives provided in the stimulus package, are going to result in a spurt in EHR adoption. Due to the urgency and complexity of developing, implementing and maintaining such systems, it is expected that many healthcare facilities will decide to outsource their EHR systems. The most recent examples include implementation of McKesson's Paragon Technology by Nyack Hospital (for its facility in Rockland County, New York) and Caritas Christi Health Care (a US$70 million tech transformation initiative for its New England's community-based hospital network).

Though there are many service providers on the payer side of the healthcare market, the provider side remains largely untapped. Only a few players like McKesson (Paragon Technology), Ciber (Wellness Connection) and ClearHealth are currently providing end-to-end EHR management solutions.

It is only a matter of time before all healthcare facilities in the major client markets undergo digitization. The service providers need to be ready with offerings and technology to capitalize on this opportunity, or they may just miss the train.

If you have any questions or comments about this article please contact at avi@tholons.com

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