Testimony of Denise Lea Elliott, DPM

Member, American Podiatric Medical Association
Solo Practitioner – Marrero, Louisiana

Before the Subcommittee on Healthcare and Technology, House Small Business Committee

"**Not What the Doctor Ordered: Health IT Barriers for Small Medical Practices**"

June 2, 2011

Chairwoman Ellmers, Ranking Member Richmond, and Members of the Subcommittee, I welcome the opportunity to testify before you today on behalf of myself and the American Podiatric Medical Association (APMA). I commend this Subcommittee for its focus on the vital issue of how the implementation of health information technology and electronic health records under the Medicare program will impact small medical practices.

I am Dr. Denise Elliott, a member of the APMA and a practicing doctor of podiatric medicine in solo practice in Marrero, Louisiana. APMA is the premier professional organization representing America's Doctors of Podiatric Medicine, or "podiatrists." Podiatrists provide the majority of foot care services to the Medicare population. APMA's mission is to advocate for the profession of podiatric medicine and surgery for the benefit of its members and the patients they serve.

Madame Chairwoman, more than 65 percent of the podiatrists in this country practice in one or two person groups, and thus fall well within the definition of a small business. These podiatrists and practices, usually employing a very small support staff and enjoying modest annual revenues, face the same challenges confronted by all small businesses that must compete in marketplaces that do not always provide a level playing field. I have observed that many of the policy issues faced by the podiatric medical profession are, fundamentally, small business issues that in many cases apply to other small medical practices as well. Podiatry practices and other small businesses can and do compete successfully against large businesses when the terms of that

competition are fair. But success becomes difficult when the same demands are made upon large and small businesses with no consideration of the unique pressures placed on the small business.

Congress is to be commended for recognizing the potential value of health information technology, and how the implementation of electronic health records has the potential to improve patient care and produce efficiencies that reduce costs. Chronic diseases such as diabetes, heart disease, and kidney failure have devastating effects on patients. The treatment of these chronic conditions utilizes a tremendous amount of health care resources. Many of these ailments have significant effects on the lower extremities, and the feet in particular. Utilizing electronic health records to coordinate care has the potential to eliminate unnecessary duplication of diagnostic tests. Giving doctors the ability to access information on the patients they care for in real time has the potential to significantly improve the treatment, and the lives, of patients. At the same time, such communication and coordination should save the cost of duplicative tests, reduce emergency care and hospitalization admissions, and decrease the practice of defensive medicine. The APMA fully supports this initiative that will help doctors of podiatric medicine provide better care for the patients they serve.

Undue Financial Burden

However, requiring eligible providers to implement electronic health records for Medicare in a "meaningful way" over the next five years places an undue financial burden on the majority of podiatrists that are small business owners. And while there is certainly an incentive program to encourage practitioners such as myself to adopt an EMR system that is comprehensive and inter-operable, it in no way begins to take into account the great expense that a solo or two-physician practice will incur. Economies of scale work in favor of larger podiatric or multi-specialty practices, and I know that some hospitals have cost-sharing programs with doctors on staff. However, that is not true in my case.

In my practice in Marrero, Louisiana I have not yet implemented an electronic health record system, although I have explored and continue to explore the possibilities. In addition to the cost, I fear the effect it may have on my practice in terms of the disruption of care that I can provide to my patients during the procurement of hardware and software, converting patient

records, learning and implementing the system as a practitioner, and training staff. And while I certainly understand that an EMR system would benefit patients, will it require more – or less – physician and staff time, and will it ultimately be beneficial to my practice? The worst thing that could happen would be to lose my practice because of the costs – both known and unknown – of implementing an EMR system.

Daunting Task

It is a daunting task to figure out where to start with almost 500 certified programs listed on the ONC-HIT Product List. I am affiliated with the West Jefferson Medical Center in Marrero, and have a practice location in the hospital's complex. I decided to initially look at a product that is utilized by the hospital. It seemed logical to me to put a system in my offices that would work seamlessly with my hospital system, and would potentially simplify my efforts in establishing electronic health records in my practice.

As I investigated the system, I was astounded at the costs. An upfront fee of $5,000 per doctor (while currently a solo practitioner, I have had associate doctors work for me in the past and potentially could have an associate in the future), an installation fee of $2,000 per office, and then a monthly maintenance fee totaling $7,200 annually per doctor. This program has a lease purchase option, but those costs are only related to the actual electronic health record software.

The cost for additional hardware—computers and servers that I would have to purchase—was not included and could run an additional $15,000 to $20,000. Also, I would need to purchase a digitized x-ray system at an additional significant cost to be truly EMR compliant – all of this at a time when Medicare is decreasing reimbursements for radiology services and physicians.

Because of my concerns, I sought direction and advice from podiatric colleagues across the country who had implemented or attempted to implement this particular EMR program. I found that they were not pleased with the product and several had discontinued their relationship with the company. I am now evaluating other EMR options, but am consistently finding the software installation and training costs to be between $25,000-$30,000 per system, with additional per doctor monthly fees of $300-$600.

Medicare Incentive Helpful but Insufficient

The current Medicare incentive program offers $18,000 this year or next year if I implement an EMR program and demonstrate meaningful use for 90 consecutive days, which requires meeting a complex set of conditions in charting the care of my patients in the certified program. Once I attest to meeting the conditions, I am told I will receive the incentive payment within four to eight weeks. After initial success reporting meaningful use for 90 consecutive days, I will be required in subsequent years to demonstrate meaningful use for an entire year, and then submit my information to qualify for my incentive payment. In theory, if I am able to purchase a certified EMR program this year and am able to successfully implement it into my practice and meet the requirements for the initial incentive payment, I will get the $18,000 this year. As you can see from the costs I have outlined, this will help with a portion of the costs for the software, but the investment to upgrade my current computers – or purchase new computers that can run the software – will be entirely at my expense.

If I can then demonstrate meaningful use of EMR for the entire year in 2012, and if Medicare pays the incentive payments in a time frame similar to that which occurs with the e-prescribing and Physician Quality Reporting System (PQRS) bonuses, I can anticipate my next incentive payment of $12,000 sometime in the fall of 2013. For the intervening time between incentive payments, the financial burden will fall on me as a small business owner.

Vendor Certification Concerns

The implementation of EMR in a meaningful way is a staged program. The initial Stage 1 level makes the least demands on how the electronic health record needs to be used in one's practice in order to qualify for the incentive. The program is set up to advance to Stage 2 requirements in 2013 and eventually to Stage 3 requirements for full implementation of electronic health records and maximum patient care. But EMR vendors are currently not certified beyond Stage 1. In fact, vendors have only temporary certification of their software programs.

The fear that I and many of my podiatric colleagues have is that as vendors are obligated to meet the demands of Stage 2 and Stage 3 requirements, they may not meet those requirements or retain certification. Also, we fear that vendors will incur increased costs to meet the

requirements and these costs will eventually be passed along to the end users—the doctors. I have seen this occur with electronic billing systems, and the upgrade costs that I had to pay when changes were made to electronic claim submissions were significant. There is no provision in the current law to limit these potential charges or to provide additional incentive payments to help the eligible provider offset these costs.

Initial Negative Impact

I have addressed the financial impact that implementing an electronic health record system will have on me as a small business owner, but that is just one of the many effects it will have on my practice of podiatric medicine. Implementing electronic health records in my practice should ultimately help me provide better care to my patients, but initially it will have a negative impact on my practice.

Unquestionably, as I begin to use an EMR system, I will not be able to treat as many patients on a daily basis. Adjustments will have to be made to office workflow, and demands on my time and the time of my small support staff are likely to increase. Typical EMR implementation takes anywhere from six to eight months, and I anticipate that I will not be able to treat the same patient load during that period. This could potentially impact my patients' health as well as my practice's bottom line. There will be a dual impact on the care that my patients can receive, and on my practice, which is likely to suffer from a reduced patient load.

Interoperability Concerns

Ideally, health information technology should improve the communication between health care providers, hospitals and medical diagnostic services. The process should allow health care providers to access all the medical information contained in the patient's electronic health record and use that information to provide the optimal care for the patient.

I am concerned that, with nearly 500 certified EMR products on the provider side and a significant number of other products available for hospitals, these different products may not actually communicate effectively.

Ideally, the vision put forth is that all the providers and facilities would communicate their information to a Health Information Exchange (HIE). However, the infrastructure for these

has not yet been developed. How am I to know that the EMR program that I select will be able to eventually communicate with a HIE? Furthermore, what accommodations will my vendor have to make to meet the compatibility requirements, and at what cost to the vendor and eventually to me? There are so many unknowns it is sometimes paralyzing.

Concerns about Meaningful Use Criteria

Finally, it is clear that the components of qualifying for meaningful use are focused on services provided by primary care providers. While as a podiatrist and eligible provider I can qualify for Stage 1 Meaningful Use, it is more burdensome moving forward to Stage 2 and Stage 3. This is true for all specialty health care providers, not just for podiatrists. It would be helpful, as the program moves forward, for CMS to work with specialty providers to adapt the meaningful use requirements to the quality elements that are directly related to the important care that specialists provide for patients with chronic disease conditions.

With regards to podiatry, it has been demonstrated in numerous studies that the foot care provided by podiatrists to persons with diabetes significantly reduces ulcerations, hospitalizations and ultimately amputations. This results in a marked improvement in the health of the persons with diabetes, and significantly decreases health care costs. Issues such as these need to be addressed in the quality measures implemented in electronic health records.

Small/Solo Practitioners Need More Assistance

As I have outlined, the financial impact on me as a small business owner in complying with the requirements of health information technology and electronic health records is overwhelming and could be disastrous. The Medicare incentive program is a per doctor program. Therefore large practices enjoy a significant advantage in the economies of scale that are present in integrating electronic health records, and have the administrative staff to assist in the process. This is not the case for me and the majority of practicing podiatrists across the country – or for the majority of small physician practices of any type.

One possible solution is for Congress to establish additional incentives for small business owners who successfully implement electronic health records, and set up additional implementation support for those providers.

Conclusion

Madame Chairwoman and Members of the Subcommittee, I again thank you for providing me with the opportunity to speak today on behalf of the APMA and podiatric physicians regarding the challenges presented by the implementation of health information technology and electronic health records into solo and small medical practices.

I will be happy to answer any questions you may have.