Health Information Technology Costs and Patient Safety Concerns

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Few US doctors or hospitals - perhaps 17% and 10%, respectively - have even basic electronic health records (EHRs). There are significant barriers to their adoption and use, including the technical and logistical challenges involved in installing, maintaining, and updating them, as well as consumers’ and physicians’ concerns about the privacy and security of electronic health information. Cost is a significant barrier – not only in terms of purchase price, but also based on the perceived lack of financial return from investing in electronic health records. The physician has to front money to purchase the EHR, which may cost anywhere from $20,000 to $50,000, as well as pay $10,000 to $20,000 per year for maintenance. The average EHR is replaced every five years.

The cost of achieving widespread adoption of electronic medical records in the United States could be high, probably in the tens or hundreds of billions of dollars.¹ The necessary resources in future federal administrations still remains uncertain. The $20 billion from ARRA will help to promote the development of an healthcare IT, but most of the money has been set aside for educating providers but no money has been set aside to help initiate the cost of setting up the EHR systems for providers who already are looking at a possible 21% cut in Medicare payments as of June 1, 2010. Congress needs to ensure that continued funds be assured to primary care providers to better support the technological advances in healthcare. The incentives through ARRA will come after the physician purchases the EHR and with the current recession, access to loans is limited. H.R. 3014 would provide access to private lenders and assist physicians in purchasing EHR.