



Summer 2005

Growing Sponsorship of Electronic Health Records as a part of Regional Health Information Organizations (RHIOs)

CREIGHTON ARITA, *President/Chief Executive Officer*



Without question, health information technology is the hottest item in healthcare. In both 2004 and 2005, President Bush referred to the importance of electronic health records (EHRs) in his State of the Union address. In this article, I will explore the increasing importance of EHRs and the increasing visibility they are receiving as a part of regional health information organizations (RHIOs).

RHIOs are new organizations proposed by The Office of the National Coordinator for Health Information Technology (ONCHIT) in the Department of Health and Human Services, headed by David Brailer, MD, PhD.

RHIOs are generally composed of community institutions, such as hospitals, physicians, government agencies, insurers, laboratories, employers and consumers. Once organized, they must develop a governance structure and begin to weigh how they can facilitate data exchange and how they will be funded.

The primary drivers for RHIOs are:

1. Increasing healthcare standards (i.e., HIPAA)
2. New Technologies and Open systems allow for easier connectivity
3. Proliferation of the Internet
4. Increasing Financial Gap for Government programs (i.e., Medicare)
5. Bio Terrorism
6. Growing interest in Pay for Performance (P4P) programs

More than 20 (RHIOs) are exchanging health care information, less than a year after government officials said such collaborative networks would help advance reliance on information technology throughout the nation's medical institutions.

Government officials have been encouraging these initiatives but ruled out a major federal role in funding them. The Health and Human Services Department has promised to spend \$139 million over five years on direct assistance to a handful of pilot RHIOs and support for other RHIO activities. Dr. Brailer recently said that "this grassroots movement is moving much faster than the federal government can move."

We are beginning to see Hawaii's healthcare players (hospitals, employer cooperatives, physician groups, etc.) begin to form informal networks, especially as the provider landscape continues to consolidate. We believe Hawaii is prime to reap the advantages of increasing connectivity because of its community based delivery system, geographic containment, relatively high industry concentration, and stable population base.



Unlike the community health information networks (CHINs) several years ago, there will be an increasing evolution of interconnectivity within Hawaii's healthcare delivery system. We will not see a big bang but it's going to grow, organically driven by increasing financial alignment with the healthcare delivery systems (doing the right things right the first time) coupled with a focus on preventative care and chronic disease management.

Our Connective Healthcare Strategy has been one of our primary strategic initiatives over the past two years. We believe that these national trends play to our strengths because:

1. Our centralized application service provider (ASP) structure allows for easier integration with other healthcare players (e.g., electronic lab results, automated eligibility verification, etc.)
2. Our affiliation with DataHouse provides us with technology resources, and
3. Our established business processes and critical mass allows us to partner with national and local healthcare organizations.

We will continue to keep you abreast of the dynamics of our changing healthcare system. We continue to believe that the strongest healthcare delivery system is based on choice and where physicians retain their independence and autonomy. We appreciate your trust and confidence in us over the past 13 years and look forward to working with you in the years ahead!