

Hospital system lays \$400M digital bet

North Shore-LIJ offers to pay 85% of doctors' electronic record costs

BY BARBARA BENSON

MICHAEL DOWLING IS not waiting for Washington to improve health care quality. Instead, this week the chief executive of North Shore-Long Island Jewish Health System plans to announce one of the largest and boldest hospital investments in health technology in the country—an offer to shoulder most of the costs of installing electronic health record systems for thousands of New York doctors.

No other comparably sized hospital system in the state—or in the nation—has provided that level of financial assistance to so many doctors. The total cost of the plan, under which North Shore-LIJ will also automate all its own inpatient and outpatient medical records, could run as high as \$400 million. Mr. Dowling is betting he can eliminate the price of going digital as the main reason doctors don't go paperless. If he's right, 7,000 local doctors will be lured into the age of electronic medical records, saving both themselves and North Shore-LIJ large sums in the process.

"We are jumping into the deep end of this instead of nickel-and-diming," Mr. Dowling says.

Other New York hospitals have invested heavily in electronic medical records. What makes Mr. Dowling's offer unique is that only 1,200 of his doctors are on staff at his facilities. The other 5,800 are just local physicians who may admit patients to the hospital.

Like most offers of free money, however, Mr. Dowling's comes with a catch. The system will subsidize 85% of the cost of implementing and operating the electronic records in physicians' offices over five years, roughly \$40,000 per doctor. But to qualify, doctors must agree to share their performance data and compare it against a set of national benchmarks for quality of care and outcomes. The software comes with automated treatment guidelines that the doctors must follow. The goal is to improve clinical

care, prevent illness and avoid medical and drug errors.

Fears of interference

"NOT EVERY PHYSICIAN wants to be told to do it this way," says John O'Keefe, chief executive of ITelagen, a medical technology consultant. "A small doctor's office will say, 'No way.'"

Mr. Dowling acknowledges that some doctors may resent his hospital system playing Big Brother. "Obviously, we have to be very careful that this is not punitive," he says. "But health care is changing, and legislation is making its way through Congress that will change how hospitals will be paid in the future. That means meeting quality metrics."

Aside from targeting improvements in quality and efficiency, the hospital's initiative envisions that medical records for all patient care settings—hospitals or physicians' offices—will be paperless within five years.

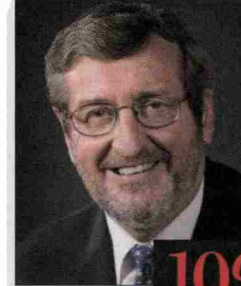
Mr. Dowling is optimistic that 70% of the doctors will sign up for the full subsidy. Presently, only 10% of the state's 60,000 practicing physicians use electronic medical records.

"We believe helping doctors meet quality metrics is the way of the future," he says.

North Shore-LIJ will offer doctors who don't want to meet its practice guidelines a 50% subsidy on their digital expenses.

"It's a great deal for the doctors," says Ron Pucherelli, health information technology project administrator for the Medical Society of the State of New York.

The hospital selected Allscripts-Misys Healthcare Solutions Inc. to implement and operate the physicians' office electronic record system by November. In 2006, North Shore-LIJ began adopting the Eclipsys Sunrise Clinical Manager system in its hospitals to allow clinicians access to all inpatient records. ■



Dowling

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SHARE of NY's
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