

Healthcare IT Business Opportunities resulting from American Recovery & Reinvestment Act

Surfing the Tsunami

**Presentation for Building Your Business Program
At the HIMSS09 HIT Venture Fair**

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This changes everything

- HIT's \$20 Billion represents nearly 3% of the total stimulus package
- Relative to the size of the HIT industry this is a mind-boggling figure:
 - HIT is estimated to be \$19B - \$50B / yr sector (variance due to definitional and measurement differences).
 - Thus the \$20B figure is equal to, by some measures, the total size of the industry!
- Has any other sector, relative to its size, received this degree of economic stimulus funding?

New Administration

- **President Barack Obama**

*“Health IT
is
Non-Negotiable”*

Take Note! -- 4 startling dynamics

This law takes no half measures in terms of:

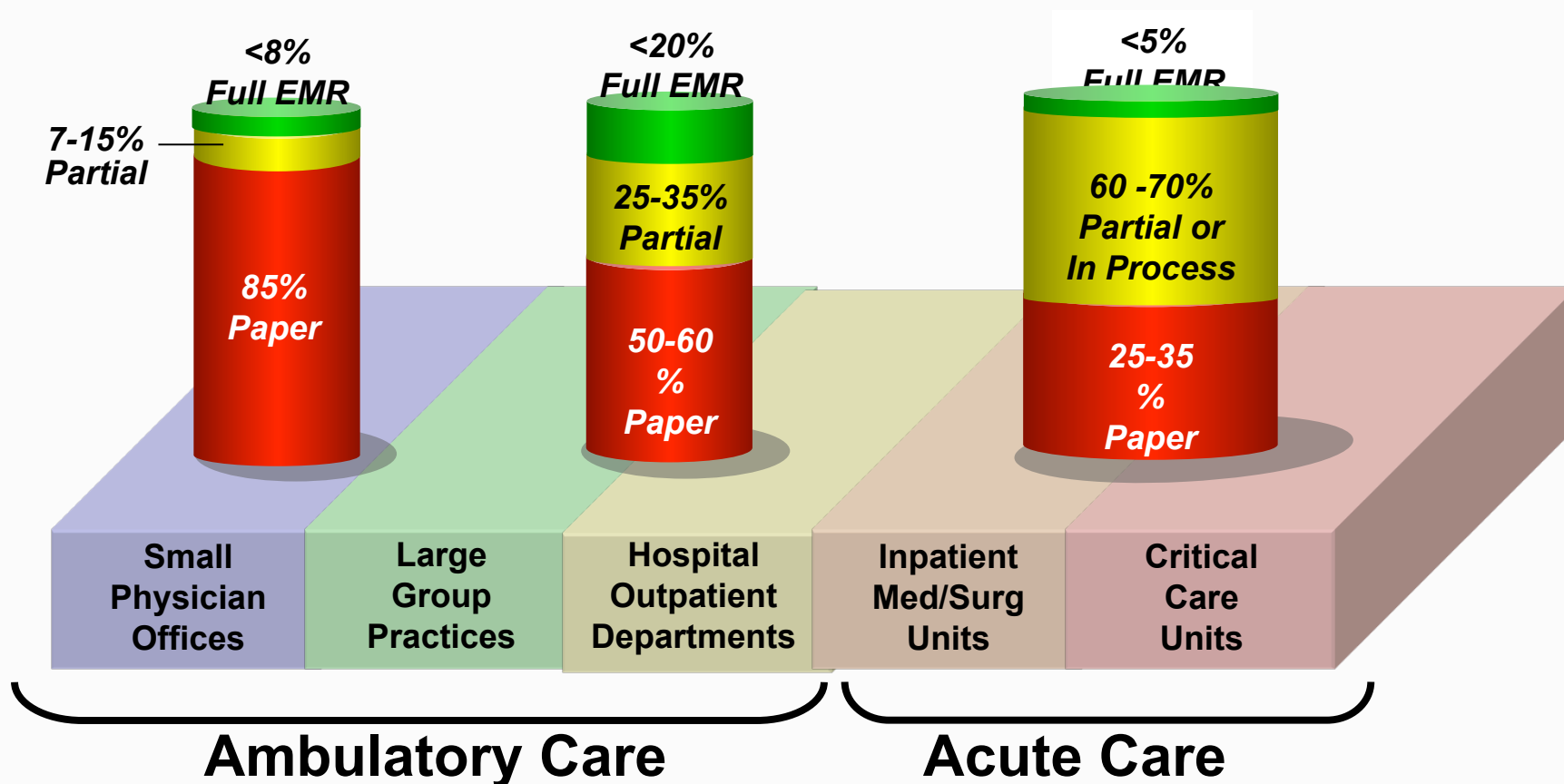
- **1. The Depth of EHR adoption:**
 - Only 5% of existing hospitals are at “Stage 4” EHR adoption (robust EHRs with Order entry, Clinical decisions support, etc) – the definition of “EHR” just went up a few notches.
- **2. The Breadth of EHR adoption:**
 - Covers everyone from rural solo practitioners to our nation’s largest Hospital Systems – Goal: 90% adoption by 2015
- **3. The Speed of the transformation:**
 - Maximum incentives to those who start the process immediately.
 - Only 5 years before the *penalties* for not adopting EHRs kick in.
- **4. The Rewards and Penalties structure:**
 - Rewards for Physician practices can be measured in the *tens of thousands*; Rewards for most hospitals can be measured in the *millions*
 - Penalties, beginning in 2015 quickly climb to similar numbers.

To qualify, providers will need to attain *at least*
“Stage 4” level of EHR adoption!

2007
Final 2008
Final

Stage 7	Medical record fully electronic; HCO able to contribute CCD as byproduct of EMR; Data warehousing in use	0.0%	0.3%
Stage 6	Physician documentation (structured templates), full CDSS (variance & compliance), full R-PACS	0.3%	0.5%
Stage 5	Closed loop medication administration	1.9%	2.5%
Stage 4	CPOE, CDSS (clinical protocols)	2.2%	2.5%
Stage 3	Clinical documentation (flow sheets), CDSS (error checking), PACS available outside Radiology	25.1%	35.7%
Stage 2	Clinical Data Repository, Controlled Medical Vocabulary, Clinical Decision Support, may have Document Imaging	37.2%	31.4%
Stage 1	Ancillaries – Lab, Rad, Pharmacy – All Installed	14.0%	11.5%
Stage 0	All Three Ancillaries Not Installed	19.3%	15.6%

Imagine these EHR adoption cylinders becoming 90% green during the next 5 years



Why all the focus on Information Technology in Healthcare ?

**Healthcare
is
Information**

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The Three Transformations

that, together, will change everything by 2017

Payers

**The
Consumer-
Directed
Healthcare
Revolution**

*Payer
as
INFOMEDIARY*

HIT

**The
EHR
Revolution**

*Delivering
Consumer-Centric,
Information-Rich
Healthcare*

Life Sciences

**The
Bio-Pharma
Revolution**

*Delivering Consumer-
Centered, Personalized*

Care through:

***Smart Drugs,
Smart Devices
Smart Discovery
Smart Delivery***

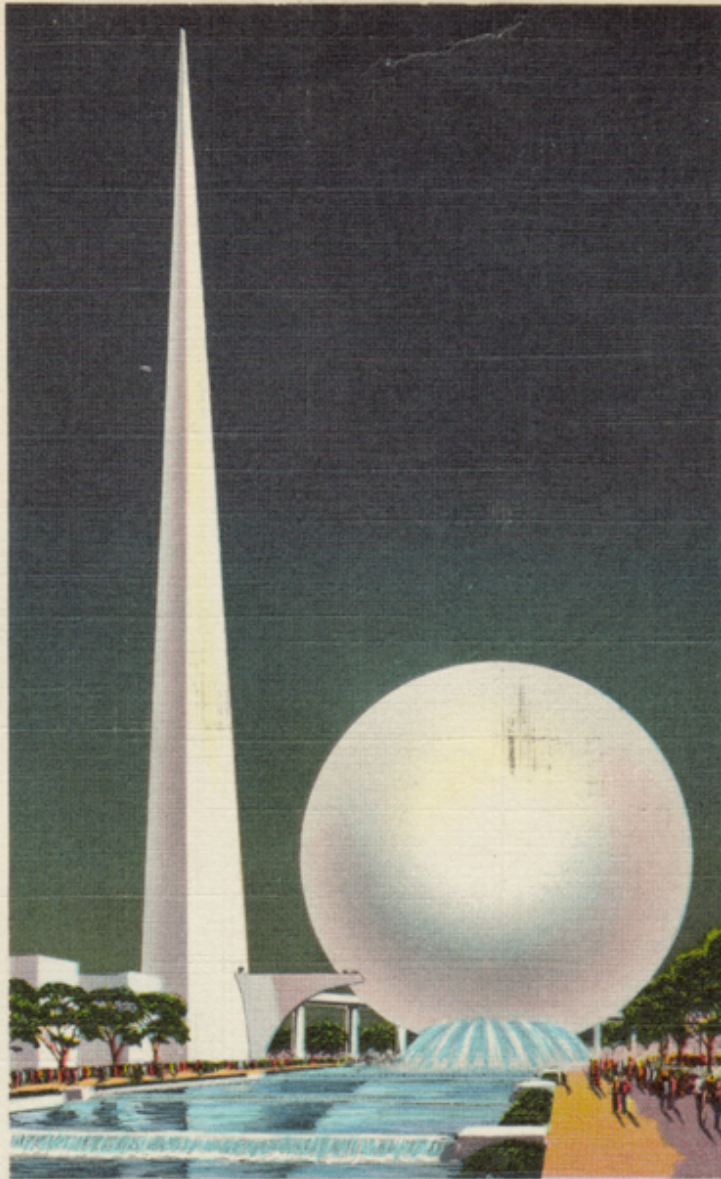


I'm sorry Mr. Jones, but your HMO does not pay for enemas. I'm going to have to have to slap the sh*! outta you.

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55W

Trylon and Perisphere, New York World's Fair



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Lesson from the 1939 World's Fair...

*The city of tomorrow will be
designed and flourish under
the theme of...*

“UNITY

Not

UNIFORMITY”

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Thank You

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