

RURAL HEALTH *Brief*



CENTER
FOR HEALTH
SCIENCES

October 2009

Rural Hospital Electronic Health Records Survey

2009-1

Background

President Barack Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) into law on February 17th, 2009. A major portion of ARRA is dedicated to authorizing the Centers for Medicare & Medicaid Services (CMS) to provide a reimbursement incentive to physician and hospital providers who become “meaningful users” of an electronic health record (EHR). Incentive payments to meaningful users of an EHR will begin in 2011 and gradually phase out by 2015. In 2015, all providers will be expected to have adopted and be actively utilizing an EHR in compliance with the “meaningful use” definition or they will be subject to financial penalties.

CMS is working closely with the Office of the National Coordinator for Health Information Technology (ONCHIT) and other parts of the United States Department of Health and Human Services (HHS) to develop regulations that will govern the EHR incentives programs, including a definition of “meaningful use” for 2011. The proposed regulations are targeted for publication in late 2009.¹

Rural Hospital Survey

To determine how prepared Oklahoma’s rural hospitals are for meeting the criteria of the EHR incentive programs, the Oklahoma State University (OSU) Center for Rural Health conducted a survey of the sixty, short-term, acute care, rural hospitals in the State of Oklahoma (a copy of the full survey is attached at Exhibit 1). Of the 60 hospitals that received the survey, 23 hospitals responded. The survey was administered to hospitals during October, 2009. The following is a summary of the results of that survey.

EHR Costs and Penalties

- 100% of respondents know that there will be stimulus funding available to help cover the cost of acquiring an EHR system.
- 100% of respondents know that there will be penalties for failing to adopt an EHR system by a certain date.
- 22% of respondents know that some EHR vendors are allowing hospitals to defer payments until the hospital receives reimbursement under ARRA.

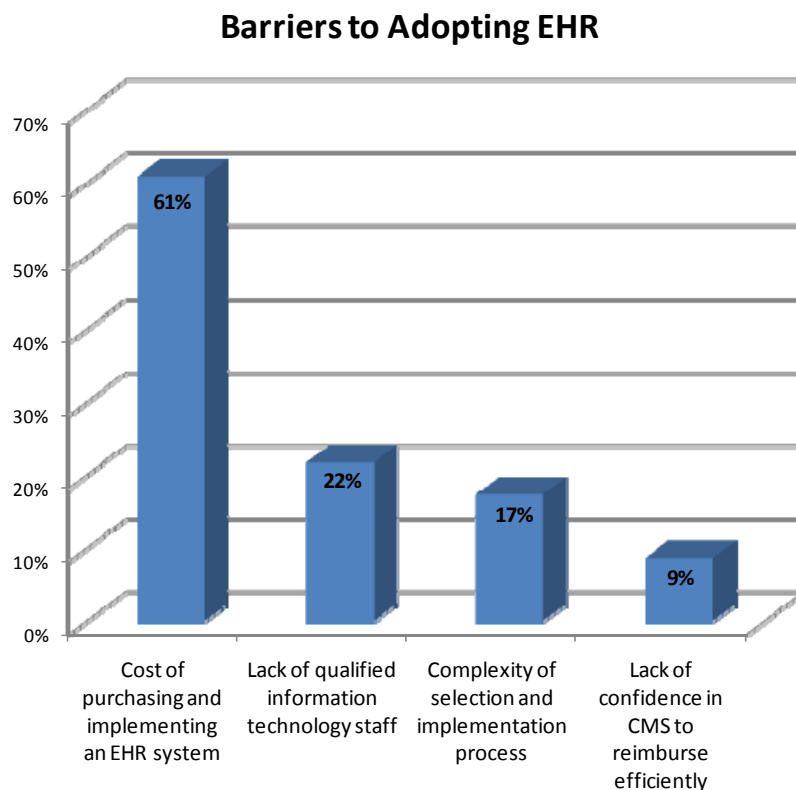
Current EHR Capabilities

- 83% of respondents do not currently have an EHR system.
- Only 25% of respondents with an EHR system currently have interoperability with other EHR systems.

¹ Office of the National Coordinator for Health Information Technology, United States Department of Health and Human Services. <http://healthit.hhs.gov/portal/>

Barriers to Adopting EHR

- The following figure illustrates what respondents felt were the greatest barriers to adopting an EHR system:



Conclusion

While the survey results indicate that Oklahoma's rural hospitals understand there are reimbursement incentives to help cover the costs of adopting an EHR system, costs remain a major concern for them. These concerns appear to be based on:

1. The difference between what it will cost to purchase and implement an EHR system and the amount of incentives they will receive; and
2. Cash flow issues that will arise because of the delay in payment that will occur between the time the hospitals pay for an EHR system and when they will be reimbursed by CMS.

This concern is partly assuaged by the fact that only 22% of respondents know that some vendors are allowing hospitals to defer payment until the hospital receives its adoption incentives. Still, the other adoption barriers identified in the survey results are significant concerns that must be addressed before rural hospitals will be able to move forward with adopting EHR systems.

These survey results indicate that assistance must be targeted to assist rural hospitals with addressing the obstacles that are preventing them from taking advantage of the incentives for becoming meaningful users of EHR. More than half (52%) of the hospitals responding expressed a specific need for more information on one or more of the following topics: meaningful comparisons of EHR vendors, funding access, implementation strategies, and legislative updates. Without help to address these issues, the infrastructure and revenue gap between urban and rural hospitals will continue to widen. The OSU Center for Rural Health is beginning to develop services to assist rural hospitals with undertaking this complex endeavor.