

*Excerpts From:*

## **Some See Opportunity in Electronic Health Records Push**

*by Jim Sams, Senior Editor, WorkCompCentral February 9, 2009:*

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On the campaign trail, Obama championed electronic medical record keeping for its potential cost savings to the U.S. health care system, citing a 2005 Rand Corp. study that concluded computerized medical records would trim \$81 billion annually in costs.

The \$825-billion economic stimulus package approved by the U.S. House of Representatives on Jan. 28 would fund health information technology initiatives and a new Office of the National Coordinator of Health Information Technology to oversee them.

Of course, workers' comp is just a sliver of the U.S. health care industry, but some technology vendors are hoping that the new federal money will help bring about national standards for electronic data transmission systems that can handle everything from diagnostic images to bills for office visits to rural clinics. The ultimate goal of the president's effort is creation of an electronic medical record that would stay with a patient for life, accessible no matter how often the patient changes doctors or medical facilities.

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**Electronic medical data storage takes many forms, and some businesses have already found a way to use the technology to their advantage. In Woodland Hills, Calif., Dr. Ron Friedman is hoping Obama's health care information technology initiative will become a boon for his business.**

**Friedman's company, Medical Diagnostic Imaging Associates (MDIA), stores the results of diagnostic imaging tests, such as X-rays and magnetic resonance imaging scans, in an electronic storage system accessible to any authorized user with an Internet connection. MDIA has contracts with 400 clinics, and 80% of them are able to upload the results of their scans directly into the company's computer system, he said.**

**Friedman said he is working with a national client that wants to use his system to store the results of all of its claimants' imaging tests electronically. Friedman said he's hoping Obama's push for health care information technology will open more business opportunities, although he disclaims any "megalomaniac" ideas that his business will become the major player in the national scene.**

**"We are in a niche where we can provide very cost effective services," Friedman said. "We started as a statewide network that would allow the insurer, the payer, to make a single call to get a diagnostic exam done at an agreed-upon rate and know who was doing it."**

**In addition to convenient storage, electronic medical records thwart fraud by making it more difficult for claimants to deny previous injuries and eliminate waste caused by lost results, he said.**

**Friedman said the national push for electronic medical records will eventually bring together service providers who now separately do business in the workers' compensation, private health and government-funded insurance fields. That, combined with likely passage of a national health care plan, will force medicine to use technology, he said.**

**"Health care is going to become available to many, many more people over the next 10, 15 to 20 years," Friedman said. "Unless you become efficient, you are going to be left behind."**

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Along the way, insurance carriers and medical providers are expected to develop systems for submitting data such as medical bills electronically through a process known as electronic data interchange, or EDI.

Minnesota blazed its own EDI trail in 2007, when Gov. Tim Pawlenty ordered state agencies to adopt rules requiring medical providers to submit claims and eligibility transactions electronically, using a common standard, by the end of this year. Texas has been a leader in the workers' compensation niche, becoming the first state in the nation to require insurance carriers to develop systems to accept electronic bills in rules that became effective Jan. 1, 2008.

Jopari Solutions, a medical-billing tech vendor based in Concord, Calif., has been involved in Texas' e-billing initiative from the start. John Roberts, vice president of marketing for the company, said he sees three possibilities for workers' compensation technology under the Obama administration.

Roberts said the worst-case scenario for his company is if the president and Congress will fold workers' comp into a new national health care plan, in which case products developed by his company and others for EDI in workers' comp will become obsolete.

Roberts said a neutral outcome is also possible: The new administration may leave any innovations in workers' compensation technology completely to the states and provide no funding in the economic stimulus package.

Then there's a third, positive possibility for tech vendors. Roberts said Congress and the Obama administration may make economic stimulus money available to help develop a national EDI standard for workers' comp data transmissions that will work smoothly with the same data-transmission systems used in group health and Medicare.

"This is speculation, but it would be a logical development to include group health, federal programs and other medical delivery systems in this same type of initiative if you want to get the maximum beneficial outcome," Roberts said.

Roberts said a bill recently introduced by U.S. Rep. Joe Baca, D-Rialto, could also boost chances of workers' compensation being included in the national health care technology initiative.

Baca's bill would create a commission to study the adequacy of state workers' compensation benefits. Roberts said that the commission's effort could easily be expanded to include a health-information technology component, which would dovetail with federal efforts to create national standards for electronic medical data transmission in all forms.

So far, the job of developing a national standard for workers' compensation EDI has fallen on the International Association of Industrial Accident Boards and Commissions, through a network of volunteers called the EDI Council.

Glenn W. Morton, administrator of the Nebraska Workers' Compensation Court and chairman of the EDI Council, said federal money could be especially helpful if it can bring EDI capability to small clinics and doctors' offices that might otherwise dismiss the technology as an exorbitant expense.

Morton said state regulatory agencies could also use some help with developing EDI systems that meet the needs of their own workers' compensation systems, while still fitting within a broader national standard for data transmission. He said the trick is developing a standard that is broad enough to be useful for each state's unique workers' compensation system, without becoming so cumbersome that it becomes impractical to implement.

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