

Obama e-health push could boost Orion

Kiwi electronic health record company spies an opportunity

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President Barack Obama's e-health plan could help boost Auckland-based Orion Health's business in the US market.

During his campaign, President Obama pledged to invest US\$10 billion (NZ\$19 billion) per year over the next five years on an electronic health records (EHR) programme, which would be designed to streamline workflow at hospitals, clinics and physician offices. Backers of the programme assert that EHR systems will improve care, while significantly cutting overall health care costs.

The US Senate recently approved a US\$838 billion economic stimulus package. A House of Representatives version of the bill, totalling US\$819 billion, was passed on January 28. House and Senate negotiators will now work out the differences in the two bills.

The Senate bill includes \$3 billion to push forward adoption of health IT, including electronic health records. The House version of the bill includes \$20 billion for health IT.

Orion Health's Rhapsody integration engine, Concerto physician portal and workflow tools, which provide a "single view" of clinical data, are already being used across the US. Clients include the state-wide Maine HealthInfoNet and the Vermont Health Information Exchange, as well as the Lahey Clinic, UCLA Medical Centre and the US Centres for Disease Control and Prevention.

Late last year, Orion won a deal with one of the largest public and private health information exchanges in the US, Shared Health. The organisation is using Orion's Concerto portal technology to enable an integrated EHR, with the specific aim of improving the management of children's health issues, says Orion spokeswoman Amanda Ivanson.

The online, Java-based single sign-on portal makes data from various computer systems available to physicians, allowing them to see a unified record for a particular patient, says Orion chief executive Ian McCrae. All clinical data is gathered in one place, saving physicians from searching many different systems to find information, or having to rely on print-outs, he says.

A big hospital in New Zealand would typically have 600 different computer systems — some bigger and some smaller departmental systems, says McCrae. Hospitals in the US often have 800 to 1,000 different systems, he says.

While a national electronic health records system remains a first-term priority for President Obama, its price tag may far exceed current estimates, according to some healthcare experts.

"The magnitude of what we're going to need to do on the Obama scale is just incredible to think about, when you consider linking all these medical records across all these different towns, cities, states," says Charles Frazier, vice president of clinical innovation at the US-based Riverside Health System, a health care provider.

Some experts say President Obama's initial estimates of the cost and time of implementation are likely far below what will be needed to create and roll out an EHR system across the US. Many say that the price tag could be closer to \$100 billion, with implementation taking up to 10 years.

In 2004, the Bush administration tried to build a national EHR system, creating the Office of the National Coordinator for Health Information Technology (ONC) to oversee the effort. Since then, the ONC has launched some pilot projects, but the e-health concept has been slow to expand beyond that.

For example, last July a survey of 2,700 US doctors by the New England Journal of Medicine found that only 4% are using "fully functional" EHR systems. The rest, the journal found, are all still keeping mostly paper-based records.

However, David Brailer, who served as Bush's first health information czar, notes that 25% to 35% of the nation's 5,000 hospitals use or are in the process of rolling out computerised order-entry and medical record systems.

Brailer says that implementing a full, secure EHR system is a multiyear — and very expensive — project. Such a system would include patient care order-entry systems, an ability to fill pharmacy prescriptions, along with networks to share patient data among hospitals, primary care physicians and insurance companies.

He cites multiple studies that estimate implementation costs at between \$75 billion and \$100 billion.

However, he described the funding needed to implement the system as "a one-time cost in an industry that spends \$2.2 trillion a year now and will spend \$3.7 trillion per year 10 years from now. So it's a relatively small amount of money."

A functioning national electronic health system could decrease US health care costs by between \$200 billion and \$300 billion annually, by cutting down on duplicate records, reducing record-keeping errors, avoiding fraudulent claims and better coordinating health care among providers, says Brailer.

Orion's Ivanson says an implementation of the company's technology for clients in North America costs from \$5 million to \$50 million.

The ONC has had some success in getting state and local governments to support the creation of regional health information organisations (RHIO), which are designed to bring together health care organisations in defined areas and control their exchange of information. Two examples are Orion's clients Maine's HealthInfoNet and the Vermont Health Information Exchange. To date, 66 RHIOs have been created in the US, with many of them now working to create electronic health records.

Massachusetts is one of 30 states that have introduced or passed legislation calling for the state-wide adoption of standardised health IT systems. Under a law enacted last year, Massachusetts wants 14,000 private physicians' offices to adopt EHR systems by 2012 and its 63 hospitals by 2014.

The on-going economic crisis has affected Orion Health in that the company is not growing as fast as it has in previous years. "But we are still growing," says McCrae.

The goal is to become a \$100 million company, but to get there might be a bit slower than first expected, he says.

The big push for Orion this year is in user-centred design. The company is getting ready for a big leap forward in the design of its products, says McCrae. He is looking at the likes of Apple for inspiration and has hired interaction designers.

Orion has managed to retain talented staff, partly by offering employees time at the company's overseas offices, in the US, UK, Spain or Canada, says McCrae. That way staff can do their OE, but still keep their jobs.

Orion is one of a group of local companies that are selling ideas and knowledge, with a low carbon footprint, says McCrae.

"These are the kind of jobs we want to have in the country," says McCrae. "We are creating jobs, value and money out of nothing, really."

New Zealand needs to nurture and keep companies with that calibre, he says. There are about 15 of them that have been lost to overseas buyers, he claims.

Navman is one example, according to McCrae.

The number-one market for Orion is North America, followed by Europe, Australia and New Zealand.

In addition to its Santa Monica-office, which has around 60 staff, the company opened an office in Boston last year with 10 staff.