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HEALTHCARE
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Annual IHIT Report: The Voice of Healthcare IT in Georgia

*A comprehensive look at the top challenges facing
Georgia's hospitals, physician practices and
healthcare IT vendors*

January 2017

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Executive Summary

Each year, the Institute for Health Information Technology™ (IHIT), an independent, non-profit organization focused on advancing the needs of Georgia’s healthcare IT community, conducts an industry survey to document the latest healthcare IT issues that are impacting our citizens, care providers and businesses.

While previous IHIT reports have analyzed the workforce development needs, this year’s IHIT report took a more holistic approach to capturing and analyzing the top challenges impacting all major components of Georgia’s healthcare IT community: hospitals, physicians practices, and vendors who support these organizations with software and services.

Consistent with previous annual reports, IHIT commissioned Atlanta-based [Porter Research](#) to conduct the online survey. Porter received feedback from more than 100 qualified healthcare professionals, such as clinicians, nurses, doctors, administrators, as well as information technology experts, such as business leaders and computer programmers.

According to the survey, one of the biggest driving forces of change in the healthcare IT community stems from the rapidly changing reimbursement models. Historically, care providers were paid based on the number and type of visits (volume-based). Going forward, the Center for Medicare and Medicaid Services (CMS) and commercial insurers are tying reimbursements more closely to the provider’s ability to improve patient outcomes and create efficiencies in their care delivery processes (value-based).

The move from volume-based to value-based reimbursements is putting significant pressure on the healthcare IT community to adapt business models and technology strategies.

The rapid pace by which the industry is moving to value-based care is placing tremendous pressure on all healthcare providers and vendors in Georgia and across our nation. Additional strain is coming from:

- Our nation’s aging population (10,000 people qualifying for Medicare every day);
- The increase in the number of lives being covered under the Affordable Care Act of 2010; and
- The ever-increasing regulatory requirements being placed on providers.

To help relieve these pressures, many care providers are turning to technology, which is creating both opportunities and challenges. The top issues, including cybersecurity, IT workforce availability, connectivity, and access to care were captured in this year’s survey and are presented in greater detail throughout the following pages of the 2016 IHIT Voice of Healthcare IT in Georgia Report.

Survey Overview

IHIT's purpose for this year's study was to capture and report on the thoughts and opinions of healthcare professionals who are shaping the healthcare IT landscape in Georgia. Among the more than 100 professionals who participated in the survey, the largest group of respondents came from the vendor/consultant community (46%) and hospitals (27%). While a fewer number of physicians responded (7%), we can still gain directional insight from this group.

There was also good diversity among the size of organizations responding:

- 65% of hospitals reporting to have more than 100 beds
- 51% of physician practices reporting to have more than 10 physicians
- 55% of the vendor/consultant respondents categorized themselves as medium or large, and 79% provide their products nationally or globally.

All respondents were knowledgeable about their organization's plans for growth, strategies for engaging patients, current and planned use of technology, and the market dynamics that are impacting their businesses. The majority of the respondents reported themselves as management level and above:

- 32% C-level and VP level
- 39% Director/Administration level
- 16% Manager level

Organizations were asked to describe their biggest barriers to growth, top market conditions impacting their businesses, and what they believe the Georgia legislators should focus on in the new year. The vendor/consultant community was also asked about their plans to expand their services in Georgia and what factors are driving providers to look at innovative technologies. The hospital and physician practices were specifically asked to comment on their patient engagement strategies and use of technology to expand patient care.

Key Findings & Common Ground

While each group may have reported slightly different priorities in terms of market conditions and key challenges, there was much common ground on which hospitals, physicians and vendors can stand, and subsequently work together to drive improvements in Georgia. The top five areas that all respondent groups agreed were important are:

1. Access to trained resources. The 2014 annual IHIT report noted a significant gap between universities and the healthcare industry's need for trained workers to fill the 5,000 healthcare IT jobs that were available in Georgia at that time. In the 2016 IHIT report, the need for access to and retention of trained IT staff remained the number one issue for hospitals and physicians. It ranked in the top five for vendors. The most mentioned workforce needs were skilled IT resources, such as computer programmers and system

interface developers (to connect the many disparate systems used by different care providers), as well as security/privacy experts. The rate of technology adoption and development continues to outpace the number of qualified resources in Georgia.

2. **Cybersecurity.** Care providers are familiar with the unique challenges of securing facilities and assets, but the onslaught of patient data and the recent changes to regulations such as HIPAA compliance have left survey respondents grasping for the right resources, technologies and know-how to protect their patients' data and their reputations. For example, the nation's second largest health insurer (Anthem), experienced the nation's largest data breach, exposing 78 million patient names, birthdates, email addresses, employment history and social security numbers last year. Recent reports indicate that the breach started with a single, credentialed user opening a phishing email. It's next to impossible for providers to defend themselves against all attacks, and many are calling on federal and state government officials for assistance. Finding the right balance between sharing data and protecting data was noted as a top issue for Georgia healthcare professionals of all sectors.

Figure 1: Care providers believe workforce recruitment/retention and cybersecurity are the top two factors impacting growth.

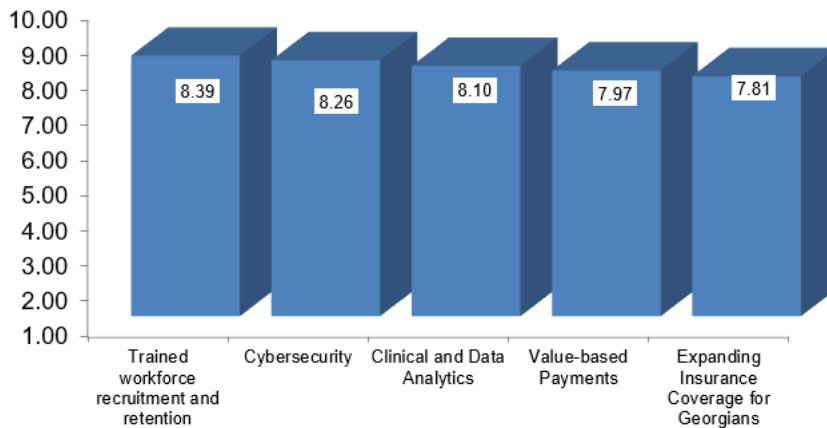
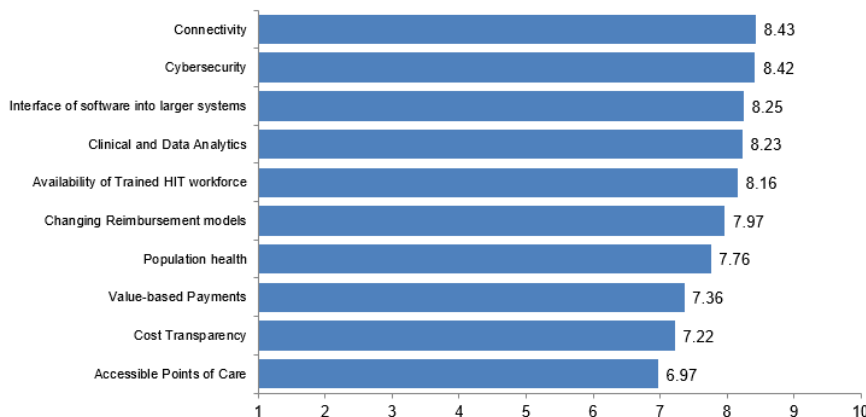


Figure 2: Vendors believe connectivity and cybersecurity are the main factors impacting growth.



3. Access to care and affordability of care. Improving access to and the affordability of care remain at the top issues respondents want to see focus from Georgia legislators. Despite the proliferation of thousands of new technology-based healthcare solutions, providers report that they struggle with the cost of technology, whether it be the outright cost of the solutions or the total cost of implementing the solutions that often require additional human resources. Lack of insurance coverage and transportation are reported as the top two barriers to access of care by both hospitals and physicians. They also reported that the lack of clinicians and connectivity inhibits access to care.

Figure 3: Care providers want to see Georgia legislators improve the affordability and access to care.

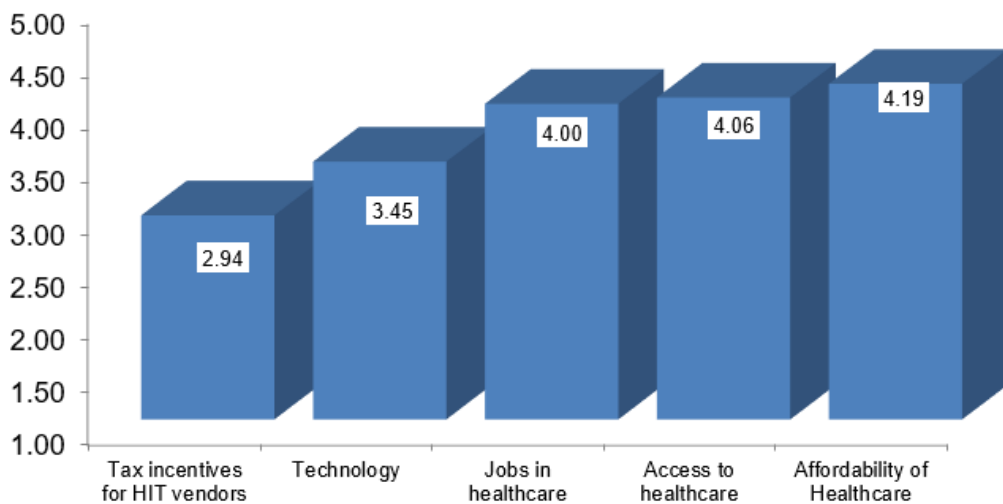
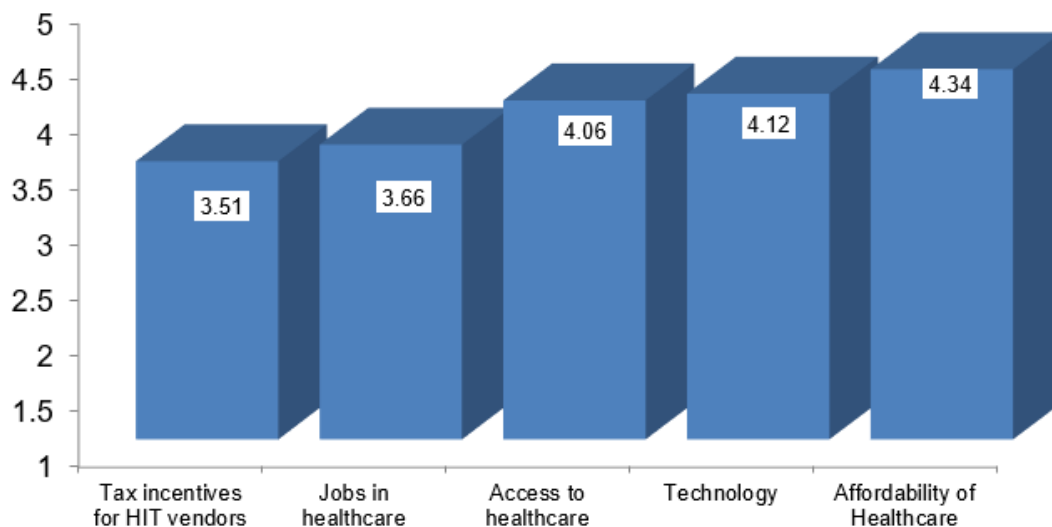


Figure 4. Vendors also want to see Georgia legislators focus on the affordability and access to care.



4. Clinical data analytics. Capturing and reporting clinical data was also mentioned as a top issue across all respondent groups. Not only is clinical data required for value-based care contract reporting, but it also holds the promise of identifying high-risk patient populations, creating more predictable patient outcomes and improving overall care quality. Historically, much of this data has been locked deep within claims data, which lacked specificity and timeliness. Greater access to more clinical data generated by the electronic medical record (EMR) systems has fueled new innovations, such as population health management systems and precision medicine, all of which are helping providers more confidently take on value-based care.
5. Value-based care reimbursement models. As mentioned in the executive summary of this report, the move from volume-based to value-based care models is top of mind across all respondent groups. The uncertain future of the Affordable Care Act under the new Trump administration and Georgia's Rep Tom Price (R – Ga.) who has been nominated to be secretary of the Department of Health and Human Services (HHS), makes this challenge particularly difficult for providers and vendors to navigate at this time. While nearly 50% of respondents reported that none of their revenue is currently coming from value-based arrangements, this is sure to change given the recently published Federal Health IT Strategic Plan that claims 85% of all Medicare and Medicaid payments will be paid through value-based programs by 2018.

Specific to the vendor community, connectivity surfaced as the top business challenge. Respondents noted that they continue to struggle with the lack of interoperability among electronic medical record systems (an industry wide challenge), but their biggest concern was the lack of information technology infrastructure, including broadband or internet access, in Georgia. Vendors also highlighted additional challenges, such as the lack of investment funding available in Georgia.

Specific to hospitals and physician practices was the issue of expanding insurance coverage for Georgians. The number of Georgians who have access to health insurance has grown under the Affordable Care Act, according to a December 2016 Georgia Health News [article](#) that states more than 352,000 Georgians have enrolled in a 2017 health plan in the insurance exchange (slightly up from about 345,000 last year). However, the IHIT report states that the lack of insurance coverage remains the number one barrier to access of care.

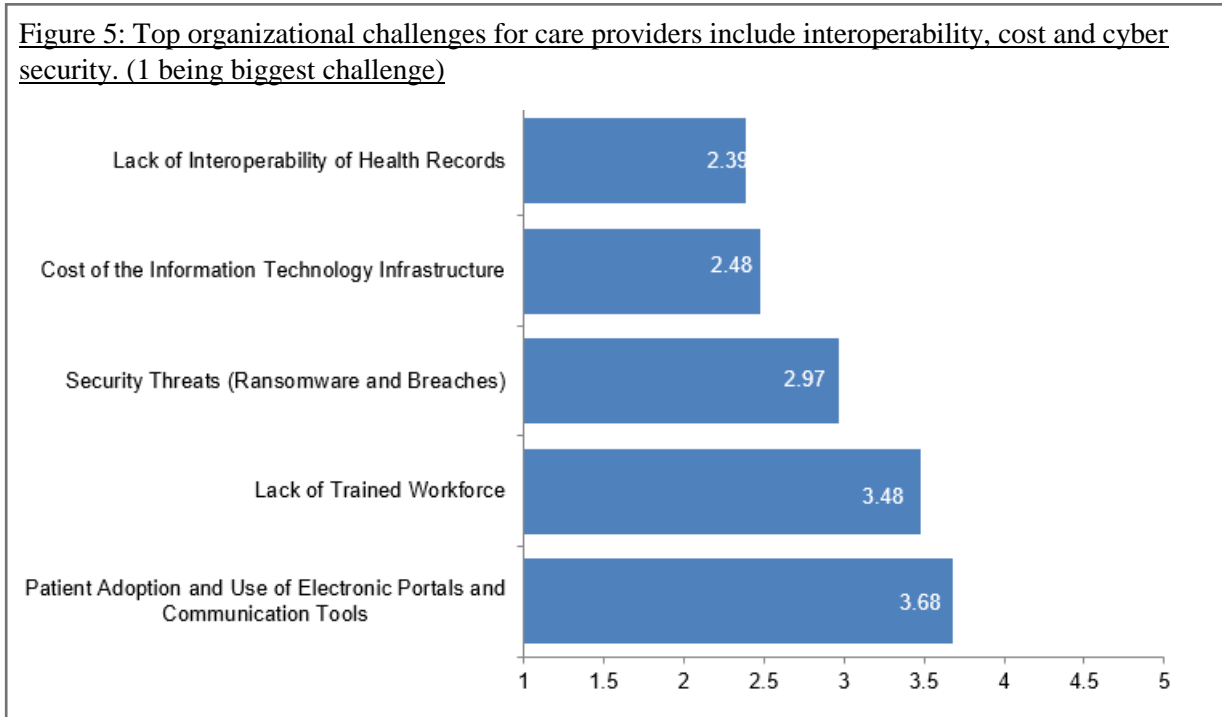
Additional Insights

As consumers become more engaged in their care, technologies that help physicians more dynamically interact with their patients in a secure, ad-hoc manner have become mainstream. 95% of hospital respondents now have some form of patient engagement technology in place, with nearly half of them (49%) relying on patient portals. Results were very similar among physicians. However, many industry experts question how many patients actually use these

portals to interact with their providers on an ongoing basis. Other solutions include emailing and texting with patients and smart phone applications.

Organizationally, hospitals reported that their greatest challenge stems from the lack of interoperability between health record systems and the cost of the technology infrastructure required to support their businesses. Physician practices agreed that the lack of interoperability was their top organization challenge, but ranked the lack of a trained workforce as their next biggest challenge. Security threats and patient adoption of technology also appeared as top organizational challenges for both hospitals and physicians.

Figure 5: Top organizational challenges for care providers include interoperability, cost and cyber security. (1 being biggest challenge)



As hospitals and physician practices look to expand the ways in which they provide care to patients over the next two years, the top technologies they plan to use are

- Telemedicine,
- Predictive analytics, and
- Smart phone applications.

The number of health-related apps has exploded over the past several years, reaching more than 165,000 last year, so it is not surprising that many care providers are turning to these types of solutions to change the way they deliver care.

With all these technology options, why do hospitals and physicians not adopt new technologies? Respondents report that the two biggest barriers to IT adoption include the cost of the technology and the lack of interoperability between systems. Vendors rank providers' resistance to change as another top factor impacting the adoption of healthcare IT.

Georgia's Opportunities

Recognized as the healthcare IT capital of the nation, Georgia legislators, care providers and vendors have a responsibility to continue to advance healthcare IT innovation to serve the citizens of our state and our nation. Seventy-eight percent of vendor community survey respondents indicated that they plan to increase their presence within Georgia, which bodes well for the state's aspiration to stay at the top of the list. But the survey data also reveals several opportunities for improvement that we must work together to tackle:

1. Improve access to care services. A recent study published by the Healthcare Openness and Access Project (HOAP), positioned Georgia in last place in terms of how open and accessible the state's healthcare system is to patient and provider preferences. The IHIT survey indicates that all care providers want the Georgia legislators to focus on increasing the access and affordability of care by looking at the following opportunities.
 - a. Telemedicine. Innovative technologies, such as telemedicine, have the potential to dramatically improve the access to care and reduce the cost of care. For example, where facilities in rural Georgia may not be able to afford a cardiologist on staff, they can partner with a facility in Atlanta via a remote connection to help diagnose and treat patients with complex heart conditions. But reimbursement models and complex licensure rules in Georgia have hindered more rapid adoption of these technologies. If physicians cannot get adequately reimbursed for providing these services, there is little incentive to invest in the technology and new workflows/resources required to successfully connect to remote facilities. Giving patients instant access to the necessary care providers remotely instead of requiring patients to travel multiple hours to see the provider in person can have a positive impact on the access to and affordability of patient care. Georgia must expand and enhance its use of telemedicine.
 - b. Shortage of providers. According to a [report](#) published by the Georgia Budget & Policy Institute in June 2016, 141 of Georgia's 159 counties fall below the statewide average number for doctors per 100,000. While this shortage can be blamed on the sharp increase in patients who now have access to health insurance from the Affordable Care Act or the aging population or growing number of residents in Georgia, legislators must help reduce the burdens placed on independent practitioners and para professionals and make Georgia a more attractive home for physicians.
 - c. Transportation. One would assume that most of the transportation issues are associated with rural communities, but in fact, many citizens in urban areas are unable to take advantage of the public transportation services due to a lack of financial means. Georgia should evaluate some of the innovative partnerships that providers are forming with ride-hailing services, such as Uber or Lyft, to help

patients gain access to care. Leading edge providers and payers in other states who recognize the long-term costs associated with missed appointments among chronically ill patients have already begun to help solve the transportation challenges. In some cases, Medicaid will fund patient transportation. The lack of transportation also drives the need for expanding new care delivery models, such as telemedicine and mobile apps, both which require greater broadband connectivity and support from Georgia legislators.

2. Fully develop and educate a trained healthcare IT workforce in Georgia. In 2014, the annual IHIT report revealed that there were more than 5,000 healthcare IT jobs in Georgia that could not be filled because of the lack of qualified workers. Shortly thereafter, the Lieutenant Governor's office brought together industry leaders and the University System of Georgia (USG) and the Technical College System of Georgia (TCSG) in an effort to better understand and begin solving this problem to prevent companies from going elsewhere to fill their workforce needs.

In this meeting, business leaders voiced their concerns about finding qualified healthcare IT workers in Georgia. IHIT then conducted a further study entitled, "Working Together – Business & Education," in which the leaders and educators came together to assess the specific needs of Georgia healthcare IT businesses. As a result of the IHIT reports and working sessions, the Health IT Alliance was formed as a partnership between the USG and TCSG to develop programs and guide educators on the unique needs of the healthcare IT community. The 2016 IHIT report reveals that the vendor community is still concerned that they do not have an educated and trained workforce available in Georgia and more needs to be done.

More funding for these organizations must be earmarked for the development of programs that not only train students on real-world healthcare IT challenges, but also introduce students to the wide variety of rewarding career choices in healthcare IT. Scholarships should be provided to incent more students to enter the healthcare IT field, such as software programming, security, and IT infrastructure.

3. Incentivize investment in Georgia-based companies and expand funding opportunities. Georgia legislators should consider state funding models that make Georgia an attractive destination for healthcare IT company headquarters. Legislators have to look no further than the results of the film industry growth in Georgia, which generated an economic impact of \$6 billion in FY 2015 alone according to the state's website georgia.org.

Conclusion

While Georgia is prominently positioned as our nation's largest healthcare IT community, our legislators, care providers and software/service vendors must work together to maintain this leadership position and continue to attract great talent and great companies to our state. IHIT remains committed to facilitating the exchange of information that help these groups collaborate and activate creative solutions to Georgia's toughest healthcare IT challenges. To download your copy of IHIT's 2016 Voice of IT Report, visit the IHIT website at www.instituteforhealthcareit.org.

About IHIT

The Institute for Healthcare IT (IHIT) is a non-profit organization that is focused on fostering economic development opportunities and improving the accessibility and quality of healthcare in Georgia through the advancement of technology. IHIT started several years ago as a small group of healthcare IT companies and organizations in Atlanta who wanted to work together to grow our economy, expand employment opportunities, and ultimately improve healthcare in Georgia. Today, more than 50 vendors, health systems and educators are actively engaged in IHIT programs, such as the annual IHIT report, HIT Day at the State Capital, and interactive panel discussions with legislators to ensure Georgia maintains its leadership position as our nation's largest healthcare IT community. For more information or to join the IHIT effort, visit www.instituteforhealthcareIT.org.

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