How benefits can outweigh costs of electronic records

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A year and a half ago, the physicians at Neurologic Center of South Florida in Miami were looking for help. Health plans in the area were sending up to 10 new patients a day, and business was booming.

The problem? The nine-physician practice was so busy that physicians often had trouble keeping track of the patients they had seen, particularly when a referring physician would call and want to talk about the findings.

That's when the practice decided to purchase electronic medical record (EMR) software. Today, when a referring physician calls one of the group's neurologists to talk about a consult, the neurologists don't have to worry about remembering the patient by name. They simply type the patient's name into their desktop computer and the electronic chart appears on the screen. "There's no more screaming to my assistant to get the chart or problems when she can't find it," said Wayne Tobin, FACP, a member of the practice.

Despite start-up costs that can be formidable (see "The cost of computerizing your records,"), and the time and energy required to implement a computerized system, some small- and medium-sized practices like Dr. Tobin's are discovering that electronic records offer some distinct advantages in today's competitive health care market. Besides the obvious advantages in record-keeping—charts can't be misfiled or lost—electronic charts make it easier for physicians to prove to health plans that they are providing quality care. Physicians also say the technology can help them work faster and bill more thoroughly for services performed, ultimately increasing revenues.

Here is an overview of how practices are using EMR software and the advantages they say they have gained.

Documentation

When health plans want to evaluate their doctors, they typically go straight to the patient charts—and begin complaining that they can't read the physicians' writing. In practices with electronic records, however, legibility problems are not an issue, explained Sarah Corley, FACP, a general internist who uses an EMR system in her two-physician practice in Arlington, Va. She also pointed out that reviewers don't have to wade through a stack of paper to find a particular report that may be filed in the wrong section of the chart.

"The people who come out to review our records love us and we always score 100% on the standards by which they rate medical practice," Dr. Corley said. As a result, HMOs frequently send patients who ask them for a reference to her practice, she added.

As more health plans begin using software to track how well physicians do when it comes to areas like delivering preventive services, physicians with electronic records systems potentially have a competitive advantage. Dr. Corley's software, which she uses in exam rooms and her office, includes the "U.S. Preventive Services Task Force Guidelines" and prompts physicians to include preventive care during patient exams. When patients call her office with a question, the software prompts her nurse to remind patients when they are next due for a health maintenance screening.

Productivity

Practices with electronic records systems have also found that computers help give their productivity a boost in several ways, from reducing the costs of storing records to changing the way physicians work.

Since switching to a computerized medical record system in the fall of 1996, physicians at Wasatch Internal Medicine in Salt Lake City see an extra four patients an hour. According to Thomas F. Barman, ACP Member, the practice's six general internists have been able to save most of that time by typing patient notes into computerized templates during patient visits. Each exam room is equipped with a computer to maximize use during patient visits, which helps streamline documentation. "Using the computer is faster than using the paper chart," Dr. Barman said. The software has also helped the practice cut its transcription costs in half.

Dr. Barman's practice now also bills more effectively because the software prompts physicians to provide full documentation for coding. "Before, we were undercoding and underdocumenting for our chronic disease patient population," Dr. Barman said. As a result, the practice's average level of evaluation and management codes—which Medicare and many insurers use for billing purposes—has increased from 2.4 to 3.5.

"Doctors do the work, they just don't always document it because it takes a lot of time on paper," Dr. Barman said. "This way, it's quick and easy."

EMR software also helps Dr. Barman's practice cope with HCFA's evaluation and management (E/M) documentation rules. A new software tool from his EMR system vendor guides the physicians through the lengthy review of systems, one of the three required elements of the new E/M documentation rules. The software guides physicians through the E/M rules by asking them to click on yes or no in the appropriate boxes. When conducting a gastrointestinal exam, for example, the software prompts physicians to indicate whether the patient is experiencing nausea or vomiting.

EMR software can also help physicians better track the details of their health plans. "When you participate with a lot of programs, like we do now, everybody has their different requirements they want you to meet," said Dr. Corley. "And let me tell you, I never anticipated how great the computer system would be for that."

Communication

EMR software also allows physician practices to communicate more efficiently, typically through e-mail.

When a patient calls Dr. Tobin's Miami practice and requests a prescription refill, for example, staff electronically send a note to the physician. The physician then pulls up the patient's chart, signs off on the request and sends a reply back to his assistant. With that note, the assistant can phone in the refill to the pharmacy and call the patient back with information on when the prescription will be ready.

In addition, staff at the practice don't have to chase after physicians to make sure they receive phone messages from patients. Instead, physicians take care of the requests quickly between patients. "I rarely call my patients back anymore because when the patient call comes in, the message is sent to my computer," Dr. Tobin said. "I look at it, reply and flash it back to my assistant and she can make the callback."

Dr. Tobin said that his EMR software helps with other communication issues as well. When a patient calls his office complaining that an HMO has denied coverage of a medication, for example, Dr. Tobin is able to quickly insert information from the patient's chart into a form letter explaining why the medicine is medically necessary. He simply prints the letter and sends it to the HMO.

EMR software can also help physicians educate patients. Dr. Barman said that he often provides patients with a copy of their initial history and physical report. Many EMR systems can also print out other patient information, such as handouts on diabetes or cancer, that physicians can give to patients.

Future uses

The physicians interviewed for this article said that one of the biggest downsides of computerized patient records is that they don't have enough time to really take advantage of their EMR software. Small- and medium-sized practices may not have the resources to hire someone specifically to do computer work, so it's often up to the physicians or office administrator to maximize the potential of the EMR system.

Dr. Corley's EMR software could help her track the formularies of the different HMOs she contracts with, but she hasn't had the time to learn how to use that feature.

Similarly, Dr. Tobin has not had time to use his EMR software to negotiate contracts. His practice does plan, however, to hire a senior administrator to do so, and he hopes that the person can use the data they've collected with the EMR system to prove the quality of their care.

Rather than become frustrated with the technology, however, physicians like Dr. Barman remain optimistic that EMR software will help with managed care contracting in the future. "We are positioned well for the future of health care," he said. "With electronic databases, we are now able to objectively show how good we are. Everything you put into a database has a future value and if that information is in there, I can refer to it in a second and use it to improve."

The cost of computerizing your records

The cost of a computerized medical records system isn't necessarily out of the range of the small practice, especially considering the possible cost savings that it can generate.

Sarah Corley, FACP, a general internist in Arlington, Va., spent $20,000 on electronic records software and $10,000 on hardware four years ago. Annual costs for software updates are about $1,000 a year, she said. Her practice also hired a computer consultant to help get the system up and running.

The Neurologic Center of South Florida in Miami has spent about $150,000 on 29 personal computers, software and updates. According to Wayne Tobin, FACP, the practice has also benefited from a 10% reduction in malpractice insurance—a savings of about $25,000—because it was able to prove that its documentation is better than when the practice used paper charts.

Wasatch Internal Medicine in Salt Lake City has spent nearly $100,000 on 25 personal computers that are part of a client/server network. According to Thomas F. Barman, ACP Member, about $75,000 went to hardware, while software costs accounted for the other $25,000. Annual updates cost about $15,000, Dr. Barman said.