

Get Ready for Digitalized Healthcare

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Digital technologies are being adopted across the spectrum within the healthcare and pharma industry, leading to an era of transformation in the care continuum.

The reach for digital health technologies has doubled in the last two years. For instance, the use of health apps has doubled among existing customers, to 33% in 2016 from 16% in 2014, and so has the use of health wearables (21% in 2016 vs. 9% in 2014).

A multitude of digital health applications facilitate patient data collection wherein they are linked to an electronic health records (EHR) system within the care settings. One such example is the remote monitoring system for neurological patients. Some of the primary advantages of digital health applications are the reduction in time spent on patient assessment for vital measures and other health parameters, lower cost of care, and, most importantly, early-on availability of data for physicians' consumption that helps reduce visit time.

To ensure these benefits are extended to a significant number of patients, and eventually have an impact on healthcare budgets, there has to be a 100% switch to EHR systems in each healthcare setting across regions.

The current adoption rate of EHR systems in the US (January 2016) is 59%, a slight decline from last year. The surge in this trend can be attributed to the EHR Incentive Programs established and implemented by The Centers for Medicare and Medicaid Services (CMS). One of the major programs, "Meaningful Use", introduced in 2010, focused on promoting the adoption of basic EHR systems and data gathering, and emphasized care coordination and exchange of patient information.

The unique program also rewards physicians for providing remote chronic care management to qualifying patients. The addition of telemedicine to the reimbursement fee schedule by more states under Medicaid and commercial payers was another advantage for physicians, wherein they could bill for these services.

Significant EHR incentives to the tune of USD23.7bn by Medicare and ca. USD11bn by Medicaid have been disbursed under the EHR Incentive Program since its inception to July 2016.

Another highlight is the launch of the 'Meaningful Outcome' program by CMS this year, which is likely to replace the previous program. The themes that will guide the implementation of this program are

- A focus on patient outcomes rather than on rewarding providers for the use of technology
- User-centered technology that allows providers to customize their goals and supports physicians so that technology companies can meet individual providers' needs
- Secure exchange of data between applications, analytical tools, and connected technologies through open interfaces
- Interoperability and collaboration among physicians and patients

On the other hand, consumers are also accessing their EHRs, the proportion of US consumers accessing their records increased to 45% in 2016 from 27% in 2014. Health technology users aged 65-74 years are most likely to use EHRs to manage their health (38% used EHRs in 2016 vs. 22% of those aged 18-34 years), thereby influencing their healthcare outcome.

The digital technology era will thrive only if the regulatory authorities and technology innovators work hand in hand to develop a coherent system, which has something in store for each stakeholder, starting from innovators to patients to the country's healthcare state.

Acuity Knowledge Partners, through its strategy and research practice, collaborates with major global pharmaceutical and healthcare companies focused on bringing about this technology transformation. We continue our mission to originate and deliver high-quality, thought-provoking, and value-added strategic research and business solutions to all our clients, supporting them in their endeavor to transform the care continuum for better patient outcomes.

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