



Study Predicts Big Savings from PHRs

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A new study makes the bold claim that widely adopted personal health records could save the U.S. health care system more than \$19 billion annually after expenses.

The study, from the Center for Information Technology Leadership at Partners Healthcare System in Boston, bases the big-ticket savings conclusion on several major assumptions.

The study concludes that providing interoperable PHRs to 80% of the population would cost \$3.7 billion in startup costs and \$1.9 billion in annual maintenance costs. And it finds that these PHRs would save more than \$21 billion annually, with most of the savings going to payers.

The predicted savings break down as follows:

- * Sharing of complete test results: \$7.9 billion
- * Congestive heart failure monitoring: \$6.3 billion
- * E-visits supported by PHRs: \$4.8 billion
- * Electronic medication renewals: \$1.1 billion
- * Smoking cessation management: \$1.04 billion
- * Electronic appointment scheduling: \$170 million
- * Pre-encounter questionnaires: \$72 million
- * Sharing of complete medication lists: \$9.2 million

The maximum savings would result from interoperable PHRs that rely on regional aggregation of patients' health care data, the study concludes. These PHRs would be populated with data from all regional data sources via standards-based automated data interchange.

Other models for PHRs would yield smaller savings, the study found. These models include PHRs offered by providers, payers or third-party aggregators.

The study was funded by “unrestricted research funding” from three vendors involved in PHRs: Google, Microsoft Corp., and InterComponentWare Inc. Others providing grants included the Healthcare Information and Management Systems Society, Kaiser Permanente and Partners Healthcare System.

To view the complete report, “The Value of Personal Health Records,” visit citl.org.