

## PHRs could save billions

December 30, 2008 | Molly Merrill, Associate Editor

BOSTON – Personal health records could save \$21 billion annually on a national level, asserts the latest research from the Center for Information Technology Leadership (CITL), a nonprofit research center based at Partners HealthCare System in Boston.

CITL examined the financial value of four emerging PHR architectures – provider-tethered, payer-tethered, third-party and interoperable PHR systems, which at this time do not exist.

Researchers based their findings on a model of PHR adoption that ensures 80 percent adoption by the U.S. population at the end of a 10-year timeframe.

The report says, "This assumption represents a hypothetical adoption rate and is not meant to be a forecast of the U.S. adoption rate in the next decade and is meant to serve as a benchmark to compare the different architectures."

"We chose 80 percent to predict maximum potential value," said Doug Johnston, executive director of CITL.

Eric Pan, MD



Eric Pan, MD, senior scientist and associate fellowship director at CITL, pointed out that the prediction would be too unstable if the timeframe was any longer than 10 years.

Erica Drazen, managing partner of emerging practices for CSC Global Healthcare Sector and an expert on PHR adoption, has some contentions with re important. PHRs hat agrees CITL's findings even though she

Drazen says a more realistic model would be to expect a 20 percent adoption rate over the next five years.

"PHRs are a good idea, but this particular report shows a potential value, but we still haven't addressed the issue of how come we have made such low progress and until we do that it's just potential," she says.

This analysis also assumes all providers have an EHR, but again the report is quick to say that 100 percent has not been reached in the United States and isn't anticipated to in the timeframe given in the study.

"I think people are finding (the study) as controversial because they don't realize the analytical construct," says Pan. "This is not a market analysis."

"Ultimately we can't predict how the market is going to play out," adds Johnston. "Multiple approaches are going to play out and we are in the early stage here so we modeled accordingly."

Johnston says, "We believe there is a large potential for benefit from PHRs from some of the systems we modeled."

Pan favors the interoperable architecture over the others and says real world happenings have validated his predictions. He says it seems that all products are moving in that direction.

"The future is interoperability," he says.

Even though Pan thinks interoperability is the way to go, he doesn't feel that the market is ready and, absent of that, the provider-tethered PHR would be next best thing.

Drazen agrees.

"The provider connector is going to be the winner," she says. However, she adds, this is not reflected very well in the report because – mainly in order to meet the model's 80 percent adoption rate – even very small providers would need to be connected, and that's just not going to happen.

Drazen feels most patients would be comfortable with a provider-tethered PHR and says a payer- tethered product could make them feel less comfortable