

Health network may go national

Not-for-profit leading charge for electronic patient records

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Four years after its launch, the Indiana Health Information Exchange is laying the groundwork to take its game outside state borders.

The Indianapolis-based not-for-profit offers a service that provides patient records and test results via computer to hospitals and doctors around central Indiana.

But now, its leaders think they can take their expertise to other cities and help them develop their own health information exchanges. They

also hope to sell database services to those exchanges and build up a massive repository of patient records here in Indianapolis.

The timing of this expansion is uncertain. But the exchange already has had requests.

"We've had a lot of different markets approach us and ask for help," said Dr. Marc Overhage, CEO of the exchange. He added, "We've got a model that we think works."



Overhage

Hospitals and government officials have been pushing for years to create a national network of health information exchange. Health care experts say the electronic exchange of patient records cuts down on medical errors and would save money by avoiding duplicative care and tests.

In Indiana, 39 hospitals and 8,500 physicians subscribe to the service, which is called DOCS4DOCS. Hospitals pay a fee for the service, but physicians don't.

See **EXCHANGE** page 57

EXCHANGE

Continued from page 3

The Indiana exchange is one of a few self-sustaining exchanges around the country. Its leaders have successfully persuaded competing hospitals to submit their patient records to a common database. And its fees for the service pay its bills without a need for grants or donations.

From 2005 to 2007, the exchange's revenue grew steadily, from \$2 million to \$4 million to \$5.5 million.

Expanding beyond Indiana was part of the exchange's plan since its founding, said David Johnson, CEO of BioCrossroads Inc., the business development group that helped launch the exchange in 2004.

The exchange was built on a database created by the Indianapolis-based Regenstrief Institute Inc. The not-for-profit began collecting records from Wishard Memorial Hospital in Indianapolis 35 years ago.

"We've had national aspirations for IHIE from the very beginning," said Johnson, who is also on the exchange's board.

How the exchange will accomplish the expansion has yet to be decided. It will form a separate organization to interact with other cities. It's not clear yet whether that organization would be a for-profit or not-for-profit entity, Overhage said.

The exchange will move carefully, he said, to make sure it does not lose focus on serving Indiana's health care providers

Indiana Health Information Exchange

Service: allows 39 hospitals in Indiana and 8,500 physicians to share patients' lab and test results, as well as other patient records

Headquarters: 846 N. Senate Ave.

Founded: 2004

CEO: Dr. Marc Overhage

Employees: 36

2007 revenue: \$5.5 million

Source: Indiana Health Information Exchange

while it expands nationally.

Johnson and Overhage said the expansion strategy is both defensive and offensive.

"We'd certainly like to see the models that we've developed here in central Indiana to become the norm nationally," Overhage said.

If it doesn't, Johnson added, Indiana's leaders could later be forced to change their computer equipment and protocols to adhere to a national network of information exchanges.

Already, the Indiana Health Information Exchange is a model for other cities hoping to connect electronically their hospitals and doctors, according to Janet Marchibroda, CEO of the eHealth Initiative, a Washington, D.C. not-for-profit that promotes greater use of information technology in health care.

"What you're seeing is a groundswell

of activity to drive toward what Indiana has done," Marchibroda said in an interview in July.

In addition, an August 2007 article in the *Health Affairs* journal called the health information exchange in Indiana "the most advanced in the nation." University of California professor Robert Miller and a university physician researcher, Bradley Miller, wrote the article.

The eHealth Initiative counted 130 health information exchanges in survey results released in December. Of those, only 20 were "fully operational" with a "sustainable business model," according to the survey report.

But the Indiana Health Information Exchange gets kudos because it has successfully demonstrated the value of its services to health care providers.

The Indiana exchange has emphasized to hospitals that, by subscribing to its service, they can save on staff time and costs by cutting out the need to request and fax documents between hospitals and doctors' offices. Also, by offering a common, centralized database, the exchange cuts out the costly development of computer interfaces that allow the panoply of computer systems used by health care providers to talk with one another.

Failing to prove such value has led to the death of several health information exchanges recently. According to the eHealth Initiative, at least five that were active in 2006 had ceased operations by

the time of its 2007 survey.

The most spectacular failure came in Santa Barbara County, Calif. An effort there started with a \$10 million grant in 1999. But the project shut down in December 2006, Miller and Miller wrote, because "participants found no compelling value proposition" in the exchange's service of patient data viewing.

Overhage and Johnson think growing beyond Indiana's borders will only help increase the value of the Indiana Health Information Exchange. If the exchange here begins to manage patient data from other cities, its growing database of information could spawn other services.

The exchange's latest service provides an example. Quality Health First is a disease management service being launched by the exchange in conjunction with health insurers such as WellPoint Inc., UnitedHealthcare and even the federal Medicare program.

The insurers intend to use the patient records in the exchange's database to help doctors improve their patients' health and reward them when they do.

Already, the exchange has records from 2 million patients. But with only 6 million people in Indiana, the exchange needs far more than that to make its database interesting to health insurers and researchers across the country, Johnson said.

As the exchange gets larger and larger, he said, "all kinds of things could come out of that."