

## Firm sees stimulus as Rx for e-records

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BY LAURIE WHALEN

FAYETTEVILLE — Health-information-technology firms nationwide anticipate increased demand for their products as health-care groups position themselves to receive stimulus funding.

The money set aside for “health information exchanges” could be disbursed as early as December, and in Arkansas at least one business is wrangling for the funds.

States have been busy drafting grant applications in anticipation of grabbing a portion of the \$564 million that’s been set aside to share electronic medical records across different operating systems.

Electronic medical records are created and owned by health-care providers and contain laboratory and X-ray results and other relevant medical information.

U.S. Health Record’s Chairman and Chief Executive Officer Scott Bolding said his Fayetteville company offers a product that can be used by state, regional or community initiatives that have evolved, and are evolving, to move medical record information electronically.

“We built it as a health-record-sharing system with all of the security layers built in,” he said. “And we set it up as a complete community-based or statewide health-record network so that all patients and doctors can share information.”

“Scotty is unique,” said collaborator Randall Oates, who runs his own health-information-technology venture called SOAPware Inc. in Fayetteville. “I’m not aware of any other business in the state that’s doing anything remotely similar to what he’s doing.”

The federal health-information-exchange grants are one of several financial incentives intended to put Medicare and Medicaid beneficiary medical information online.

The Health Information Technology for Economic and Clinical Health Act, part of the Obama administration’s larger stimulus package, earmarked as much as \$2 billion for infrastructure programs.

As a result, Bolding said, the time was right to move into a larger office building.

“All states are going to use vendors,” said Bolding, who says his technology has been endorsed by Microsoft Corp. of Redmond, Wash.

Nationally, health-information-exchange systems are in various stages of deployment, according to results from a July survey conducted by the eHealth Initiative which is an independent nonprofit that seeks to improve health care through information and information technology.

A total of 150 health-information-exchange systems responded to the survey even though the group said a total of 193 were active.

The survey stated 57 exchanges were operational and that at least 90 survey respondents anticipated receiving stimulus funding.

In Arkansas, the development of a health information exchange has been under way for the last two years.

The task of creating an exchange has fallen to state Surgeon General Joe Thompson. The Arkansas Foundation for Medical Care, which oversees management of the state Medicaid program, is also helping with the effort, said Amy Rossi, associate director of the Arkansas Center for Health Improvement.

Arkansas will seek out federal funding for as many as three different health-information-technology programs, however, Rossi estimates the federal dollars will not be enough to cover the entire costs of such a system.

"We'll take advantage of every federal program to help build a health-information system in the state," she said.

For an exchange, Arkansas could be awarded as much as \$8 million under the federal grant, said Debra Pate, a spokesman for the Arkansas Center for Health Improvement.

Specific details about which business or businesses would provide the technology and what the exchange would look like were not available.

Pate said while interest among national and local vendors has been expressed, the task force is nowhere close to selecting a vendor.

"It's very premature to think about vendors," Pate said.

The goal of establishing health-information exchanges can be traced to a broad 2004 presidential initiative that sought to move the healthcare industry toward a paperless record system.

Since then, the U.S. Department of Health and Human Services has been targeting the implementation of such a system among providers receiving Medicare and Medicaid reimbursements.

In Arkansas, all 103 licensed hospitals receive Medicare and Medicaid payments, said Paul Cunningham, a spokesman for the Arkansas Hospital Association, which represents 95 hospitals.

"Hospitals are intent on meeting whatever the final definition of 'meaningful use' will be," he said referring to a complicated system of checks and balances that will determine eligibility for the grants.

Computerizing record information has been touted as a way to improve care and promote efficiency.

Savings of as much as 14 percent have been projected by some health-care providers, Bolding said.

Providers, such as hospitals, that have already created their own internal record-exchange systems will receive increased Medicare and Medicaid payments starting in 2011.

And reimbursements will decrease beginning in 2015 for providers not implementing the technology.

Cunningham said while less than 30 percent of the Arkansas association hospitals had functioning electronic medical-record systems, "100 percent are certainly working on it."

Funding remains the main reason for why the majority of hospitals aren't further along, he added.

Washington Regional Medical Center in Fayetteville, a 366-bed hospital that boasts having one of the state's most advanced electronic medical record systems, has reportedly spent more than \$14 million to get there.

Bolding said U.S. Health Record offers a health-record product in addition to the operating platform from which to post the information.

"We're very aware of what Thompson and his health information task force committee is doing," he said. "And we're looking forward to participating and assisting Arkansas in their effort to deploy a statewide health-record system."

U.S. Health Record employs about 40 people at an office space near the intersection of Joyce Boulevard and College Avenue in Fayetteville.

The business, founded in 1995 by Bolding, an oral surgeon, and Rick Roblee, an orthodontist, was originally called TeamLinks.

U.S. Health Record's health-record system, which is employed among dental practitioners and others worldwide, has more than 4,000 active users.

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