

Frequently Asked Questions: Return on Investment from HIE Participation

Q: What is Return on Investment (ROI)?

A: ROI is the ratio of the benefit derived from an investment versus the cost of an investment. It can relate solely to financial benefits, or can be viewed in terms of intangible benefits.

Q: Why does ROI matter?

A: ROI is a key performance indicator often used to determine the benefit of an expenditure. It is useful for measuring success over time and taking the guess work out of future business decisions.

Q: Why should I care about ROI from participation in an HIE?

A: When physicians access HIE data they access a patient's longitudinal history, and may review medical appointments or incidents the patient has experienced in other clinics or hospitals, study all medications prescribed to the patient, and learn the patient's results from lab tests or x-rays. This level of increased information, found in one place, may lead to enhanced patient encounters, more effective coordination of care, efficiencies in workflow and productivity for the physician and the staff, and cost savings in staff time and expensive medical tests and labs. Time saved by the physician and staff may allow the scheduling of additional patients in a day or in a work week.

For example: 15 minutes saved in gathering 1 patient's medical information = 15 minutes that could be utilized in scheduling one additional patient a day. $\$50$ (1 additional appt. per day) x 5 days x 40 weeks = \$10,000 annually. In a 3-physician practice, the amount is \$30,000 in annual revenue.

HIE fees for a small practice are approximately \$3,000 annually with an initial \$10,000 EMR integration expense to establish the necessary interfaces. Doing the math means in the first year, the practice could realize \$17,000 (\$30,000 annual revenue increase minus \$13,000 HIE investment) or a ROI of \$1.30 for every \$1.00 invested. In year two, \$30,000 annual revenue increase minus \$3,000 annual HIE fee = \$27,000 realized increase, or a ROI of \$9.00 for every \$1.00 invested.

Q: How can HIE participation impact ROI for a hospital?

A: ROI for a hospital is more complicated to determine. Through the HIE, the facility utilizes longitudinal patient data to deliver better care, so patient records are up-to-date and the problem list more complete, and the patient's lab work and medications are complete and current.

The opportunity to capture significantly richer clinical documentation enables coding that more accurately reflects the severity of patients' conditions, which can result in improved revenue through higher case mix index (CMI) and risk adjustment scores (RAF).

By including HIE data, one medium-sized PPS hospital recently participated in a retrospective study which demonstrated the potential for an average CMI increase of .44 through better coding, which would have represented an increase of \$90,000 in MS-DRG payments annually. That same hospital could also have documented a 75% RAF increase for its Medicare Advantage patients, resulting in significantly higher revenue. The potential financial benefits far outweigh the cost of HIE participation.

Q: How can I learn more about Kansas's health information exchange, KHIN?

A: To receive more information regarding the exchange of health information in Kansas please contact 877.520.5446 or email RStanley@kammco.com.

Frequently Asked Questions: Health Information Exchange (HIE)

Q. What is Health Information Exchange (HIE)?

A. HIE is the electronic exchange of clinical information among healthcare organizations. This exchange of patient clinical data allows physicians, nurses, and other healthcare providers to securely and efficiently access patients' digital health records.

Q. Why is health information exchange important?

A. HIE allows healthcare providers to quickly access their patients' data across disparate healthcare systems, reducing treatment delays and enhancing clinical decision making. Additionally, HIE improves patient care coordination and transitions of care by allowing healthcare professionals to access their patients' most recent test results, procedures, diagnoses, medications, allergies and more.

Q. What patient data comes into an HIE?

A. Patient data received by the HIE may include: a list of facilities where the patient was seen, admit and discharge dates, lab results, procedures and diagnoses, current and past medications, allergies, chief complaint, visit notes, operation notes and a patients' primary care providers.

Q. Will KHIN connect with other HIEs?

A. **KHIN** will connect with other HIEs in Kansas and across the nation. **KHIN** will also connect with public health agencies, federal agencies such as the Veterans Health Administration, national lab companies and prescription monitoring programs.

Q. How will KHIN help our state connect for better care?

A. Physicians and other clinicians will be able to securely share critical patient information at the point of care, supporting improved care quality and better patient health outcomes. They will also be able to more easily meet their quality reporting obligations under the emerging performance- and value-based payment systems being adopted by federal and commercial health plans.

Q. Who is in charge of KHIN?

A. **KHIN** began its initial startup in 2010 with a physician advisory committee appointed by the Kansas Medical Society (KMS). This committee developed foundational policies and procedures to support the HIE infrastructure. **KHIN** is directed by a diverse advisory committee with representatives of healthcare providers, healthcare facilities, government, consumers, payers, and other stakeholders. **KHIN** controls access to and use of all exchange data, all subject to applicable Kansas law and federal law, including HIPAA.

Q. Who will participate in KHIN?

A. Patients receive care from many types of clinicians, so **KHIN** will include physicians, nurses, psychologists, and other health professionals. Patients receive care in many locations, so **KHIN** will include physician offices, hospitals, skilled nursing facilities, behavioral health facilities, federally qualified health centers, and other sites.

Q. How can I exchange health information in Kansas?

A. To receive more information regarding the exchange of health information in Kansas please contact **KHIN** at 877.520.5446 or by emailing RStanley@kammco.com.