



Reality Check  
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### **More regulations mean more IT jobs**

#### **IT will be the beneficiary of the next round of regulations in financial services and health care**

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You can argue the value of additional regulations in health care and financial services until the cows come home, but as far as I'm concerned, it's a huge plus in terms of the IT employment picture.

**As for financial services, there are a great many changes to come, not the least of which is that the biggest new employer in financial services will be the federal and state governments, according to Tom Pettibone, managing partner at Transition Partners, an outsourcing consulting group.**

[ Read more about how financial and technology issues make Obama's EHR (electronic health records) push a significant challenge for IT. ]

**Pettibone says there will be a huge amount of work with the FDIC, the SEC, and the Treasury Department, all of which are putting together regulatory systems for financial services.**

**"The government will be the fastest-growing job sector in the country," says Pettibone.**

And the icing on the cake? Government IT projects can't be offshored. They can be outsourced, but only to U.S. companies. Beyond that, I'd like to save discussing the financial services sector for another column, and instead turn to health care.

EHR: Boom times for IT

Health care will experience a boom in IT-related jobs for many years to come. And the reason is simple: Compliance requirements for submitting bills for reimbursement to Medicare are growing more and more complex. It will take nothing less than IT specialists to manage and maintain EHRs, the backbone of the stimulus initiative that is driving the new regs.

I spoke with George Blumenthal, president and CEO of Healthcare IT Made Easy, about what's going on in his industry as affected by the Fed's EHR initiative.

In order to qualify for the additional reimbursement, up to \$65,000 per year for physicians in rural practices, \$45,000 for those in cities, physicians must use a certified EMR (electronic medical record) offered by an increasing number of vendors. The requirements for certification are not complete, but they now include a "usability" factor, says Blumenthal -- that is, ease of adoption and use.

If we go no further than that, we can see that the demand for software engineers to develop applications will skyrocket, even before the service or package lands inside the doctor's office.

The second component is a requirement that the practice makes "meaningful use" of the EMR system. "Meaningful use" is further defined as the use of e-prescribing to a service that connects to a national

backbone network such as SureScripts RX, which is currently sanctioned by the feds and in turn connects into the databases of insurance companies covering 200 million Americans.

The third component says that there must be "quality measure reporting." Five years ago, there were 10 basic measures. Now there are 43, and the talk is that it will go to 70. Measures include just about everything, such as, "Did you give a patient admitted to the emergency ward with chest pains an aspirin?"

These three requirements alone will mean a good deal of training from IT, as well as maintenance to keep up with the latest patches and changes to regulations. But in terms of needing IT, the last requirement is what Blumenthal says will be the straw that breaks the camels back: interoperability.

Interoperability and the rise of EHR SaaS

EMR systems will need to tie into HIEs (health information exchanges), and this is the biggest opportunity for IT.

"Everyone is talking about it," says Blumenthal.

There are numerous HIEs now, and none talk to one another. Blumenthal believes the entire initiative will fall apart if the various vendors' EMRs can't communicate with the numerous HIEs and the various HIEs can't talk to one another.

Wes Rishel, Gartner vice president and distinguished analyst, says no medical practices with fewer than 50 doctors, maybe even 100, can really afford -- even with the stimulus -- a dedicated IT department. The solution, as Rishel sees it, comes down to four choices:

The traditional client/server system in an office with an Internet connection for submitting bills for reimbursement

A managed service with servers in the office but managed by an outside provider

A managed service with the software on your local server but managed remotely

A cloud or SaaS service with any computer as long as it has an Internet connection

As far as I can see, over time SaaS will be the winner, with dozens of SaaS providers offering soup-to-nuts solutions, all the way down to e-prescription services.

It will take time. Rishel says that E-Clinical Works, a service that hosts patient data, surveyed its doctor clients and found that 75 percent will not accept putting patient records outside of the office. They will pay more for local management of operations. The reasons are manifold, from feeling a duty to protect patient privacy to fears of vendor lock-in.

"The idea of starting over is intolerable," Rishel says. They are even concerned that despite vendor promises to the contrary, local payers will get into their systems, see how much they are charging, and will want to renegotiate contracts.

Rishel believes, as do I, that like it or not EHRs are going into the cloud. There will be setbacks, but there is no choice -- unless every doctor wants to become an expert in IT or hire one. In the first few years, there will be dozens of SaaS providers, but over time, there will be industry consolidation. In the meantime, I would say get your health care IT surfboard waxed and ride the wave.

Next week's post will discuss the dangers of putting EHRs in the cloud