



AMERICAN ACADEMY OF
FAMILY PHYSICIANS

STRONG MEDICINE FOR AMERICA

Statement of the American Academy of Family Physicians

Before the House Small Business Subcommittee on
Finance and Tax

Regarding
“Legislative Proposals to Reform the SBA's Capital
Access Programs”

Presented By
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Chairman Schrader, Ranking Member Buchanan and members of the Small Business Subcommittee on Finance and Tax. I am Sterling Ransone, Jr., MD, representing the 94,600 members of the American Academy of Family Physicians (AAFP). I am pleased to be here today to discuss the *Small Business Health Information Technology Financing Act*.

Background

Founded in 1947, the AAFP is the only medical society devoted solely to primary care. Nearly one in four of all office visits are made to family physicians. That is 208 million office visits each year – nearly 83 million more than the next largest medical specialty. Today, family physicians provide more care for America’s underserved and rural populations than any other medical specialty.

In the increasingly fragmented world of health care where many medical specialties limit their practice to a particular organ, disease, age or sex, family physicians are dedicated to treating the whole person across the full spectrum of ages. Family medicine’s cornerstone is an ongoing, personal patient-physician relationship focused on integrated care.

Due to the number of patients family physicians see each year and the wide range of medical services they provide to their patients, the AAFP is committed to health information technology as one means to improve quality and cost-effectiveness of health care delivery in the US.

Support for the Small Business Health Information Technology Financing Act

On behalf of the AAFP, I am pleased to support HR 3014, the *Small Business Health Information Technology Financing Act*. Your bill, which would help make it easier for eligible physicians to acquire loans to purchase health information technology, would be a superb adjunct to the provisions contained in the American Recovery and Reinvestment Act (ARRA).

The AAFP worked closely with Congress to craft the *Recovery Act* provisions on health information technology. We appreciate the funds provided to encourage the adoption of HIT by Medicare and Medicaid providers during the next five years and the direct funding for the nation’s HIT infrastructure. The *Recovery Act* makes an unprecedented investment in health information technology and reflects an understanding of HIT as a critical component in a reformed health care system.

As a result of our deep commitment to having appropriate HIT available to family physicians, the AAFP supports those provisions that would allow our members, and other physicians, to purchase and optimally use these HIT systems. Your bill is a significant step in that direction.

While we support the *Recovery Act* funding provided to physicians, and applaud the use of outcomes to frame “meaningful use,” that legislation does not contain a crucial piece that your bill provides: access to up-front capital for to physicians seeking to purchase HIT, particularly those in small or medium-sized practices.

We appreciate that your legislation includes these key provisions:

- Guarantees of up to 90 percent of loans up to \$350,000 for individuals and \$2 million to a group of affiliated professionals to purchase HIT that supports “meaningful use;”
- Helps providers using HIT to enhance continuity of care and communication; improve quality measurements; further evidence-based decision support and boost consumer and patient empowerment.

Capital Constraints

We thank you for recognizing that solo, small and medium-sized physician offices still find it difficult to afford health information technology. Ironically, while everyone benefits from these systems, it falls to the physician to make the initial purchase and incorporate it into the practice. Unfortunately, declining reimbursements and increased operating costs in primary care offices have severely restricted access to capital for HIT investment.

The AAFP is proud of the fact that approximately one-half of family physicians already are using commercially available EHR systems in their ambulatory practices to improve care quality, patient safety and practice efficiency. Though many of these HIT systems are not as easily useable or affordable as we would like, our education and advocacy efforts over the last six years have enabled our members to adopt HIT solutions at rates higher than almost any other specialty.

Nevertheless, we still have a significant number of members who have not purchased HIT, with almost half, based on an August 2008 survey of our members, identifying cost as the most important reason for their reluctance to adopt these systems.

Let me give you a personal example. I have a friend in solo practice who employs only one nurse and one administrator in his three exam room office. Since my physician friend is highly aware of the benefits of HIT, he undertook a serious review of the available EHRs to find one that was both affordable and appropriate for his practice. Unfortunately, despite his due diligence, he came to the reluctant conclusion that, at this time, he simply could not afford to make this investment. My friend is precisely the individual this bill would target: a physician with a keen interest in adding HIT to his office, but one that also must face the realities of running a small business. Passage of this bill could help him purchase HIT and take advantage of its benefits.

Uncertainties with ARRA Remain

While family physicians applaud the incentive payments in the *Recovery Act* for the “meaningful use” of HIT, they are hesitant to act due to a high level of uncertainty that remains around the specifics of the law. The AAFP has received dozens of calls from members asking which HIT systems to purchase at this time.

Loans such as those included in the legislation could, at a minimum, reduce the level of uncertainty surrounding how to pay for HIT, as soon as this information becomes clear.

Making Meaningful Use Work

As stipulated in the law, providers must prove “meaningful use” of their HIT systems. While we appreciate the requirement for “meaningful use,” we also realize that meeting these goals will mean more investment, both in time and money, than simply implementing any EHR on the market. Additionally, staying current with meaningful use requirements likely will mean incremental updates in EHR software and interfaces, which will be ongoing costs to practices.

In addition, most family physicians lack not only the money, but also the time to successfully prepare their practice for an EHR and then select, implement, maintain and "meaningfully use" a system.

Consulting and training costs must be considered in addition to the pure hardware and software costs and issues. The workflow redesign required to realize the true benefits of EHR adoption and meaningful use are foundational changes within the organization that take careful planning, focused effort and active management. Physicians will need to use these loans to engage experienced, successful and truly independent consultants to help them chart this course.

Last, a streamlined application process that requires minimal paperwork will be key to attracting busy physicians in solo, small or medium sized practices already facing a weighty administrative burden. We understand that the loan application would be the one provided by the individual lenders and want to urge the other witnesses at this hearing to require applications that are as simplified as is possible.

Conclusion

Health care is a significant component of our economic system. The efforts of other committees in Congress to pass health care legislation this year showcases the steadily increasing cost of healthcare and the critical need for reform.

While health information is only one portion of this highly complicated industry, Investment in HIT at the practice level is critical to improving health care for our patients, will reduce costly medical errors, can help patients manage their health care more efficiently, and will contribute to the nation’s economic recovery.