

EHR market projected to double by 2012

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MOUNTAIN VIEW, CA – The U.S. ambulatory EHR market, which was at \$1.3 billion in 2009, is forecast to reach \$2.6 billion in 2012, according to new analysis from research firm Frost & Sullivan.

The rate of electronic health record adoption among U.S. physicians expects to increase over the next two to five years due to a combination of changes caused by healthcare reform and financial subsidies from the HITECH program, the report notes.

"Today, many public and private stakeholders are committed to harnessing the power of information technology to improve the quality and efficiency of our healthcare system," states Frost & Sullivan Senior Industry Analyst Nancy Fabozzi. "We are finally seeing providers make the transition from siloed paper charts to interoperable electronic health records."

Growing complexities in managing the reimbursement process with both government and commercial payers that reward quality over quantity in the care provided will increase the use of EHRs and related solutions for physicians and other clinicians, Fabozzi says.

She predicts HITECH will indirectly stimulate the market by enticing additional stakeholders like commercial payers, professional medical societies, healthcare manufacturers, and various nonprofit organizations to help physicians and other providers successfully adopt information technology in their practices.

Revenues are expected to fluctuate considerably over the next five to seven years, resulting in significant year-over-year shifts. This fluctuation happens as the market matures and increased competition comes into play, causing a decrease in pricing, she says.

Strategic partnering with a variety of stakeholders is important for survival in this market as consolidation on both the vendor and provider side increases. Innovative, provider-focused, and patient-centric technology companies that understand how to manage this industry's unique combination of risks and rewards will achieve business progression.

"Branding and outreach must extend beyond physicians to include non-physician healthcare providers, as well as healthcare consumers," notes Fabozzi. "Both should be directly engaged as advocates for the use of health information technology. Patients need to understand the role EHRs play in driving quality improvements and care coordination among all of their (physician and non-physician) providers."

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