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Life Sciences

Record connection: Four New England software firms picked to be suppliers for new e-health collaborative

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In one of the largest electronic-health projects in the country, seven electronic medical records vendors have been endorsed by the Massachusetts eHealth Collaborative, and four of them have offices in New England.

They will have the inside track on a piece of \$50 million committed to promote the use of electronic health records and clinical data exchange between doctors and medical centers.

The designated New England firms are eClinicalWorks of Westborough; GE Healthcare Systems, with offices in Burlington, Vt.; Meditech Inc. of Westwood; and Wellogic Inc. of Cambridge.

The three other vendors approved were Allscripts Inc. of Illinois, NextGen Healthcare of Pennsylvania, and Physician Micro Systems Inc. of Washington.

"Software is going to be the glue that ties the hospitals together with the practices," said Sumit Nagpal, chief executive of Wellogic, a 70-employee company founded in 1992. We are looking at this as a big opportunity now, and also in the future as more medical organizations begin getting involved." In the first phase of the program, set to roll out this spring, providers will equip physicians with software and computer notebooks.

The second phase will involve linking physicians with hospital computer systems, and making sure they can communicate with each other. A doctor, for example, would be able to share patient information electronically with a physician across town or a specialist in a major institution, and vice versa.

The first three pilot communities to work with the systems will be North Adams, Newburyport and Brockton. They are expected to choose their technology providers in the coming weeks.

Newburyport's system could be up and running this year, with the other communities brought fully on line by 2007, according to health care officials. Wendy Everett, president of the New England Healthcare Institute, said 33 hospitals, insurers, state officials and other health care providers are participating in the program. The collaborative's main funding organization, Blue Cross Blue Shield of Massachusetts, provided the initial \$50 million.

Technology vendors were chosen by the collaborative based on a range of criteria, including corporate stability, functionality, data exchange, integration, Massachusetts installations and price to meet the specific collaborative and pilot community requirements.

The project offers financial opportunity for software providers in the health-care space, but perhaps more importantly it has provided a larger stage for technology companies to show off their wares.

"This is a good opportunity for us. It is a leading-edge project being watched in all parts of the country," said Ken Jasper, regional sales manager for Meditech, one company that could benefit. "It puts us into the driver's seat, because we can show customers how we can deliver on a big project. Providing interoperability in the medical records field is a major financial opportunity now, and it will be in the future."

A key element of the pilot program, which state officials say could save \$1.5 billion per year, is to

link hospitals and doctors while reducing errors.

Examples of Boston-area doctors and hospitals already use variations of electronic medical systems include Harvard Vanguard Medical Associates, Beth Israel Deaconess Medical Center and Massachusetts General Hospital.

But the adoption isn't widespread, and the technology hasn't reached many doctors and hospitals in smaller communities around the state, according to state planning officials.

Dr. Tim McNamara, a physician and consultant, said that in recent years doctors have been given incentive to move toward electronic medical records.

"Opportunities for reimbursement are greater and faster with electronic systems," said McNamara, who serves as chief medical officer for HealthGate Data Corp. in Burlington. "Both the federal government and commercial carriers want to know more about how the doctor is working with the patient, and electronic systems provide a good record. In the past, software systems were fairly immature. With the second-generation software, they are effective and useful."

About 10 percent of U.S. physicians have invested in electronic medical records, while about 20 percent of hospitals use electronic methods, according to the Medical Records Institute of Boston.

"The plan is to save money, improve patient safety and provide a better quality of care," said Peter Waagemann, CEO of the Medical Records Institute.

The Massachusetts eHealth Collaborative is soliciting requests for proposals for upcoming projects.

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