

# Lead or Follow? Should LS companies invest in EHR or wait?



### Should life sciences companies start investing in electronic health records, or wait for things to shake out?

Everyone agrees electronic health records (EHR) is the wave of the future. EHR will promote information sharing, which should lead to better diagnoses and patient care. It should improve operating efficiency for providers and payers. And provide companies in the life sciences industry with new data to drive product improvements and innovation.

For life sciences companies, the question is when to get actively involved in EHR. Is it better to start investing now to help develop EHR standards and capitalize on the potential benefits? Or wait for EHR standards to emerge and then follow the crowd?

Here's the debate:

	Point	Counterpoint
<b>Start investing in EHR now</b>	An early start gives us valuable experience and a jump on the competition. It also allows us to shape the standards, instead of being forced to adopt someone else's ideas.	Whatever standards emerge will work just fine. We don't have to control or influence the process.
<i>"We should help develop universal EHR standards and technologies. Meanwhile, we can look for innovative ways to use EHR to improve our business."</i>	EHR data can help us develop better products and innovations. It's not just a more efficient way to process information.	The time and money we invest promoting EHR standards would be better spent improving our own products and processes.
	EHR won't happen by itself; someone has to take the lead. As an innovator and leader, our company needs to step up.	Pioneers often end up shot full of arrows. Better to be a fast follower.

	Point	Counterpoint
<p><b>Wait for things to shake out</b></p> <p><i>“We shouldn’t spend time and effort on EHR until standards are developed and critical mass is achieved.”</i></p>	<p>If we move too soon, we might waste a lot of resources trying to hit a moving target.</p>	<p>To get the full value of EHR, we need to design our processes and organization around it. That takes time. If we wait too long, we might never catch up.</p>
	<p>We have more pressing issues to focus on. In the long term, EHR will deliver tremendous benefits. But that doesn’t help us tackle our immediate problems.</p>	<p>EHR doesn’t have to be a distant dream. By throwing our weight into it, we can make it a reality sooner rather than later – and start seeing benefits much faster.</p>
	<p>Being ahead of the curve on EHR and information sharing increases our risk. We might get sued for privacy violations, or get bad press for a security breach such as losing a laptop full of patient data.</p>	<p>Risk is part of business. We need to manage it, not avoid it. Also, actively supporting EHR is good for our image. We don’t want to look like we’re dragging our feet.</p>



## My take

**Dr. Theresa Cooper, Principal, Deloitte Consulting LLP, National Leader of the Life Sciences R&D practice, and Glenn Carroll, Senior Manager, Deloitte Consulting LLP**

EHR-derived data has the potential to transform the industry’s approach to research, development, and post-market surveillance. While some capabilities are already within reach, others will require further development.

- **Research:** As EHR integration becomes more sophisticated, companies will be able to use patient-level data within the discovery process. This data should facilitate biomarker discovery and validation, earlier termination of unsuccessful or toxic compounds, and advances toward personalized medicine.
- **Development:** Access to longitudinal patient records can reduce clinical trial cycle times by enabling search capabilities that track specific disease demographics, and by identifying investigators and trial-ready sites. By using EHR data, patient populations that meet the inclusion/exclusion criteria can be quickly identified, which could help reduce recruitment cycle times. Moreover, slight alterations to the inclusion/exclusion criteria could dramatically increase the patient population, which could further reduce recruitment times. In addition, prior clinical and diagnostic data could help improve clinical trial design by providing a more comprehensive understanding of disease progression and care pathways.
- **Post-marketing surveillance:** Life sciences companies have an immediate opportunity to use EHR data to measure drug safety. Large sets of anonymous patient data will soon be available to help identify high risk populations and emerging health problems, support effectiveness studies, and evaluate the usefulness of diagnostic tests. As EHR data becomes more widely available, life sciences companies may find themselves competing with other healthcare organizations, such as regulators or payors, to control how EHR information is used to assess drug efficacy and outcomes. Developing an early EHR strategy and capabilities can put a company on the inside track to influence critical decisions about how EHR data is used.

To make the most of EHR, companies will need to integrate multiple EHR systems in order to maximize query and search capabilities. One major hurdle is the lack of a common language for patient information. Other hurdles include confidentiality issues, intellectual property concerns, ownership/governance issues over EHR data, and various legal and ethical considerations about how patient data may be used.

Establishing standards and innovative solutions to clear these hurdles will require significant collaboration among key stakeholders. Currently the federal government is investing in establishing standards and strategies for Health Information Exchanges (HIEs) in which clinical information is exchanged. Life Sciences companies will need to be in a position to tap into these HIE's where appropriate to realize the benefits listed above. Executives must establish cross-functional linkages that help foster effective internal and external collaboration. EHR data currently resides primarily with providers, gaining access to patient-level information hinges on a company's ability to develop relationships with hospitals and health systems. In the future it is likely that more and more clinical data will reside in a patient controlled EHR in which the individual grants access to the information contained in it. Anticipating this development, Life Sciences companies should develop a strategy for direct outreach to patients to access clinical information that will enhance research, development and surveillance.

The development of the patient EHR is not an event but a journey. Involvement early on with vendors, providers, patients and the government will better position early adopters to develop processes and accelerate their ability to use patient-level data to drive cost reduction, operational efficiencies, product innovation, and a competitive advantage in post-marketing surveillance and clinical trial cycle time.

## A view from the life sciences, information management perspective

**Rich Cohen, Principal, Deloitte Consulting LLP**

Effective use of EHR data requires integrating multiple EHR systems to enable advanced query and search capabilities. Lack of a common language for patient information may limit interoperability. Other potential issues include intellectual property, confidentiality, data ownership and governance. Overcoming these obstacles will require collaboration to establish standards and technology innovations.

Choosing the right partners is critical to success. Apply selection criteria that reflect all key requirements, not just price. Structure agreements around shared goals and targeted outcomes, rather than relying too heavily on transactional incentives. Invest time and effort up front to build joint capabilities that provide a strong foundation for long-term collaboration and partnership.

Early involvement with EHR can provide a head start on managing EHR data and applications. This valuable, hands-on experience can better position an organization to achieve a sustainable competitive advantage in the marketplace, even as EHR standards and technologies change and evolve.

## A view from the providers perspective

**Dr. Randolph Gordon, Principal, Deloitte Consulting LLP**

Market leaders such as some of the largest life sciences companies have already recognized the potential for integrating patient-level data across areas of drug discovery, development and commercialization. One of these large companies has dedicated resources to health informatics and is in the process of evaluating applications for EHR data use. Similarly, another leading life sciences company has begun exploring the strongest applications for EHR data, including the integration of EHR data in areas of safety surveillance, clinical trials and outcomes research.

Other healthcare companies are currently assessing opportunities to apply external EHR data using methodologies and governance models for future-state, EHR-based operations. Using secondary EHR data is a long-term strategic play with the potential to transform the value chain. As such, it is simply too important to ignore.

For more information, please visit: [www.deloitte.com/us/debates/EHR](http://www.deloitte.com/us/debates/EHR).

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