CMS: EHRs don't automatically reduce healthcare costs

By: Marla Durben Hirsch | June 22, 2013

Electronic health records have the potential to reduce healthcare costs, but not by simply using them, according to a new study in Medicare and Medicaid Research Review, a publication from the Centers for Medicare & Medicaid Services.

The researchers, from the University of Michigan and elsewhere, wanted to see if there was evidence that EHRs reduced healthcare costs. They evaluated several communities in a large Massachusetts Ambulatory EHR pilot run by the Massachusetts eHealth Collaborative to see if the EHRs reduced healthcare costs in the Medicaid Population.

Their results were mixed. In some communities the costs went up; in others the costs decreased, primarily due to whether the EHRs increased or decreased patient visits.

The researchers surmised that EHRs either can increase or decrease costs, depending on how the EHR is used and in what context. For instance, an EHR is more likely to reduce healthcare costs if it's used to decrease the number of patient office visits, if the EHR provided "robust" clinical decision support, and if health information exchanges was used to share data. The functionality of the EHR itself could also be a factor.

"As a stand-alone approach, adoption of commercially-available EHRs in community practices did not consistently impact Medicaid costs in the short-run. This suggests that future meaningful use criteria may need to specifically target cost savings and coordinate with payment reform efforts," the researchers stated.

One of the tenets of the Meaningful Use Program and the push to EHR adoption is to reduce the cost of healthcare. Some studies have shown that while EHRs can realize cost savings by improving quality, reducing errors and duplication of tests, others have shown that EHRs can have the opposite effect on costs.