England Plans Major Revamp Of Health Care

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By **GAUTAM NAIK**
Staff Reporter of THE WALL STREET JOURNAL

The English health system is about to place an unprecedented $17 billion bet on technology to transform the practice of medicine for its 50 million users. The project could serve as a model for other countries in the industrialized world.

England's National Health Service is notoriously stodgy and backward. To improve it, the government is embarking on one of the biggest information-technology projects ever -- wiring every hospital, clinic and doctor's office across England. Over the next two years, every citizen's health record will be securely stored on a central database and accessible to medical practitioners, via a broadband network, from anywhere in the country, according to the aggressive plan. Doctor appointments and referrals would be done online. Prescriptions would be electronically zapped to pharmacies.

While computer technology has revolutionized industries such as banking and airlines, it has done little for health care so far. Last year, health-care computer spending in the U.S. jumped 9.3% to $23.6 billion, according to Sheldon I. Dorenfest & Associates, a research firm in Chicago. But much of that went for computer systems that were individually installed at hospitals, clinics and pharmacies. Most of these systems can't communicate readily with each other, making it difficult to electronically send a patient's data to another location. The result: The use of computers for improving clinical care remains limited and fragmented.

"That's why the U.K. plan is mind-blowing," says Glyn Hayes, a doctor and senior adviser to the British Computer Society who isn't involved in the NHS program. "If the project is successful," he adds, "Britain's health system will be ahead of the rest of the world by 2008."

That's a bold claim, but then Britain has put enormous resources behind the plan, which for now applies only to England (the health systems in Scotland and Wales are run separately.) The government has pledged $3.9 billion for the project's first three years. Over the next seven years it is expected to provide a further $13 billion, including additional contracts and a planned increase in the NHS's usual computer budget

"It's the most ambitious project of its type across an entire country," says Neil de Crescenzo, head of the global health care group at **International Business Machines** Corp., which is bidding for three of the NHS contracts. "Many others will be looking at it for insights."

In the U.S., there are increasing calls for the creation of electronic systems to share patient data, partly driven by a desire to reduce the growing number of medical errors. One new proposal, known as the Continuity of Care Record, will list the person's current condition, allergies and recent treatments. But it isn't as ambitious as the full-scale medical record planned by the NHS.

Canada has taken bigger strides. The federal government there has committed the equivalent of

$844 million to create a system of interlinked electronic health records; estimates suggest it will take an additional $1.07 billion to put the basic elements in place across the country. "Within six years we want to see 50% of the country using electronic health records," says a spokeswoman for Canada Health Infoway, the independent group in charge of the plan.

The English project is a potential bonanza for computer companies still suffering from the economic downturn of the past few years. One contract from the government is to build a "data spine," a national database of patient records. The government also plans five separate contracts for the regional networks that will plug into the national one. A smaller $108 million contract to build a national electronic appointment-booking service already has been awarded to SchlumbergerSema of New York, a unit of **Schlumberger** Ltd. that is being acquired by **Atos Origin** SA of France.

Some 99 prime contractors originally sought a share of the NHS's largess, but only a handful remain in the running. U.S. companies that are finalists include IBM, **Cerner** Corp., **Accenture**, **Computer Sciences** Corp. and SchlumbergerSema. Other finalists include **Cap Gemini Ernst & Young** of France and **Fujitsu** of Japan. Later this week, the government is expected to announce the winners of three of those contracts: the national database and the regional clusters of London and Northeast England. The others are expected to be disclosed by Christmas.

Making the new system work will be a challenge. With some one million employees, the U.K.'s health service is said to be the world's biggest nonmilitary employer after the Indian railways. Current cost estimates for the project don't include the money needed to train doctors, nurses and other practitioners on the new system.

The timetable is tight. Every patient in England is expected to get an electronic medical record by 2005, accessible via a new national network. By the end of 2008, the system is expected to handle five billion transactions a year, including electronic appointments, prescriptions and access of patient records, according to the NHS.

Doctors should be able to do other useful things. For example, "you could electronically map a heart-attack patient's care pathway over time," says Dr. Hayes, the U.K. doctor. That would tell everyone involved in the patient's care "when the person had the heart attack, when they should have a bypass, and when they should start physiotherapy," he adds.

One tricky area is patient privacy. To avert problems, the NHS is creating an indelible "audit trail" that shows which part of a patient's record was accessed and by whom. Patients also could selectively block access to sensitive aspects of their records that they don't want every medical practitioner to see -- such as a mental-health problem or an abortion.

Britain doesn't have the best track record in implementing large-scale technology in the public sector; similar efforts by the Home Office and Post Office didn't work out well. To make sure the health project doesn't suffer the same fate, the government has taken an unusually tough approach, especially with contractors. Centralized buying is expected to lead to volume discounts on hardware and software, significantly lowering the project cost. If a project drags past its deadline, the NHS can levy stiff penalties on a contractor, or even offer the contract to someone else.

"The suppliers only make money if they deliver," says Richard Granger, chief of the NHS computerization plan. "We're not paying until the patient benefits."

Write to Gautam Naik at gautam.naik@wsj.com[5]

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