In an era when hospitals increasingly are expected to perform better while using fewer resources, how can leaders leverage their technology investments to improve patient care and bottom lines? The view from the field suggests that competing in a transformed delivery system requires hospitals to invest not just in traditional areas like electronic medical records and telemedicine, but also increasingly in analytics capabilities tied to population health, even as their overall financial outlook is uncertain.

A recent report from PricewaterhouseCoopers estimates that academic medical centers stand to lose up to 10 percent of revenue from reform pressures and other reimbursement shifts in coming years. Despite those shortfalls, the report found that 90 percent of AMCs surveyed plan to hire more IT staff to manage data and systems, and 54 percent plan to collaborate with other research centers or medical centers to share EMRs over the next five years.

The benefits of early technology investments can be sizable. A 2011 report from Fitch Ratings, which analyzed 291 hospitals in its highest portfolio class, found that the 24 providers deemed Stage 6 or Stage 7 meaningful users by HIMSS standards reported 46 percent higher revenue on average than the group as a whole. The IT-savvy providers also performed somewhat better on quality outcomes, experiencing a 1 percent decrease in length of stay in 2010.

“Those organizations that have been stronger have been able to make the investment in IT and have seen returns that allowed them to improve the quality and performance of the cost of care,” James Haydn Bush, a research associate professor at the University of South Carolina, said in an interview with Modern Healthcare.

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