

EHR market to hit \$6.5B by 2012

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A new research report from Frost & Sullivan determines that hospitals are ramping up their adoption and use of EHRs, mostly because of the Medicare and Medicaid EHR incentive program. It predicts that market revenues for EHR systems will peak at \$6.5 billion in 2012 for new licensing and upgrades as hospitals strive to meet the Meaningful Use criteria and prepare for a changing industry that focuses on new forms of healthcare delivery and reimbursement.

"The prospect of Medicare penalties is very significant, especially in light of numerous other financial constraints facing hospitals today," Frost & Sullivan Industry Analyst Nancy Fabozzi said in a press release. "The majority of hospitals have little choice but to do their best to adopt EHRs, and do so rather quickly. It is this reality that is driving dramatic growth in the market today."

While EHRs will "occupy a central role" in the adoption of health IT, hospitals also will need to purchase other IT products and services to operate, such as new health IT to transition to the ICD-10 code sets in 2013 and participate in health information exchange data sharing with other providers.

The report also points out that while it appears that many hospitals already have chosen their EHR and IT vendors, the market actually is rather active as providers consolidate, grow dissatisfied with their current systems, and become more sophisticated users of such products.

To learn more:

- here's Frost & Sullivan's [press release](#) [1]

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