

Strategic Analysis Service

Strategic Analysis of the Impact of Regulations on the Healthcare IT Markets in Europe

B436-48

October 2004

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RESEARCH OVERVIEW

Strategic Analysis Service (SAS)

**Strategic Analysis of the Impact of Regulations on the
Healthcare IT Markets in Europe**

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We also certify that no part of our analyst compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.



RESEARCH SCOPE & METHODOLOGY

Strategic Analysis Service (SAS)

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Research Scope and Methodology

Strategic Analysis of the Impact of Regulations on the Healthcare IT Industry in Europe

Geographical Regions Covered:

- Europe

Timeframe:

Study Period is 2004-2008

Research Methodology:

- Primary Research
- Frost & Sullivan Published Reports
- Decision Support Databases
- Country Industry Forecasts
- Proprietary Databases



INTRODUCTION & BACKGROUND

Strategic Analysis Service (SAS)

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Abbreviations

ANSI	American National Standards Institute	HIS	Hospital Information System
ASP	Application Service Provider	HL7	Health Level Seven
ASTM	American Society for Testing and Materials	IETF	Internet Engineering Task Force
CAHPS	Consumer Assessment of Health Plan Survey	IDN	Integrated Delivery Network
CEs	Covered Entities	IEEE	Institute of Electrical and Electronics Engineers
CEN	European Committee for Standardisation	IHE	Integrating the Healthcare Enterprise
CFR	Code of Federal Regulations	IMIA	International Medical Informatics Association
CMM	Capability maturity Model	ISO	International Standards Organisation
CobIT	Control Objectives for Information and Related Technology	ISO TC215	Technical Committee of ISO for Health Informatics
DICOM	Digital Imaging and Communication in Medicine	ISSS	Information Society Standardisation System
DRG	Diagnosis Related Group	JCAHO	Joint Commission on Accreditation of Healthcare Organisations
EDI	Electronic Data Interchange	LOINC	Logical observations Identifiers Names and Codes
EDIFACT	Electronic Data Interchange for Administration, Commerce and Transport	MSO	Management Service Organisation
EFMI	European Federation for Medical Informatics	NICTIZ	National ICT Institute for Healthcare in The Netherlands
EHCRA	Electronic Healthcare Records Architecture	NPID	National Provider Identifier
eHSCG	E-Health Standardisation Co-ordination Group	NSB	National Standards Body
EHTO	European Health Telematics Observatory	QS	Quality System
ePHI	Electronic Protected Health Information	RSNA	Radiological Society of North America
ETSI	European Telecommunications Standards Institute	SDO	Standards Development Organisation
EuroRec	European Institute for Health Records	SEI	Software Engineering Institute
FDA	Food and Drug Administration	SNOMEDCT	Systematised Nomenclature of Medicine Clinical Terms
GMP	Good Manufacturing Practices	TQM	Total Quality management
HIMSS	Healthcare Information and Management Systems Society	UMLS	Unified Medical language System
HIPAA	Health Insurance Portability and Accountability Act	UNECE	United Nations Economic Commission for Europe
HISA	Healthcare Information Systems Architecture	WEP	Wired Equivalent Privacy
		WPA	Wi-Fi Protected Access

Overview of the European Healthcare IT Industry - I

State of Infrastructure:

- Wide disparity in sophistication of healthcare IT solutions and basic telecommunications infrastructure across Europe,
- Varying levels of adoption of state-of-the-art solutions that have the potential to improve clinical processes,
- Disparate healthcare systems, payer mechanisms, languages and clinical / treatment protocols have retarded uniform systems adoption,
- Pockets of niche product or market specialists, no pan-European healthcare IT vendor.

State of the Market:

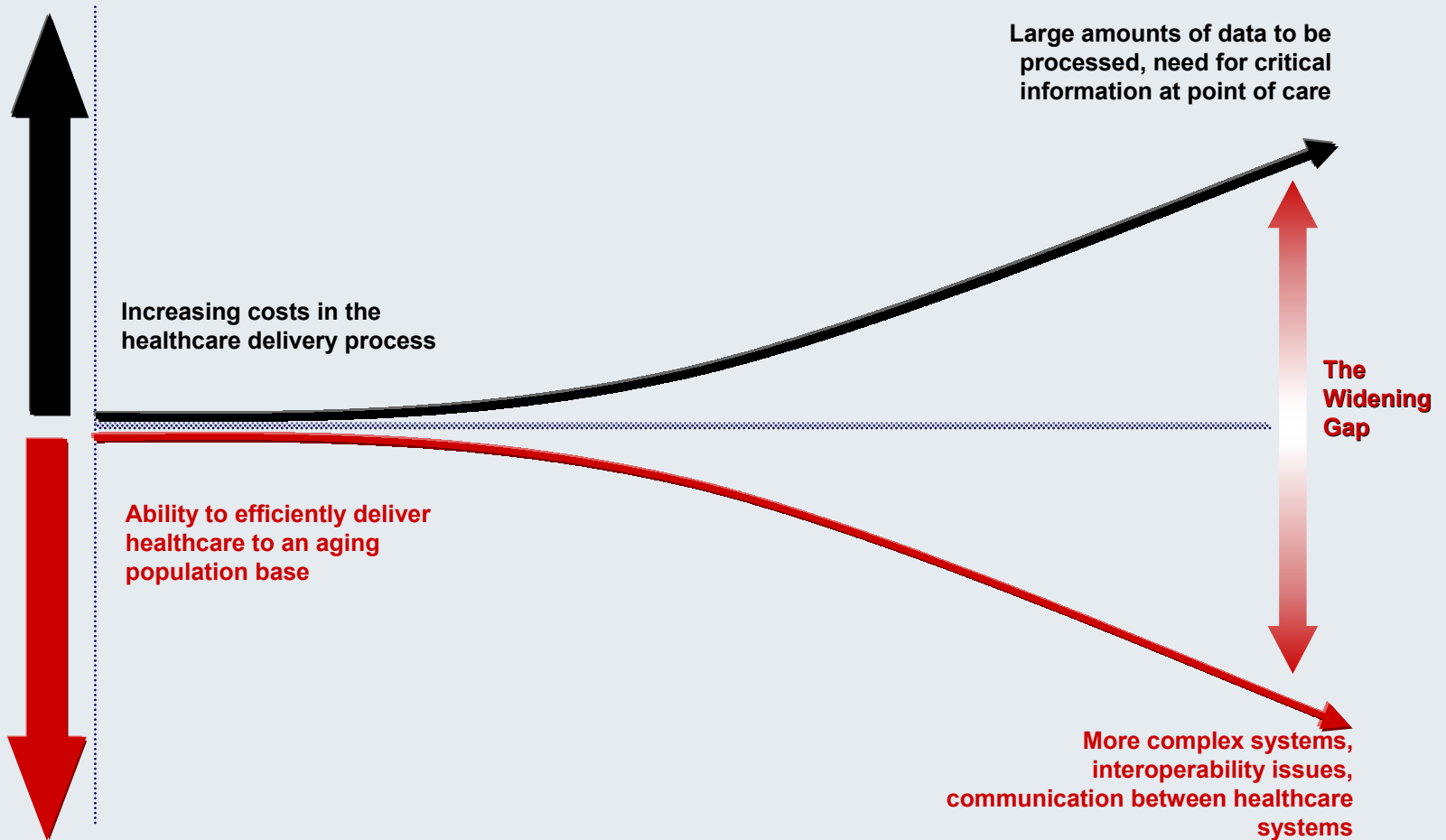
- The European healthcare IT market is set to experience steady growth riding on the initiatives shown by regional and national health authorities.
- Some regions will move swiftly to capitalise on the benefits to the healthcare industry.
- European technology vendors in a strong position to consolidate market share.
- Global participants will not give up the fight to attain respectable share.
- Fair amount of consolidation expected in the industry.

Growth Areas:

- Some of the healthcare IT segments which are poised for significant growth include the picture archiving and communications systems (PACS) / RIS combination, the electronic medical record (EMR) system, physician order entry and prescribing systems with decision support capabilities on the clinical side and enterprise resource management systems on the administrative side of the healthcare industry.
- The European healthcare IT industry is also experiencing increasing opportunities in services such as pre-sales consulting, integration / implementation and data migration from legacy healthcare information systems.

Source: Frost & Sullivan

The Challenge



Requires seamless integration between diagnostic equipment, patient monitoring devices and healthcare information systems across the healthcare delivery spectrum in Europe

Overview of the European Healthcare IT Industry - II

Future Direction of Healthcare IT Strategies and Policies in Europe:

- Aiming to improve the access to patient clinical records,
- Enabling the movement of patients and cross border access to healthcare in the expanding European Union,
- Supporting systems that help reduce clinical errors and increase patient safety levels,
- Improving the accessibility to quality information on healthcare for both patients and professionals,
- Improving the overall efficiency levels in healthcare processes and delivery systems.

Initiatives to achieve the above:

- Healthcare IT infrastructure modernisation initiatives promoted by government departments like the NPfIT (National Program for Information Technology) in UK, eHealthcare / healthcard and integrated healthcare initiatives in Germany and the electronic healthcard initiative in France are likely to drive growth in the healthcare IT industry in Europe.
- Some geographic regions particularly the Lombardia region in Italy and the Andalusia region in Spain have demonstrated successes in healthcare IT implementation.

What is needed to achieve the above:

- Technology solutions in the form of clinical applications / hospital information systems that support the above,
- Infrastructure that supports the technology solutions.

Policy, Regulatory Mandates and Legislation Have the Potential to Play a Key Role in the Development of Standards that will Ensure Uniform IT Systems Adoption Across Europe.

Regulations Needed for the Healthcare IT Industry

Need to Mandate Use of Universal Healthcare IT Standards Across Europe

Messaging and technology standards in use in the industry:

CEN
ISO
DICOM
HL7
IEEE

Currently they are not universally used in all product portfolios, interoperability between systems using all or some of these standards has not been convincingly validated, while some of the above standards conflict with one and other. In a worst case scenario, the existence and relevance of all of the above standards is not realised.

Need to Mandate Use of Technology Solutions in Clinical and Administrative Processes

Healthcare regulatory authorities need to mandate use of IT solutions that will improve efficiencies in healthcare delivery processes. These include systems that provide critical information at the point of care as well as those that provide the necessary communication between provider organisations and payer agencies such as insurance firms and federal health departments. For obvious reasons, only the use of IT systems that adhere to mandated and necessary standards should be encouraged as far as possible.

Support an Economic Environment That Fosters Healthy Associations Between Stakeholders

There is a need to encourage joint ventures and mutually beneficial associations between stakeholders in the healthcare IT industry by de-regulating the business environment and hence providing the right direction.