The federal government has committed over $20 billion for the specific purpose of encouraging the adoption of electronic medical records (EMRs). Though the Centers for Medicare and Medicaid Services offers reimbursement for early adopters, many medical professionals find that this does not cover recurring maintenance and labor costs. In an effort to avoid the high costs and inconveniences of EMR adoption, many medical professionals are choosing to leave private practices. The Patient Protection and Affordable Care Act expands health insurance coverage to millions of Americans, but not without changes to the organization of the health care industry. The inclusion of policies pertaining to electronic medical records in major pieces of legislation is a major factor in the changing structure of the health care market.

Without the necessary financial support, independent medical professionals will be particularly inclined to seek employment with a hospital or physician group. The cost of implementing and maintaining EMR systems, combined with the tighter guidelines and decreasing compensation payments from Medicare and Medicaid have put serious financial burdens on medical professionals. The estimates for the cost of implementation by federal agencies and independent researchers alike have the tendency to make generalizations about firms.

For financially stable Americans, the demand for health care services is fairly inelastic. This means that when someone requires treatment, they are not highly influenced by changes in prices when deciding whether or not to cure their ailment. However, this does not hold true for everyone, and preventive care is particularly elastic. The federal government has a particular interest in promoting preventive care because of the potential to catch health concerns earlier, therefore saving money on expensive treatments and procedures in the future.

The Two Sides of EMRs

**Benefits**
- Cost-saving billing
- Smarter diagnosing
- Easily accessible charts
- Instant procedure ordering
- Preventive health tracking

**Drawbacks**
- Costly to implement and maintain
- Require constant updates
- Increase privacy breaches
- Not compatible across all platforms
- Require several hours of training

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**Abstract**

The introduction of EMR technology has revolutionized preventive care through collecting and analyzing health data and creating individualized plans of care. The HITECH Act and the Patient Protection and Affordable Care Act are two significant pieces of legislation because they endorse the widespread adoption of electronic medical records. Neither act establishes clear guidelines as to exactly what is required of physicians in the United States, but both give significant funding and regulatory power to newly created offices focused on enhancing the use of health information technology.

**Findings**

**The Two Sides of EMRs**

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**CONCLUSIONS**

- Adoption rate statistics are not an accurate measurement of how EMR technology is utilized from setting to setting.
- EMR systems are much costlier than the figures quoted by CMS and other federal agencies.
- The current “one size fits all” compensation by CMS makes it difficult for small practices to adopt and maintain EMR systems without incurring large losses in time and productivity.
- The time and money necessary for adopting and maintaining EMR systems is an additional factor influencing the decisions of thousands of physicians on whether or not to pursue private practice.

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**Independent U.S. Physicians: A Swiftly Shrinking Segment**

Only 1 in 3 doctors will be independent by end of 2016, Accenture finds.

**Independent Practices Adapt to Market Conditions**

- Opted-out Medicaid: 46%
- Reduced support personnel: 27%
- Extended hours: 21%
- Joined ACO: 17%
- Opted out health exchanges: 15%