Y2K and Health Care

After months of media coverage and playing out of doomsday scenarios, the Year 2000 is almost upon us. How will the health care system function when the clock ticks to 12:01 am on January 1st? The President's Council on Year 2000 Conversion, the U.S. General Accounting Office (GAO), and the U.S. Senate's Special Committee on the Year 2000 Technology Problem have all expressed concern that the health care industry continues to have serious Y2K-related problems. This Issue Focus takes a look at how the Y2K problem may affect the delivery of health care to millions of Americans, including some of its most vulnerable residents, such as those with low incomes or those suffering from chronic diseases. It also explores what steps health grantmakers can take even now to help mitigate these effects.

HOW WILL THE Y2K PROBLEM AFFECT THE HEALTH SYSTEM?

The Y2K problem appears trivial in its simplicity although not in its potential impact. As recently as 1998, computer programmers and engineers routinely used two digits to represent the years, for example using '97', instead of '1997.' Initially this shorthand was used to save computer memory. But when the clock turns to the year 2000, many computers using two-digit dates will be unable to distinguish between the year 2000 and the year 1900. What might happen in the event the complex health care system's computers are not fixed in time? The results are unpredictable. And, some problems will not surface until long after January 1st.

Our health care system is vulnerable to Y2K problems because of its dependence on automation to both treat patients and manage operations. Hospitals, clinics, doctors' offices and nursing homes have computers and equipment with embedded chips that:
- order tests and both prescribe and administer drugs;
- drive biomedical devices such as infusion pumps and ventilators;
- regulate infrastructure equipment such as temperature monitors and refrigeration; and
- manage operations including producing insurance claims, invoicing and ordering supplies, and scheduling staff.

In addition, health care institutions rely on computerized systems in their communities for a reliable source of water, sewage disposal, telecommunications, and electricity.

Y2K computer failures could have a direct impact on services to patients and threaten the solvency of fragile health care institutions. Patient care may be affected by both malfunctioning equipment and productivity losses as

Y2K AT THE COMMUNITY LEVEL: ONE CLINIC'S STORY

The clinic is a non-profit facility that primarily serves Medicaid and uninsured patients. It has a patient/office practice management software system that may not work in the year 2000. To be Y2K compliant, a new release of this system, which costs over $15,000, is required. In addition, the clinic utilizes outdated computers that run on an old DOS operating system. The Y2K upgrade of the management system software will not run on DOS. The clinic must replace software, hardware and network components at a total cost of $47,000.

If the clinic cannot buy, install and test the necessary equipment before the end of 1999, activities such as patient scheduling, record-keeping, inventory work and invoicing will have to be done manually. The clinic's executive director estimates this could cause a decrease from one-third to one-half of the hours dedicated to providing patient care as time now spent on screening for TB, hypertension and diabetes would be spent doing paperwork. If the clinic is unable to submit valid claims to public and private payers, the resulting cash shortfall could force it to close its doors within one to two months.

medical staff perform functions manually. Shortages of pharma-ceuticals are also possible in some areas because of break-downs in the supply chain. Delays in reimbursement from both private insurers and public programs such as Medicare and Medicaid may make it daunting for small and less financially sound health care institutions to keep their doors open.

Y2K PREPAREDNESS

The health sector is lagging behind financial institutions and other sectors of the economy in its preparedness for January 1, 2000. Key areas of concern are:

➤ According to the Health Care Financing Administration (HCFA), 10 states are at high risk of Medicaid failure, a source of concern for the millions of individuals served by the program, including many nursing home residents.

➤ While HCFA is confident its Medicare systems are Y2K ready, many of the 1.1 million providers serving Medicare beneficiaries may not be capable of creating valid claims and therefore will not be able to be paid for the care they provide to the elderly and disabled. In addition, seven HMOs repre-senting half a million Medicare enrollees are at high risk of Y2K breakdowns that could affect access to care.

➤ It is unclear which of the nation's 5,000 hospitals and 16,000 nursing homes will be sufficiently prepared for Y2K. While some have prepared aggressively, many have not. Which ones will be able to provide care, and which ones will have patient and business problems?

➤ Many of the more than 4,300 community health centers and rural health clinics serving low-income populations have start-ed Y2K fixes late and may find their ability to take care of underserved populations severely limited as a result. Many of these safety-net providers simply do not have the funds to do what needs to be done. The federal Bureau of Primary Health Care estimates the cost of Y2K compliance needs for federally funded community health centers and so-called look-alike health centers (which serve low-income populations but do not meet some of the requirements for federal grant funding) at over $15 million.

THE ROLE FOR GRANTMAKERS

Foundations dedicated to the provision of adequate and equitable health care are in a position to significantly diminish the impact of Y2K in their communities. Following are suggested actions for foundations:

1. Actively assist non-profit providers, particularly those serving rural and low-income communities, in fixing their Y2K problems. For example, Bread for the City and Zacchaeus Free Clinic located in Washington, DC received grants, (ranging between $10,000 and $35,000), from The Philip L. Graham Fund, the Eugene and Agnes Meyer Foundation, and the Rapoport Family Foundation to help fund their Y2K fixes. The Pew Charitable Trusts has sent a mailing with a Y2K toolkit to each of its grantees.

2. Promote community-wide planning of Y2K readiness, including the hospitals, clinics, nursing homes, phar-macies, major home health care providers, patient advocates, and emergency management services. Determine the readiness of the facilities, ensure com-patible contingency plans exist, and communicate with the public about status and plans. For example, The New York Community Trust and The Nathan Cummings Foundation have supported the Regional Plan Association of metropolitan New York in explor-ing the adequacy of Y2K preparations in New York, New Jersey, and Connecticut.

3. Pursue the status of Medicaid in your state and ensure workable contingency plans are in place that will push Medicaid funds even to those institutions unable to produce claims in early 2000.

WANT TO KNOW MORE?

For additional information, contact Margaret Anderson at the Center for Y2K & Society, a nonprofit organization established by foundations to address the potential societal affect of Y2K. Ms. Anderson can be reached at 202/775-3267 or at manderson@y2kcenter.org. Visit the Center's website at www.y2kcenter.org.

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