

Forecast: Health IT Spending Will Increase

In spite of a gloomy economic outlook and the reluctance by physicians to invest in technology, James Brennan of The Virtual CDO predicts that health IT spending will continue to grow under an Obama administration.

“In general, when the Democrats are in, we focus on touchy-feely items, like healthcare. And even though healthcare IT doesn’t seem like a touchy-feely item, it’s very much in vogue. Both sides of the aisle are talking up the benefits.”

Brennan expects that there will be winners, both large and small, in the next few years.

“I think EMR/EHR firms supplying acute care, ancillary, ambulatory and private practice, will benefit from the level of targeted government stimulus that’s being discussed. I also think that document management, data storage and data security firms will experience an uptick in business since the new national infrastructure we’re talking about will likely include a fabric of network-based storage of patient records.”

“Historically, healthcare IT has continued to spend throughout times when the general economy is struggling. People still get sick no matter what the economy’s like. They still need healthcare and hospitals still need the technology to take care of them.” ■