



Ambulatory Care Trends & System Selection Strategies

Ambulatory Care Market Trends: Discussion and Analysis

Date:	Tuesday, May 22
Session Start Time:	9:45 am
Length of Presentation:	90 minutes

Ambulatory Care Market Trends: Discussion and Analysis

■ The Panel

- Mark R. Anderson, Healthcare IT Futurist
- Robert Teague, MD

Mark Anderson, FHIMSS, CPHIMSS Healthcare IT Futurist

- CEO of AC Group
 - Currently Conducting PMS/EHR Searches for > 100 Practices
 - National Speaker on EHR - > 380 sessions since 2001
 - Semi annual report on Vendor product functionality and company viability
- 34+ Years In Healthcare IT
 - CIO Position at Three Multi Facility Regional IDN's
 - Installed over \$1B in technologies since 1972
 - Former CIO of a 2,300+ physician (500+ Practices) IPA



Mark Anderson's Disclosure

- Speaking at numerous professional associations and at vendor meetings (**over 100/Year**)
- White Papers on the use of technology
- Serve on numerous conference boards
- EHR Search and Selections (**> 100 Practices**)
- DOQ-IT and CMS EHR Selection Tool

- **NO** Revenue from any vendor based on any Sales or increase in Revenues

Bob Teague, MD

- **Practicing Pulmonologist for 20 yrs**
 - Designed and implemented first PMS 1986
- **Compaq/HP Corporate Medical Director for 18 yrs**
- **Hospital Medical Director for Kindred**
 - Design and implement EMR for 60 hospital system
- **Consultant to Electronic Data Systems**
- **Designed EHR system for retail clinic company**
- **Consultant to AC Group for PMS/EHR searches**
- **CEO PracticeIT**

Agenda



- **Marketplace Review**
- **Organizational Readiness**
- **Implementation Considerations**
- **Product Costs**
- **Vendor Selection**
- **Return on Investments**

Vision

“Technology is simply a catalyst that will empower providers to drive meaningful changes in care.”

“ People love progress ... but hate change”

The Thing About the Future...



...You Hate Getting It Wrong!



And Big Surprises Aren't Much Better!



**With Only the Past for a Compass...
Who will guide you?**



**Patterns Must Lead to Action
Success = Teamwork**



The Digital Medical Office of the Future Marketplace



Breznikar's Law of Computer Technology

“Applying computer technology is simply the act of finding the right wrench to pound in the correct screw.”



What issues are physicians interested in?

- Maintain or improve Quality
- More timely and accurate payments from carriers.
- Save time and money.
- Allow them to see more patients per day.
- More productive organization's.
- Provide information about their organization's.



Information Overload



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Marketplace Drivers for Ambulatory EHRs



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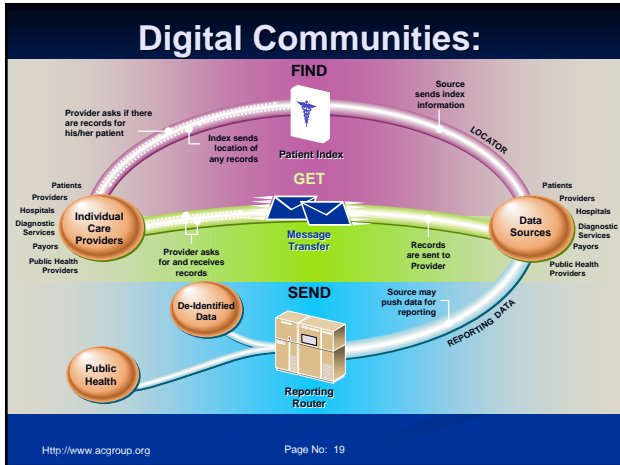
National Initiatives



"By computerizing health records, we can avoid dangerous medical mistakes, reduce costs and improve care."
-President George W. Bush, State of the Union Address, January 20, 2004

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What is the government's involvement in EHRs?

- Congress – What till 2008
- Personal Health Record Initiatives
- Setting Standards
- CMS and P4P
- Setting Guidelines
- Relaxation in Stark Law
- Therefore hospitals could become your new friend or foe

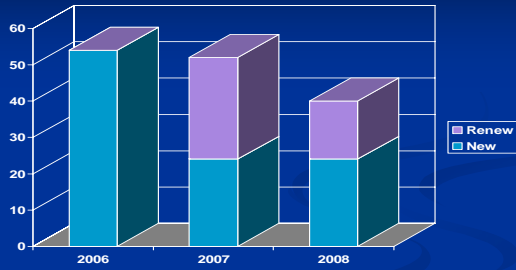
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- Certification Commission for Healthcare Information Technology
- CCHIT is the recognized certification authority for electronic health records and their networks, and an independent, voluntary, private-sector initiative.
- Their mission is to accelerate the adoption of health information technology by creating an efficient, credible and sustainable product certification program.

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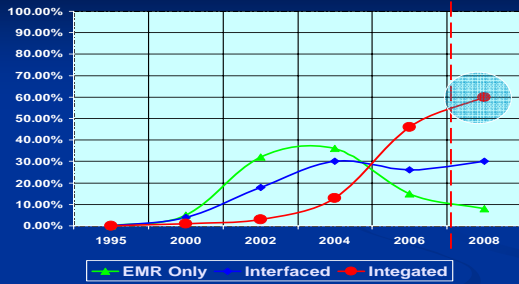
CCHIT Certified EHR Vendors

Certification is good for 3 years – but!!!!



2006 Certified vendors will need to renew again in 2007

What are Practices Purchasing



Source: AC Group annual survey of buying patterns

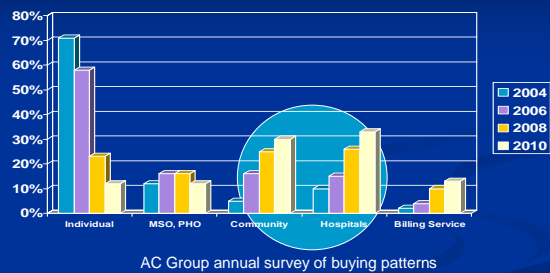
How are hospitals leveraging EHR projects to increase the share of billing services?

- In August of 2006, HHS and the CMS issued rulings stating that hospital assistance to physicians for IT would be given safe harbor from federal anti-kickback laws, and also would be granted an exemption from Stark laws prohibiting financial inducements for referrals.
- Stark law allows hospitals to pay for new automation
- Hospitals can contribute up to 85% of the cost to purchase or maintain a physician's IT system.

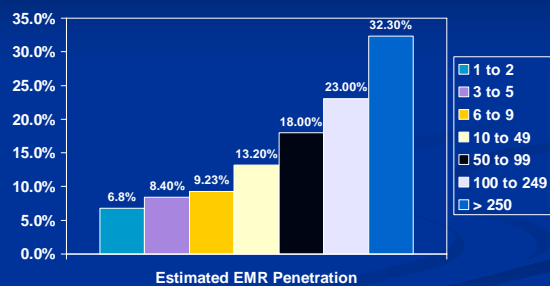
How are hospitals leveraging EHR projects to increase the share of billing services?

- May 11, 2007 - The IRS issued a memorandum that says not-for-profit hospitals may provide financial assistance to physicians to acquire and implement electronic health records without jeopardizing their tax-exempt status.
- Goal is to increase utilization of EHRs
- Goal is to maximize bonding with local physicians
- Hospitals will compete for physician loyalty
- Hospitals will host software and will have access to all provider data!!

Who will be purchasing? % of sales by Organization



Estimated EHR Penetration



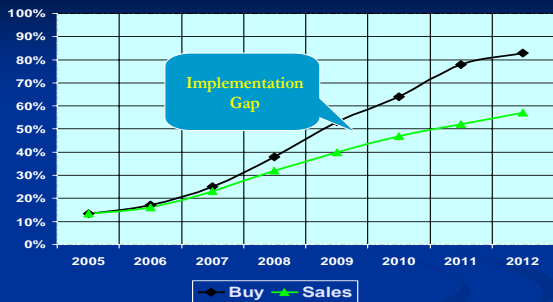
Source: AC Group annual survey, October 2006

When will Physicians Purchase



Source: AC Group annual survey of buying patterns
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When will Physicians Purchase



Source: AC Group annual survey of buying patterns
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Selecting An EHR

- Create a Comprehensive Committee
- What type of product do you “need”?
- Establish a Realistic Requirements List
- Verify the EHR Strategy of PMS
- Conduct Demonstrations
- Check References and Visit Sites
- Evaluate EHR Candidates



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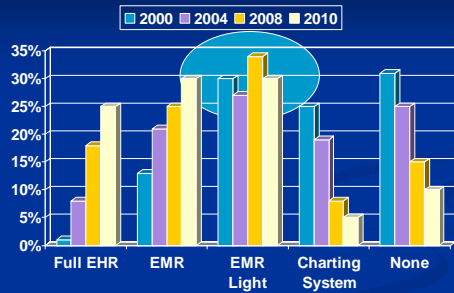
How the EHR vendors are rated and why many will not survive?

- Too many vendors to count
- Too many vendor promising the world
- Too many failures
- How do you tell them apart?
- What are you looking for?
- How do you evaluate them?

Market Segmentation

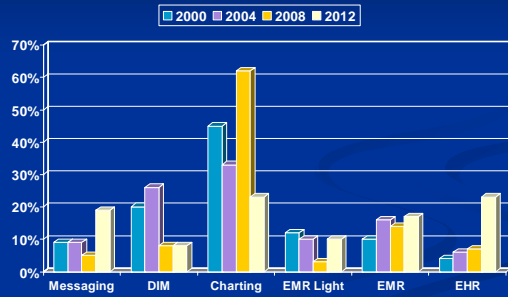
Function	PMS	Secured Message	DIM	Charting	EMR Lite	EMR	EHR
Billing	X						
Scheduling	X	X	X	X	X	X	X
Labs		X	X	X	X	X	X
Transcription		X	X	X	X	X	X
Paper Doc			X	X	X	X	X
E-Prescribe				X	X	X	X
E & M Coding					X	X	X
Standards/CCR						X	X
National Alerts						X	X
Chief Complaint						X	X
Health Maint.							X
PHR							X

What type of Clinical Products are Providers Really interested in?



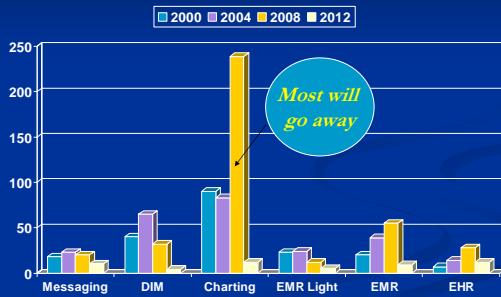
Market Presentation

Over 380 vendors claiming to sell EHRs



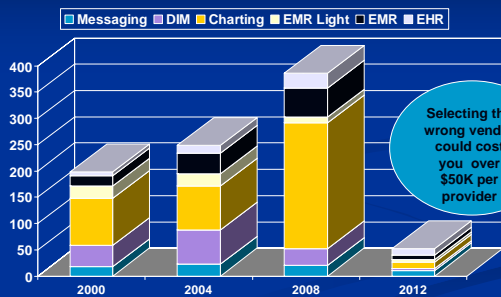
Market Change over time

Over 380 vendors claiming to sell EHRs



Market Change over time

Over 380 vendors claiming to sell EHRs



Is "Light Better"?

- If over 30% of providers prefer an EMR Light product, why are only a few vendors providing a "light product"?
- Less "change" and more "progress"
- Lower cost of entry
- Benefit realization in days, not months
- So what is an EMR Light and is there a real market for it?

Bob Teague, MD, CEO

bteague@practiceit.com

512-637-2137

So what is an EMR Light

- | | |
|---|--|
| <ul style="list-style-type: none">■ So what is an EMR Light?<ul style="list-style-type: none">■ Patient Demographics■ Scanning and retrieval of paper documents■ Clinical Messaging■ Orders and Results■ eRX■ Patient Tracking■ Some Health Maintenance tracking■ Nursing documentation■ Workflow tracking | <ul style="list-style-type: none">■ So what is NOT included in an EMR Light?<ul style="list-style-type: none">■ 5,000 clicks■ ROS■ HPI■ E & M coding■ CDS■ Final Note■ Specialty Content clinical documentation |
|---|--|

Light at the End of the Tunnel

The Cure for the Killer C's

The Killer C's:

- Cost
- Complexity

THE EMR INDUSTRY MUST PRODUCE A PRODUCT THAT IS:

- Affordable
- Easy to Use

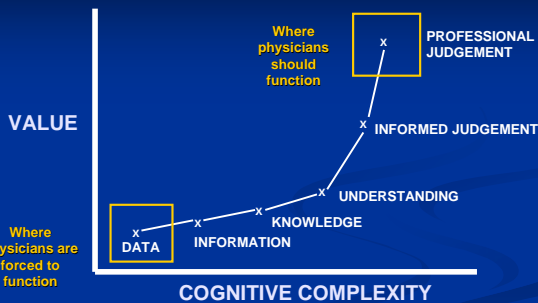
Pathophysiology of the Killer C's

PRODUCTIVITY LOSS



THE EMR INDUSTRY MUST HAVE AS ITS GOAL "ZERO PRODUCTIVITY LOSS on the FIRST DAY of IMPLEMENTATION"

PHYSICIANS GET PAID TO PERFORM THE LEAST VALUE ADD SERVICE IN PATIENT CARE – COLLECTING AND RECORDING OF DATA



Cost? What Cost?

- Acquisition
- Implementation and Training
- Maintenance and Upgrade
- Lost Productivity
- Personal Cost
 - *(The Pain & Suffering)*
- Inappropriate Physician Tasks



“Just let me practice the way I always have.”

- Complexity + Physician-Patient Disruption = Failure
- The Physician-Patient interaction is evolutionary
- It works
- Why change it??

Life in The Doctor Bubble

Process Automation



Physician-Patient

- History
- Physical Exam
- Diagnosis
- Orders
- Superbill
- Record Entries



Process Automation

Light means preservation of quality and efficiency for the physician

EMR Light

- Less Costly
- Safer...Less Likely to Fail
- Less Complex
- Less Disruptive
- Allows the physician to maintain the quality and efficiency of the physician-patient interaction



For more information on EMR Light,
contact Bob Teague
512-637-2137

Why systems FAIL!



Why do Implementations Fail?

- Poor planning
- Unrealistic expectations
- Lack of physician and provider support
- Flawed selection process
- Mismanagement of workflow and staffing changes

RESULTS

- 74% of discarded EHRs were because the software did not meet the actual needs of the physicians.
- Spending too much for the software.
- 80% of the vendors implementing the software do not help the practice determine “how” to use the product to improve operations.
- The wrong EHR decision could cost the average physician more than \$50,000 per year.

Role of the EHR Vendor

- The vendor sells you a car and teaches you how to turn it on.
 - The vendor does not teach you to drive.
 - The vendor does not show you how to get where you want to go.
- You could end up wasting your time and money

EHR Failure rate

- Through 2007, the EHR failure rate continues to increase.
- When asked, “1 year of EHR installation, are you seeing 80% of your patients using the EHR for charting, ROS, HPI, Evaluation, coding, orders and results reporting”.
 - 73% of the physicians (3,245) indicated that no, they were NOT using the EHR for 80% of their patients.
 - Why, are 73% of the physicians NOT fully utilizing the EHR after 1 year?



Why do Implementations Fail?

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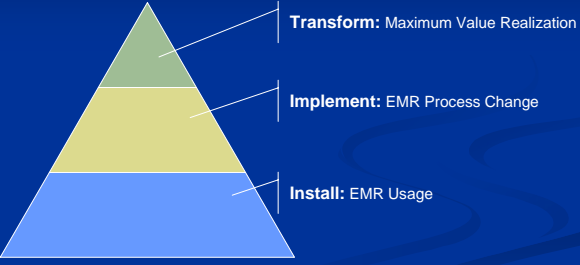
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Organizational and Clinical Transformation

Delivery Model – Levels of Value Delivery



- Transform:** Maximum Value Realization
- Implement:** EMR Process Change
- Install:** EMR Usage

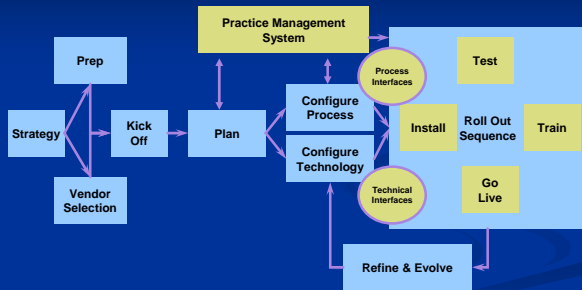
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Delivery Processes

- Process → Buy In
- Process → Content & Solution
- Process → ROI Realization
- Process → Productivity & Performance
- Process → Program Efficiency
- Process → Balanced Physician & Staff Participation

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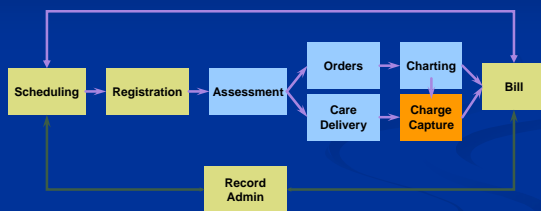
EHR 8-Step Model



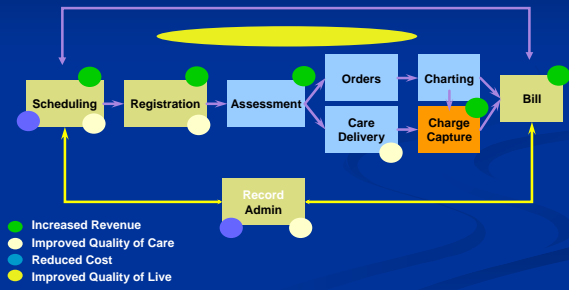
Roles & Responsibilities

EMR Vendor	Transformation	Practice
Deliver Technology Product <ul style="list-style-type: none"> Provide EMR Best Practices Tech System Assessment Build Technology Interface Present Standard Templates Train Super Users Train Users Configure Software Load Software Test Support Respond to Change Requests 	Ensure Value Delivery & Facilitate Exchange <ul style="list-style-type: none"> Strategy – Goal Alignment Assess Readiness Create Program Structure Program Communications Program Planning & Management Process Development Benefit Tracing Change Management Activity Vendor Management Roll Out Management Integrate Lessons 	Adopt & Perform with New Solution <ul style="list-style-type: none"> Provide Sponsorship Commit Resources Make Decisions Steering Committee Practice Management Liaison Clinical Liaison Administrative Workflow Team Clinical Staff Workflow Team Provider Workflow Team Billing Workflow Team Technical Workflow Team

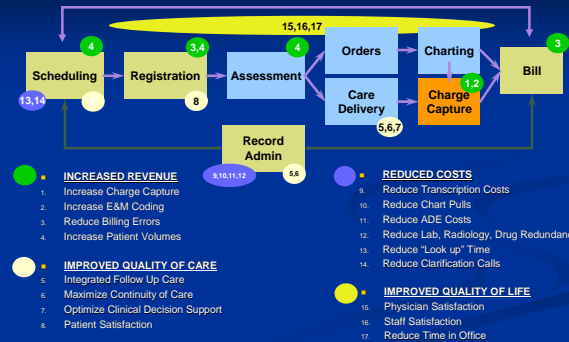
Ambulatory Process



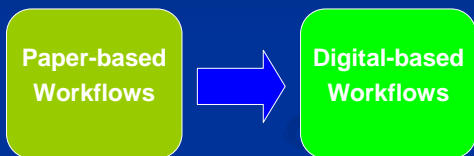
Ambulatory Process – Value



Benefit Realization & ROI



Reengineering Workflows:



What are the new possibilities?

Reengineering of Processes...

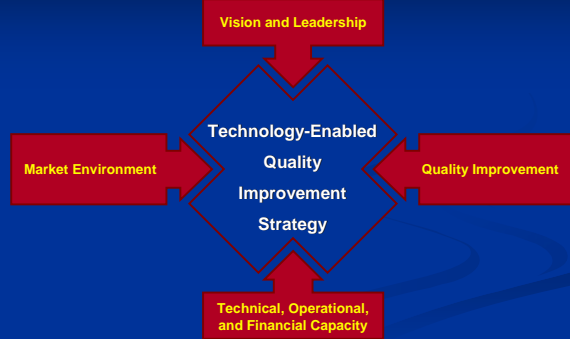
Business systems

- Appt. scheduling
- Patient check-in
- Eligibility verification
- Patient check-out
- Charge Posting
- Phone messaging
- Data access and reporting

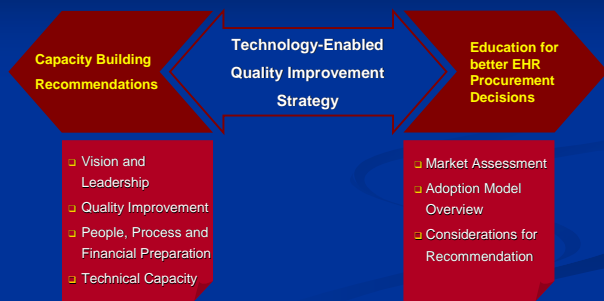
Clinical systems

- Patient intake
- Provider encounter & documentation
- Prescription & refill
- Referral & prior authorization
- Review of lab, imaging & specialty consult reports

Impacts to Clinic Quality and EHR Strategy



Assessment Outcomes



- ▣ Vision and Leadership
- ▣ Quality Improvement
- ▣ People, Process and Financial Preparation
- ▣ Technical Capacity

- ▣ Market Assessment
- ▣ Adoption Model Overview
- ▣ Considerations for Recommendation



Can you afford a EHR?

EHR Cost Factors



Server
\$10,000 to \$50,000
each



Handheld Device
\$2,000 to \$3,500 each



Software Licenses
\$2,000 to \$5,000 per
user



Installation
Varies

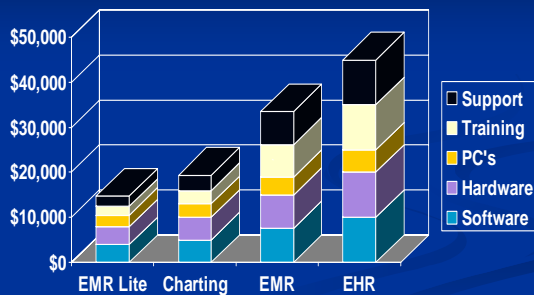


Training
Varies



Support
15% to 33% per year

COSTS PER PHYSICIAN

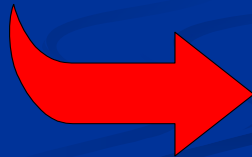


The Bottom Line

- EHR Systems Cost \$25,000 to \$50,000 + Per Physician Plus Communications.
- Monthly Costs (Including 60 Month Recapture of Initial Investment) Run \$1,000 to \$2,000 Per Provider.
- Vendor only costs ranges from \$650 to \$850/Month



So what is my Potential Return on Investment



Max Benefit Realization & ROI for Practices

- **Increase Revenue**
 - Increase Charge Capture
 - Increase E&M Coding
 - Reduce Billing Errors
 - Increase Patient Volumes
- **Reduce Costs**
 - Reduce Transcription Costs
 - Reduce Chart Pulls
 - Reduce ADE Costs
 - Reduce Lab, Radiology, Drug redundancy
 - Reduce "Look up" Time
 - Reduce Clarification Calls
- **Improved Quality of Care**
 - Integrated Follow Up Care
 - Maximize Continuity of Care
 - Optimize Clinical Decision Support
- **Maximum Adoption**
 - Adoption & Use over 10% (National Average)
 - Reduce Productivity Lost Revenue

Typical Productivity Savings

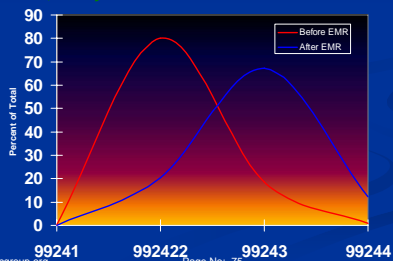
- Increased immunizations
- Increased quality review scores
- Decrease in chart pulls
- Decrease in charting time
- Decrease of patient wait time
- Decrease of drug refill time
- Decrease of telephone turnaround time
- Increase in physician/patient satisfaction

Benefits to the Physician

- Clinical Integration
- Reduce operating cost > 8%
- Improve Revenue Capture > 3%
- Lower costs = 40% reduction
- Monthly fixed costs with local support
- Pay-for-performance - \$5K-10K
- Interfaces to all sources
- Data exchange between Primary Care, Specialists, and Hospitals
- Contract terms and conditions
- P4P

Real Results – Consults

- Their top of the Consult coding curve is now a 99243 -and they are audit proof.
- This represents and increase in charges by 13.99%
- VA billed an additional \$20.84 per patient consult – or and additional **\$54,844 a year**.



Bottom Line

- Technology can improve your operations
- Technology can help improve reimbursement
- Technology can help reduce costs

However

- Technology alone does nothing
- It's the staff that makes it all work
- Computers are dumb – they only do what you tell them to do – but they are thousands of times faster than we are
- Don't leap into EMR until you are ready
- Take an incremental approach toward automation

BOTTOM LINE

- Physicians need help when it comes to technology
- Physicians need local support
- Physicians need help with contracts and pricing
- The community needs to share data
- 80% of the data is in the office
- Lets empower the physician

For More Information

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Questions