

Return on Investment with Clinical Information Systems - An Oxymoron?

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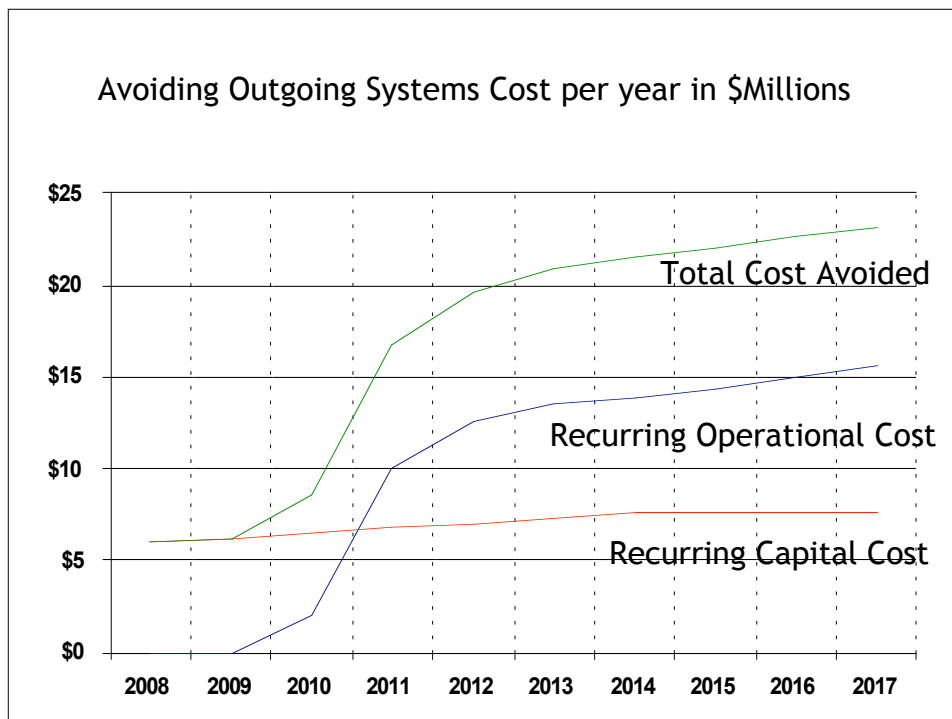
Dick Gibson MD
Portland, Oregon

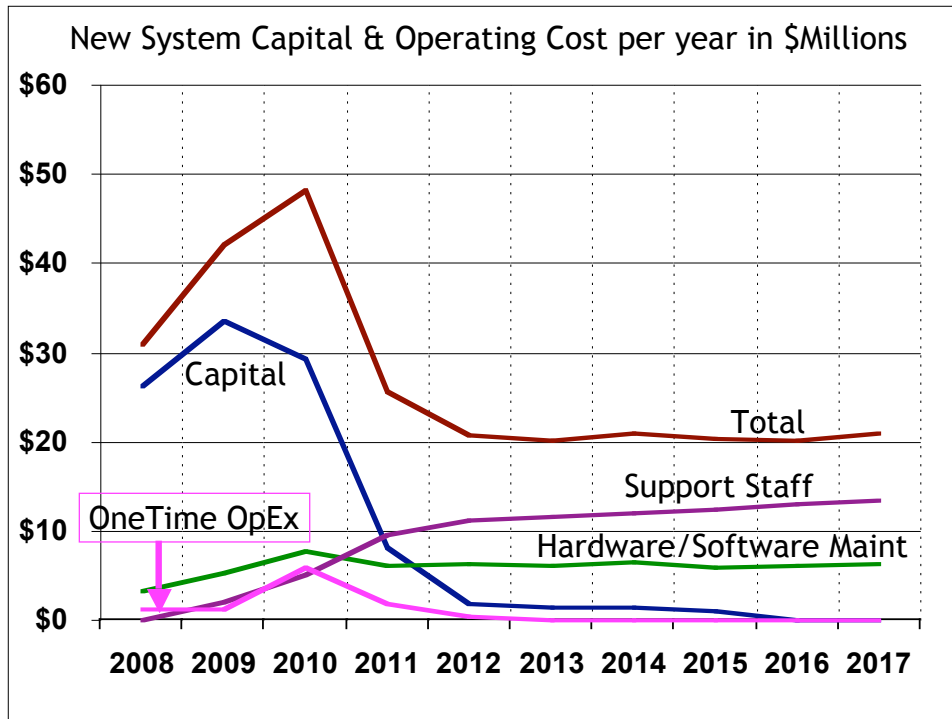
Financial Models are crucial for committing to an EHR implementation.

- Know what you are spending now and what the new system will cost - both one-time and ongoing.
- Include the costs you are already paying for your outgoing set of systems. These costs will be replaced by the cost of your new system.
- Prepare for high operational costs, especially training and launch support.
- In quoting cost, calculate cost over 7-10 years with all costs in so you have a reasonable comparison with other alternatives.

Remember to include the avoided costs of the old systems as a benefit of the new system.

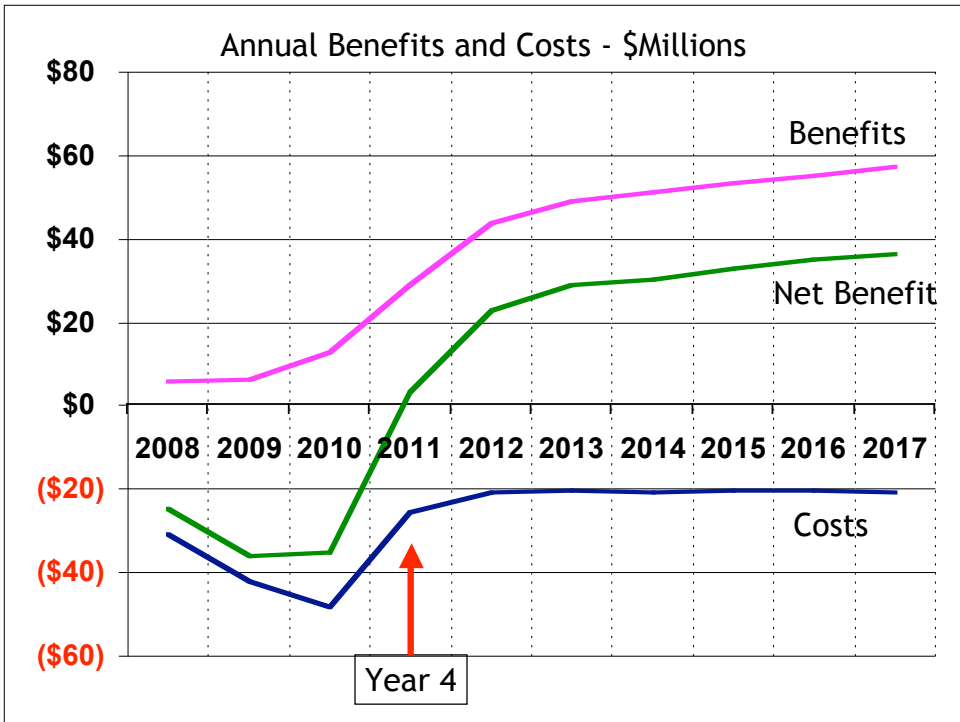
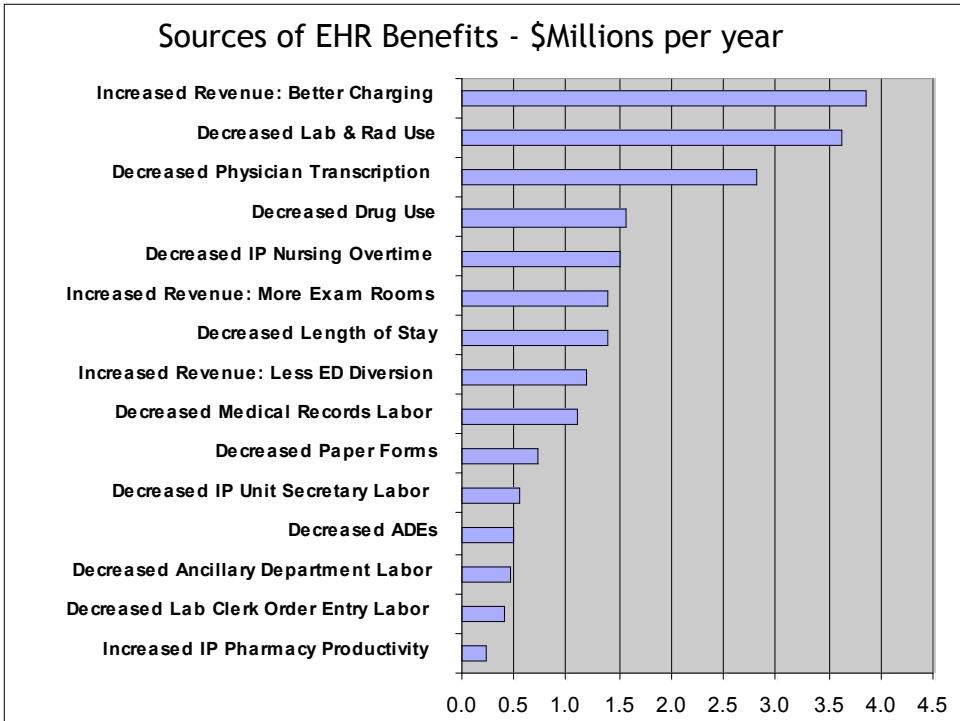
- Annual Maintenance Fees to Vendors:
 - Vendor A Hospital and Office EHR.
 - Vendor B Hospital and Office EHR.
 - Intensive Care Unit EHR.
 - Emergency Department EHR.
 - Hospital Billing.
 - Physician Office Billing.
- Information Services Labor to support current systems.
- Capital cost of outgoing system replacement hardware.

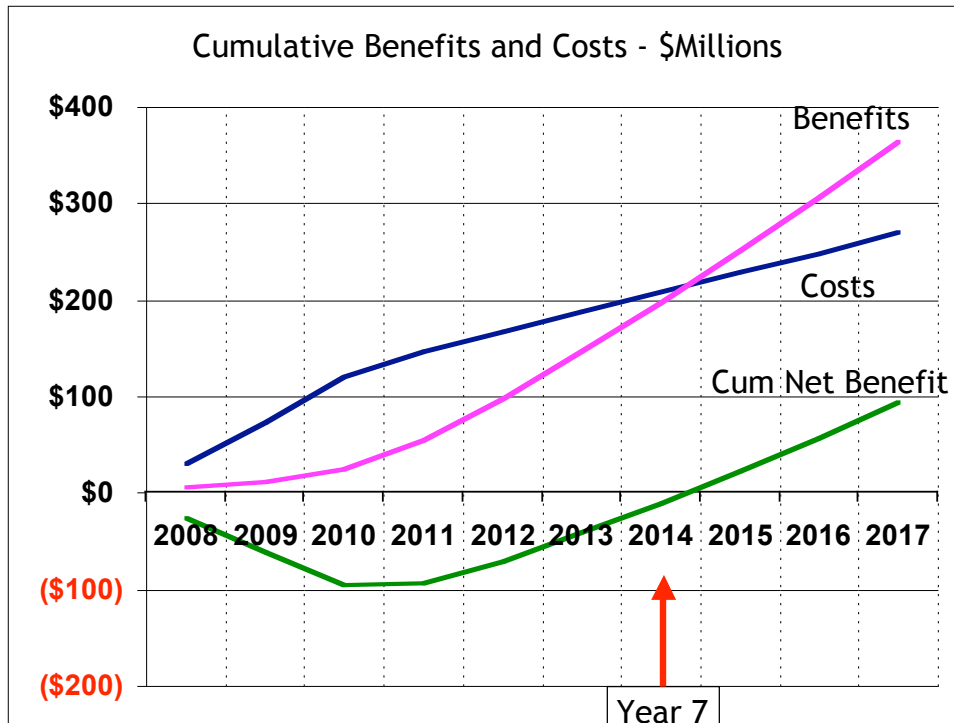




The Benefits of an Enterprise EMR

- Unnecessary Lab Tests.
- Unnecessary Radiology Exams.
- Better Drug Use.
- Adverse Drug Events.
- Length of Stay.
- Nursing Overtime.
- Hospital Unit Clerk Labor.
- Hosp Pharmacy Productivity.
- Transcription.
- Medical Records Labor.
- Lab Staff Labor.
- Charge and Order Entry.
- Paper Forms.
- Better Charge Capture.
- Less ED Diversion.
- Convert Chart Space.





Additional benefits have been suggested since original model was developed.

- PQRI (Physicians Quality Reporting Initiative) - 2% extra from CMS. (though not if getting ARRA money)
- ePrescribing - 2% extra from CMS. (not with ARRA)
- Results via Patient Portal: avoids sending a letter at \$2.50-\$3.00 each.
- Single registration for Outpatient and Inpatient.
- Operating Room: ability to schedule more tightly based on surgeon's previous case-time averaging.
- ARRA payments to doctors and hospitals.

Conclusions

- We embark on EHR implementation because we believe it is required to manage complex and chronic care effectively and efficiently.
- Prepare your organization for deep expense in the early years to get large financial benefits later.
- We need more literature on proven financial and clinical benefits of implementing EHRs.
- We need to commit to Optimized Workflow Change at the time we implement the EHR in order to get the full benefit from the EHR.