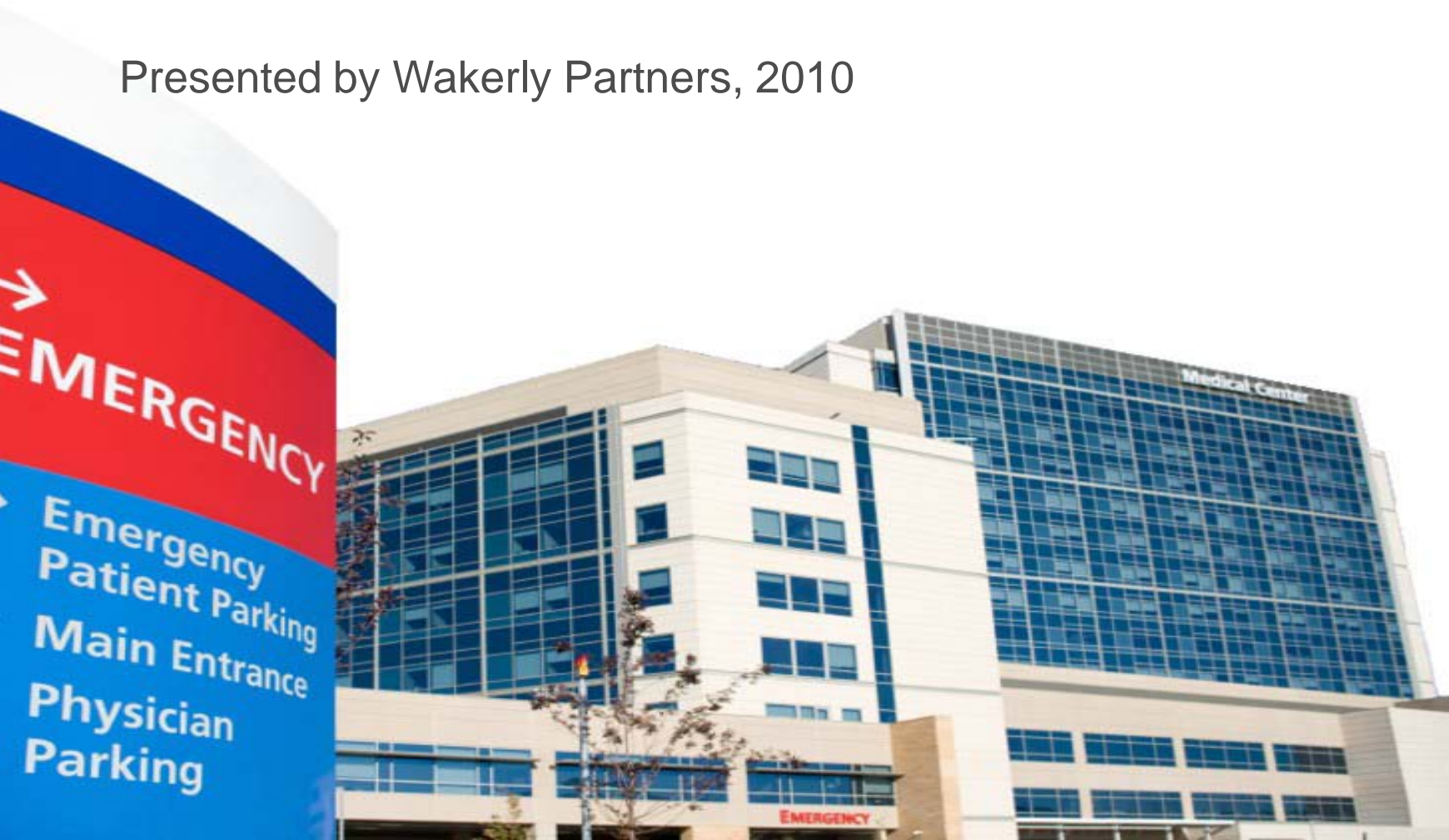


Healthcare Education

# Hospital/Health System Intelligence

For HIT Vendor \$ales \$uccess

Presented by Wakerly Partners, 2010



# Introductions – Ralph Wakerly

- President, Wakerly Partners, Inc., a healthcare strategy and marketing consulting firm serving healthcare related organizations.
- President of C-Suite Resources, a market intelligence and executive advisory firm.
- Nationally recognized consultant with 26 years experience in healthcare, information management, business strategy and marketing.
- Led Market Research for HIMSS Analytics. Conducted Clinical I/T market research project for GE Healthcare.
- Former Vice President Marketing, First Consulting Group/CSC.
- Conducted business strategy, marketing, market research and I/T strategy engagements for more than 75 healthcare related organizations.
- Conducted numerous presentations and education programs for healthcare managers and executives.
- Adjunct Faculty Member teaching marketing, leadership and management at Elmhurst College School for Advanced Learning.



# Introductions – Mike Mytych

- Principal, Wakerly Partners and C-Suite Resources; President of Health Information Consulting, LLC
- Nationally recognized consultant with 30 years experience in healthcare, 15 years in healthcare sales/management; clinical background in pharmacy.
- Conducted product and service strategies, business development and due diligence for over 50 healthcare companies.
- Conducted strategy development and vendor selection for over 75 provider organizations including EHRs and HIE applications.
- Worked as a strategist and conducted vendor selection in Health Information Exchange (HIE) projects including Wisconsin, Minnesota, New York, Georgia and Florida.
- Former Vice President Sales, Baxter Health Care, Physician Systems Division.
- Adjunct Faculty member teaching Health Care Technology Procurement, at the University of Wisconsin, Milwaukee Health Care Informatics Masters Program.



# Objectives

After this session Sales Team Members will:

- Have a greater knowledge of hospital I/T buying processes
- Have greater skill at recognizing who are the important decision makers and how they reach consensus on what to buy
- Have greater credibility in positioning your company in the hospital environment leading to more sales opportunities.

# Topics

- Healthcare Environment and IT Strategic Planning
- Today's Hospital/Health System IT Environment
- Hospital/Health System Structure and Decision Making
- Vendor Selection and Purchase Process
- Understanding Vendor Relationships
- What it Means to You

# Healthcare Environment and IT Strategic Planning



# Hospital Market – Key Drivers

## Clinical

- Patient Safety/Quality
- Continuity of Care
- Skilled Labor Shortage
- Pay for Performance
- Consumerism and Transparency
- Center of Excellence Competition

## Business

- Declining Volumes
- Declining Reimbursement
- Margin Pressure
- Access to Capital
- Controlling Labor Costs
- Physician Integration



# New Buzz Words...

**MEDICAL HOME**

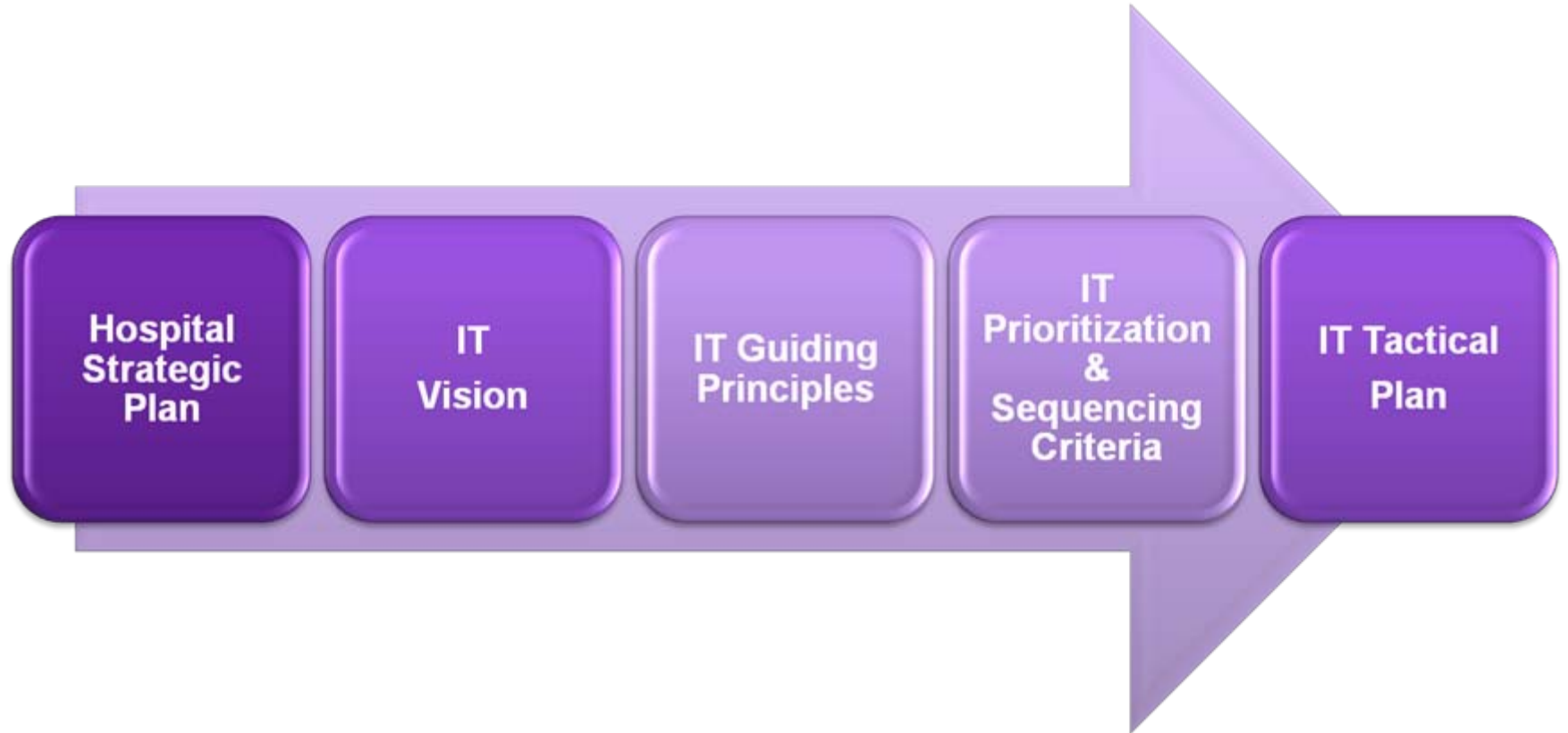
**ACCOUNTABLE CARE**

**COMMUNITY CARE PLANS**

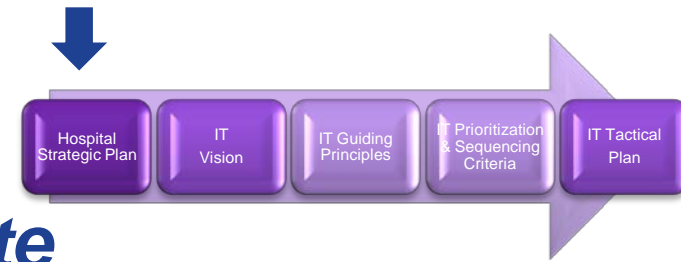
**COMPARATIVE EFFECTIVENESS**



# IT Strategic Planning Process

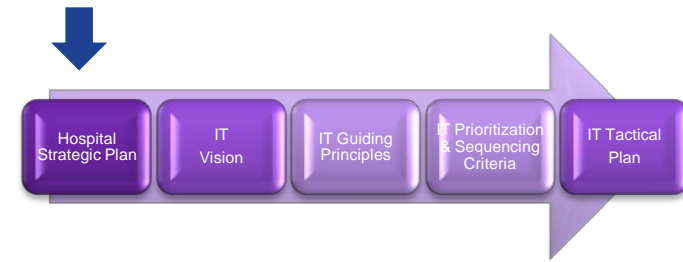


# Health Reform Implications for CEOs *Nuggets from Scottsdale Institute*



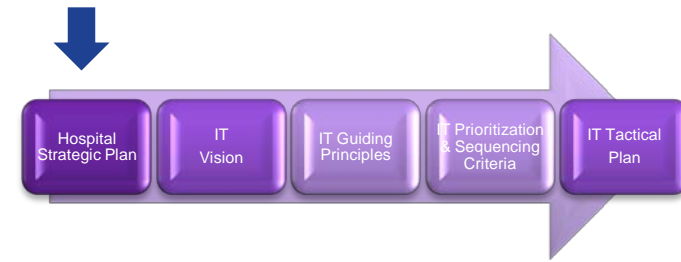
- Restructure to support lower reimbursements
  - Create cost structure to support profitability at 110% of Medicare Reimbursement
- Accelerate physician integration efforts
  - Redeploy capital to support
- Prepare for further industry consolidation
  - Less profitable hospitals closing
  - Physician groups merging, selling to hospital organizations
- Prepare for primary care shortages
  - Increase mid-level caregiver capacity
  - Strain on ED
- Develop an Accountable Care Organization (ACO)
  - Coordinated care with value based and bundled payments
  - The need for performance measurement and reporting for payor negotiations

# Health Reform Implications for CEOs Action Plan



- Double down on throughput improvements to increase capacity
- Accelerate quality efforts
  - Reduce readmissions, redesign process to exceed quality standards
  - Make quality data a by-product of care
  - Use data for real-time improvement
- Align with physicians (and physician incentives) to coordinate care
- Move as quickly as possible to increase PCP capacity (including non-physician PCPs)
- Plan for health reform, ICD-10, and meaningful use together
  - Make sure ED and PCPs are meaningful users of EHRs before 2014
  - Code for quality measures with ICD-10

# Hospital Strategic Plan



## Available Access Coordinated Care



- Synergies between hospitals/ system, health plans, hospital clinics and medical staff
- Infrastructure and process
- Information technology
- Facilities/Locations/Structure
- Clinical depth in specific areas
- Programmatic growth
- Managing across
- Continuum of care
- Innovative patient care model
- Regional Partners

## Best Outcomes



- Safety
- Quality
- Exceptional patient and family experiences
- Lowest quartile of costs
- Increased efficiencies
- Healthier community
- Evidence-based practice
- Research

## Engaged Partners



- Physicians – leadership, education, engagement
- Staff – leadership, engagement
- Patients and families
- Community
- Volunteers

# Hospital / Health System HITECH C-Suite Concerns

- What is a realistic expectation for maximizing our incentives?
- What impact will it have on our spending plans over the next two years?
- Do we have the right systems and people in place to get the job done?
- Where are we with our EHR deployment and do we have the right vendor?
- What is the impact on our patients, physicians and our employees?
- What happens if we don't meet the Meaningful Use criteria?



# IT Trends

## IDN/Hospitals Buyer Behavior

- Relatively stable budgets — modest I/T spending growth (ARRA incentives vs. economic impact)
- More pressure to show ROI from I/T investments
- Stronger role for economic buyers and clinicians in I/T decisions
- More will employ hosted services models and possibly outsourcing

# IT Trends Buyer Behavior

- ARRA/HITECH is driving faster EHR adoption
- Growth in HIE
- Reallocation of scarce I/T resources and implementation priorities
- Increased adoption of I/T for performance management and reporting
- More emphasis on hospital-physician integration
- Intensified battle over the consumer health record
- Growth in mobile and portable devices
- More stringent security and disaster recovery requirements

# Hospital/Health System IT Environment



# Hospital EHR Deployment Stage 7 Goals

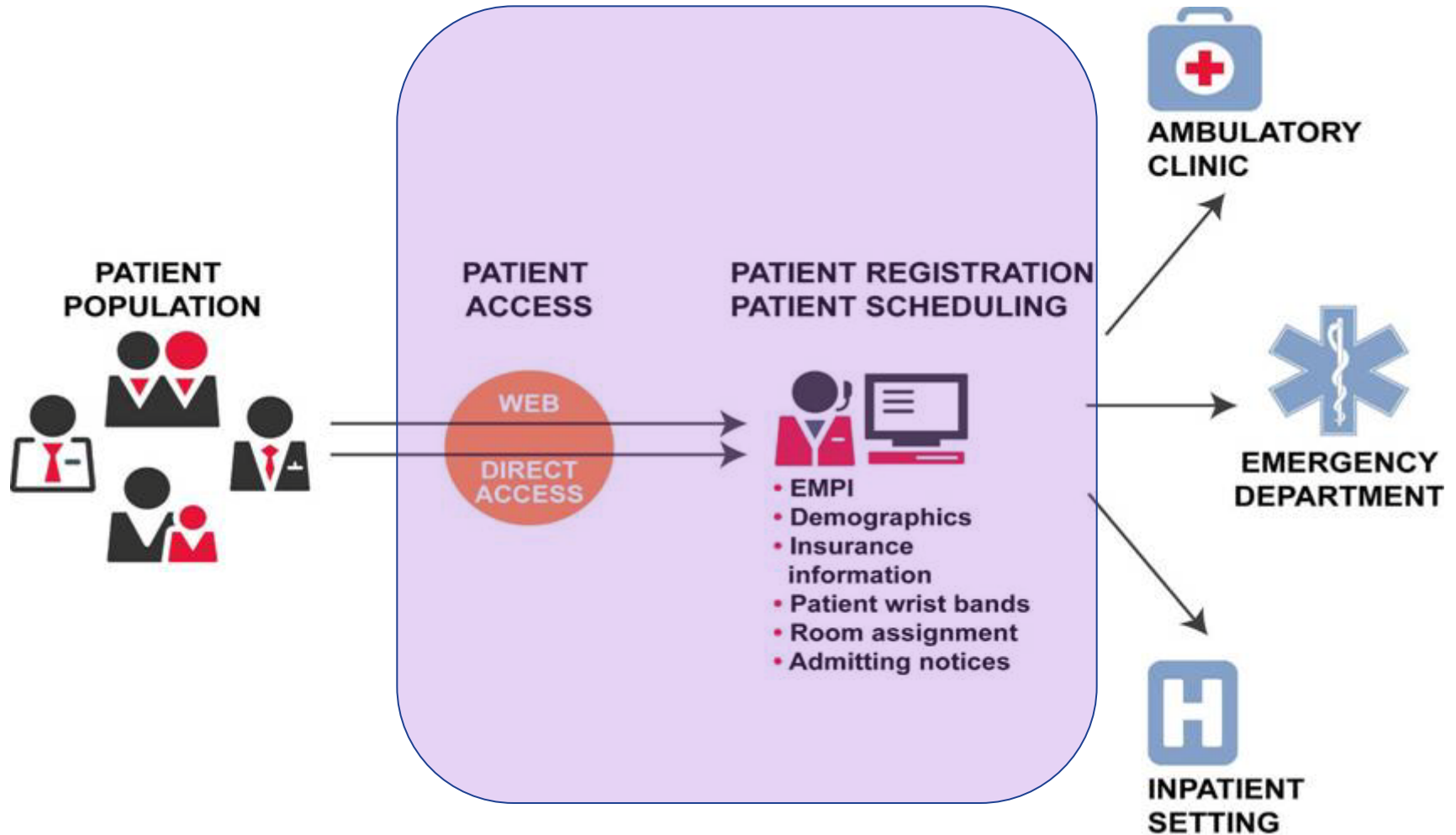
EMR Adoption Model <sup>SM</sup>			
Stage	Cumulative Capabilities	2009 Final	2010 Q1
<b>Stage 7</b>	Complete EMR; CCD transactions to share data; Data warehousing; Data continuity with ED, ambulatory, OP	0.7%	0.7%
<b>Stage 6</b>	Physician documentation (structured templates), full CDSS (variance & compliance), full R-PACS	1.6%	1.8%
<b>Stage 5</b>	Closed loop medication administration	3.8%	5.0%
<b>Stage 4</b>	CPOE, CDSS (clinical protocols)	7.4%	7.7%
<b>Stage 3</b>	Nursing/Clinical documentation (flow sheets), CDSS (error checking), PACS available outside Radiology	50.9%	50.0%
<b>Stage 2</b>	Clinical Data Repository, Controlled Medical Vocabulary, Clinical Decision Support, may have Document Imaging	16.9%	16.5%
<b>Stage 1</b>	Ancillaries – Lab, Rad, Pharmacy – All Installed	7.2%	6.9%
<b>Stage 0</b>	All Three Ancillaries Not Installed	11.5%	11.4%
<b>Total Hospitals</b>		<b>N = 5235</b>	<b>N = 5223</b>

15.2% (Stages 4-7)  
84.8% (Stages 0-3)

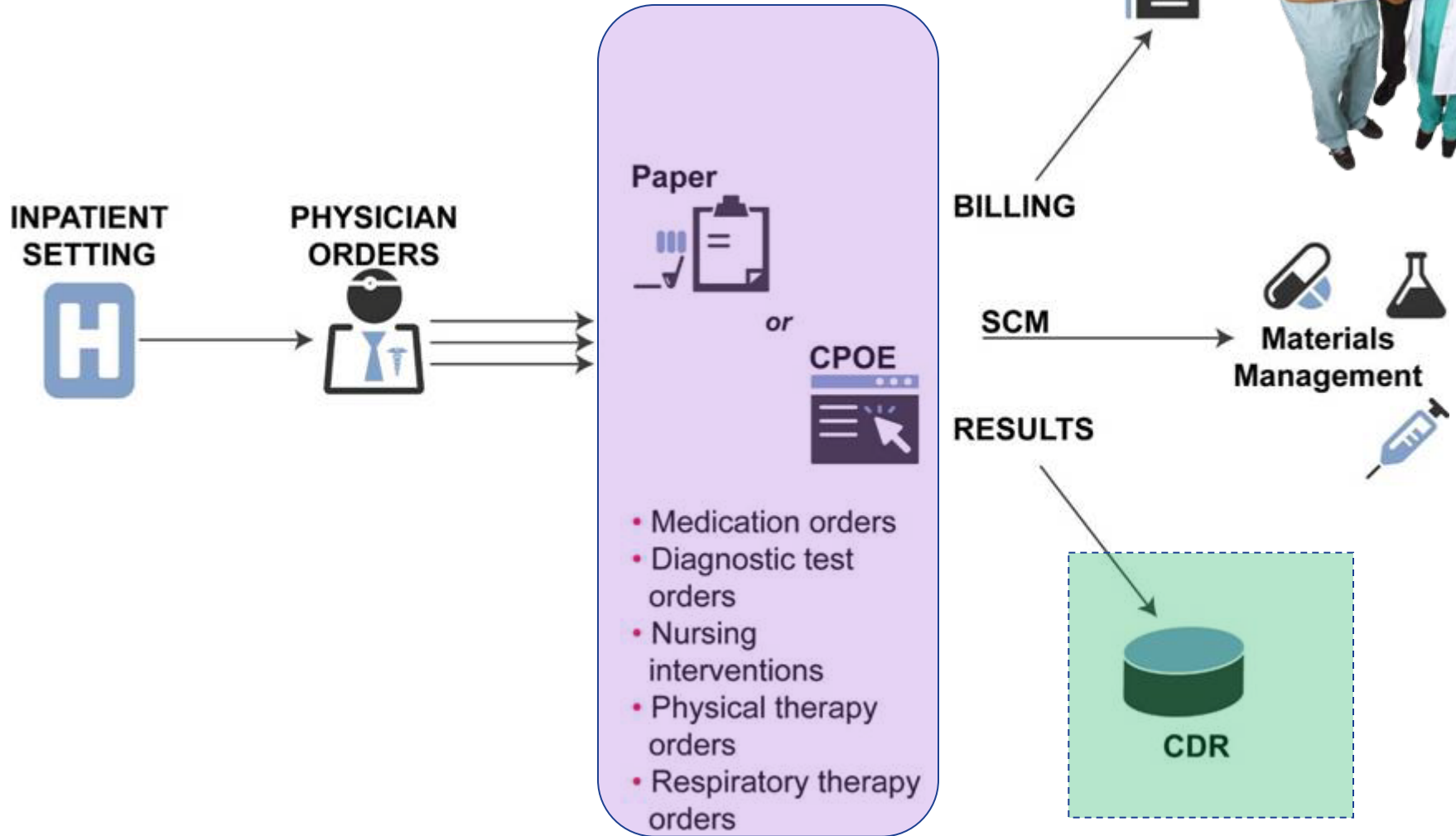
Source: HIMSS Analytics™



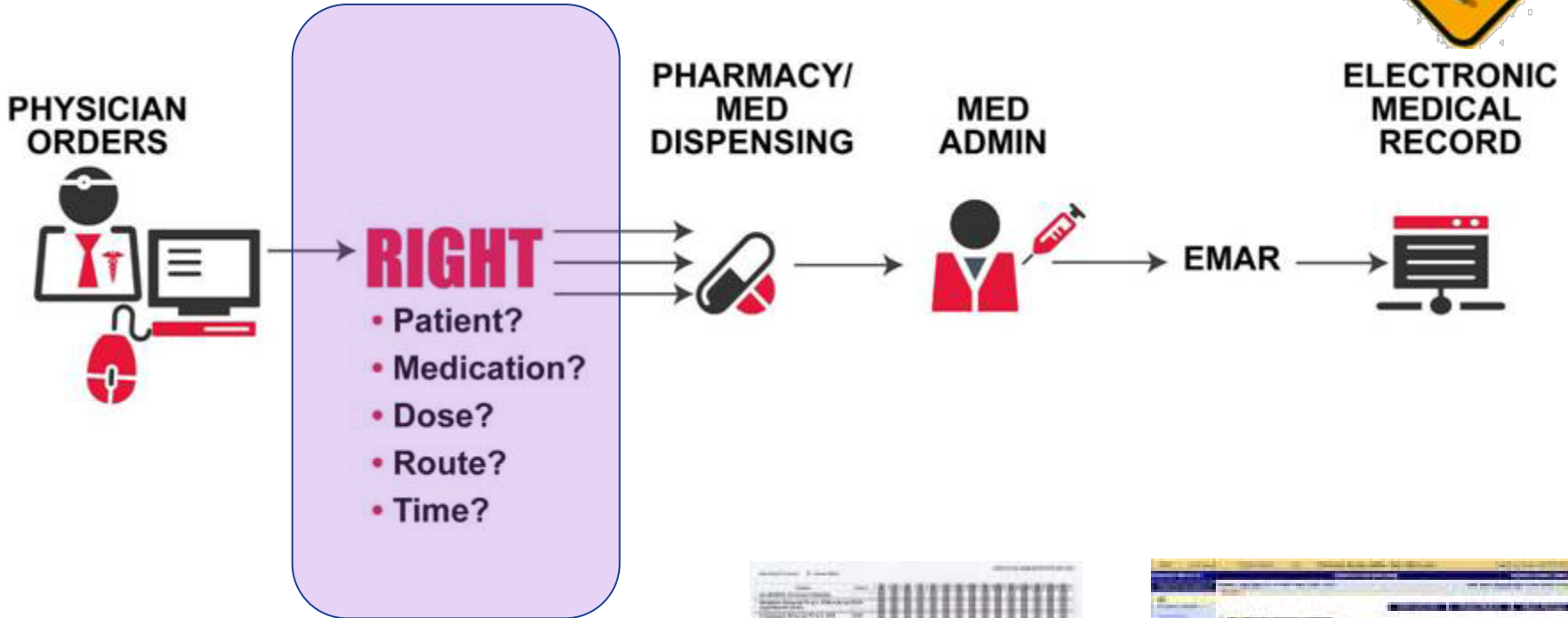
# Automating Patient Access Management



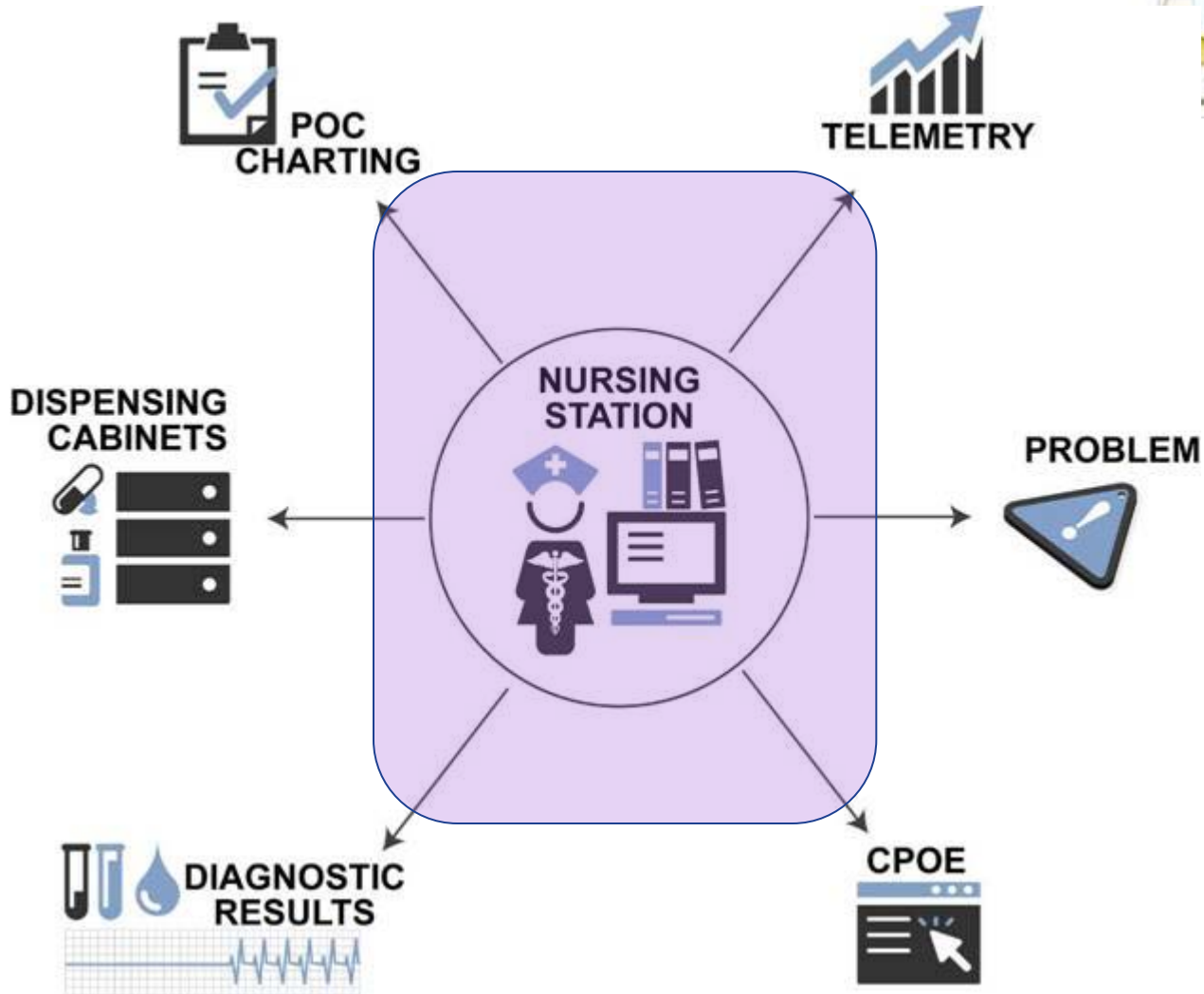
# Automating Diagnosis/Orders with CPOE and CDR



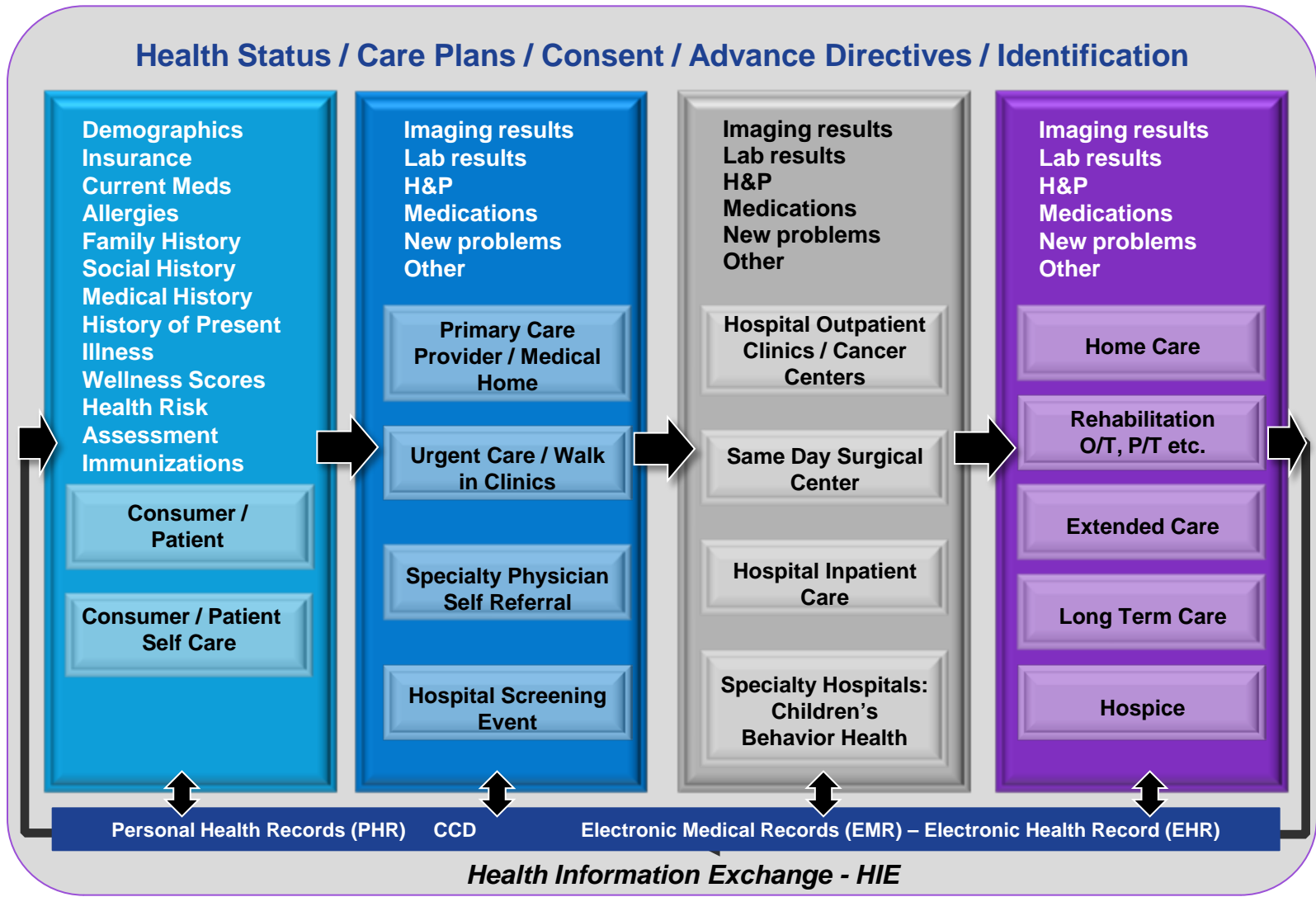
# Automating Medication Management



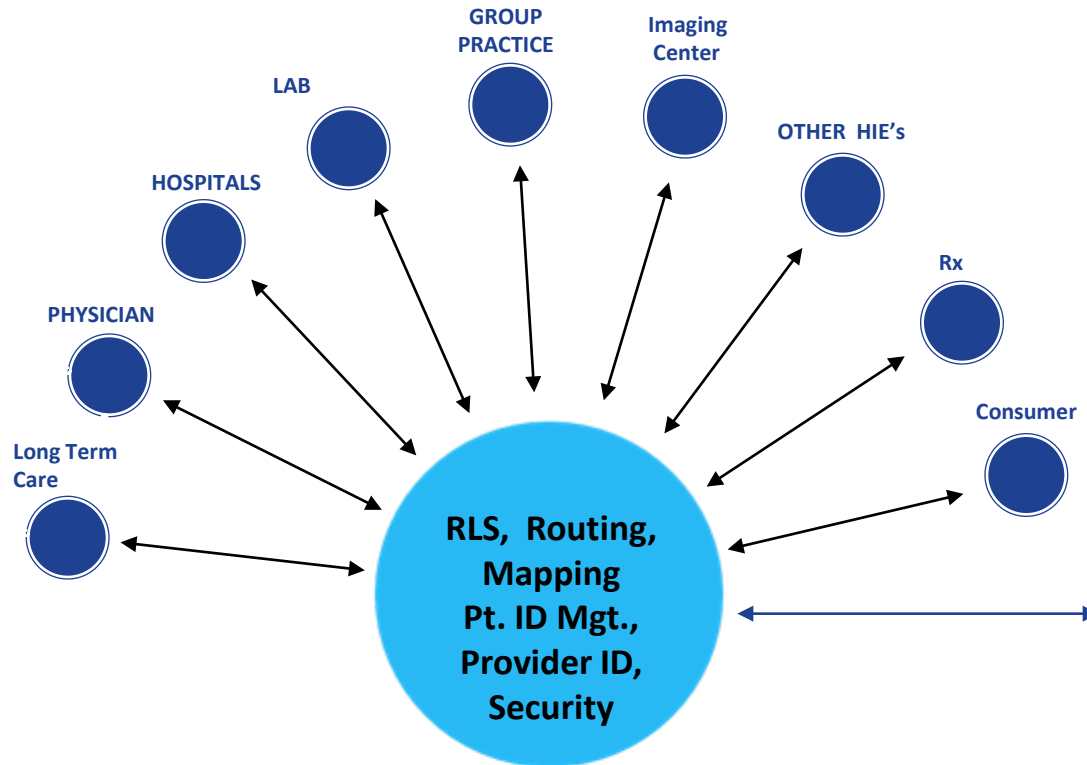
# Automating the Nursing Station



# HIE and the Care Continuum



# Health Information Exchange (HIE)



## Workflow Integration



**Primary role: Coordination of Care and EHR Record Sharing**

# HIE Attributes

## *Primary Functional Options*



- EHR to EHR bi-directional record exchange
- EHR to EHR query response
- Patient / Consumer Identity Management
- Architecture
- Data Normalization
- Actionable Options
- Reporting
- Provider Views
- Semantic Interoperability



# HIE

## *Hospital / Physician EHR Concerns*

- Multiplying number of EHR vendors in their market sphere
- Patient identifier issues – EMPI
- Ability of the systems to accept outside orders
- Ability of the systems to export results in a timely fashion
- Assignment of the correct physician to the record
- Ability to export discrete data, i.e., medication records to the clinic for active meds



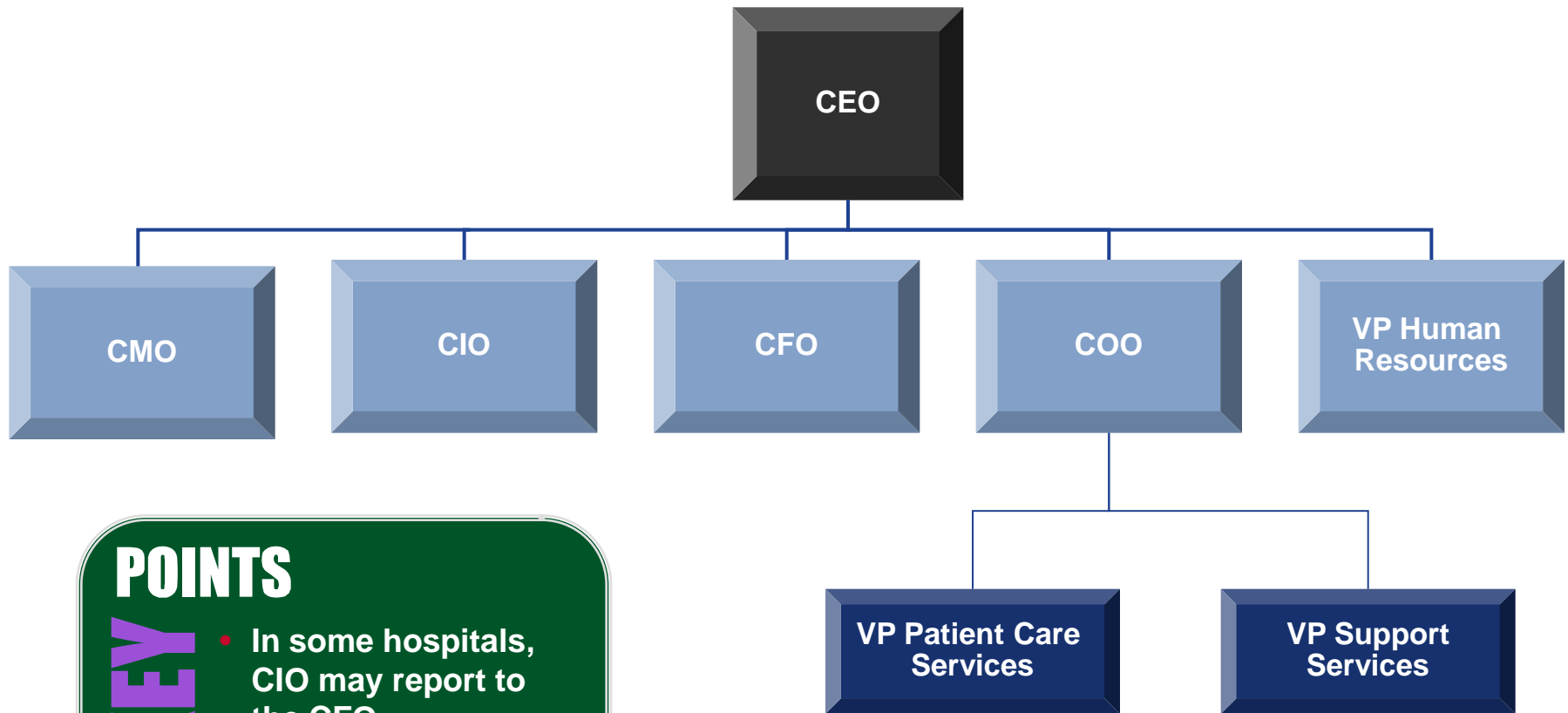
# Hospital/Health System Structure and Decision Making



# Hospital Types



# Typical Hospital Organization Chart



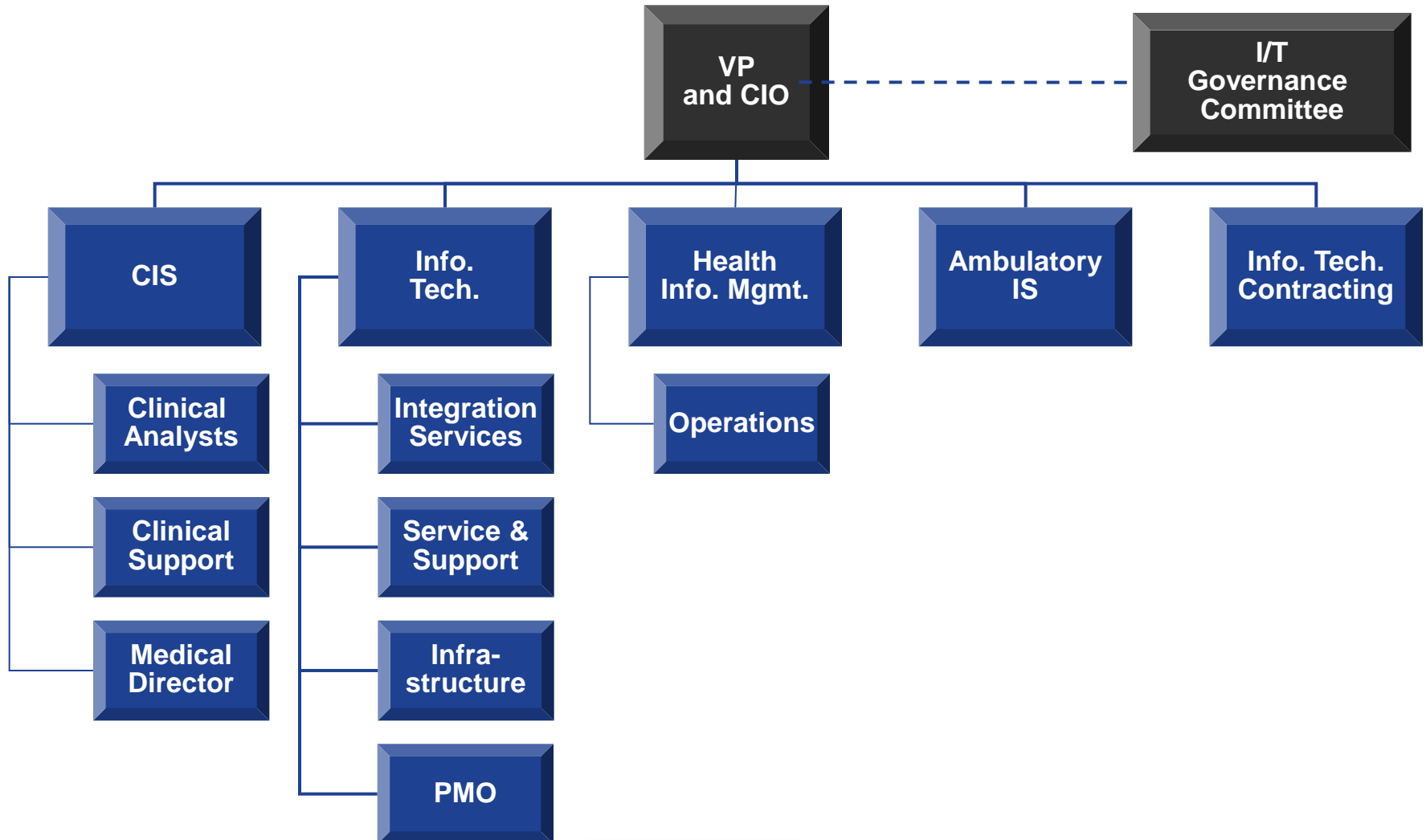
## POINTS

**KEY**

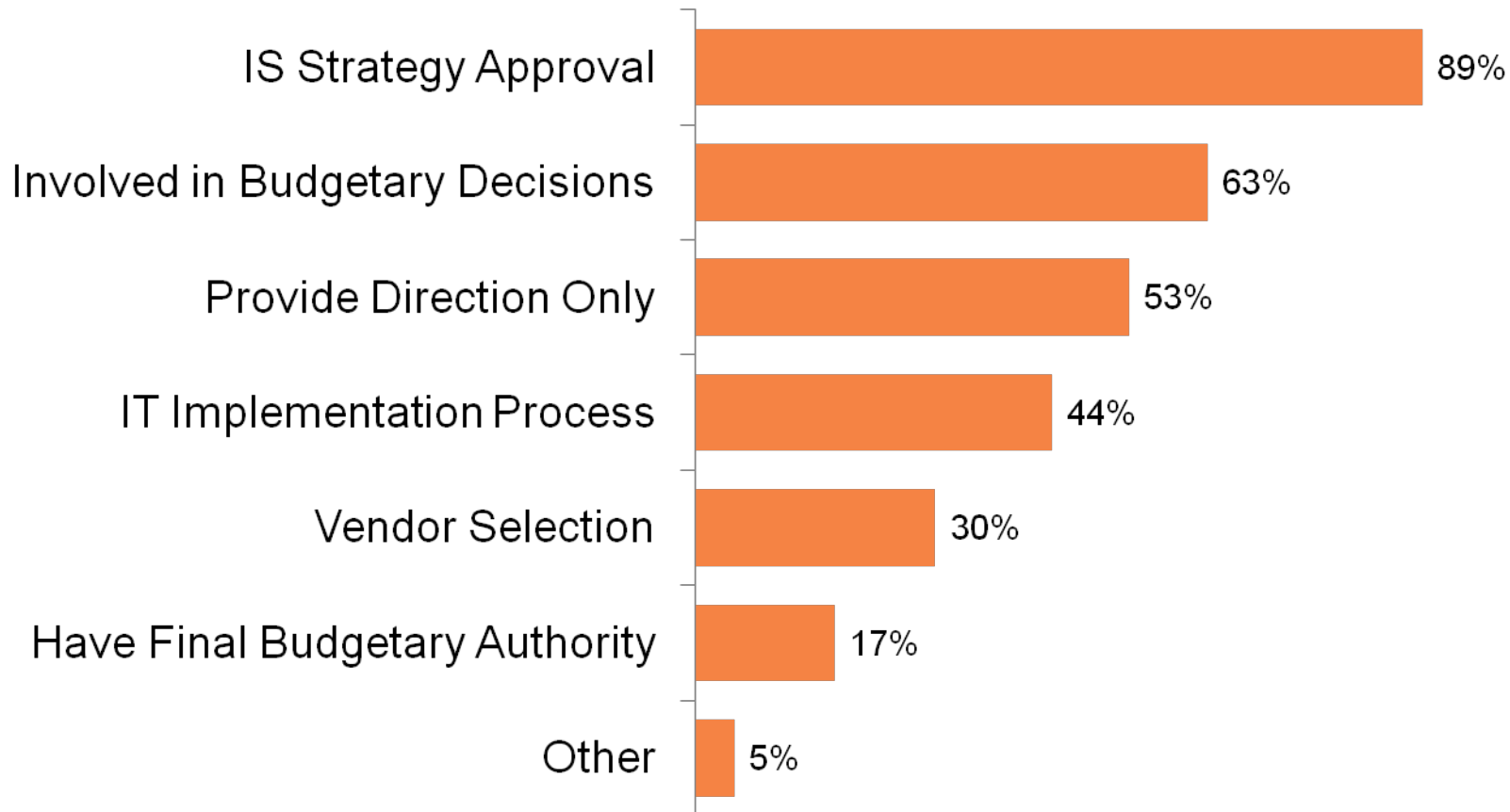


- In some hospitals, CIO may report to the CFO
- In large IDSs a CMIO may also report to the CEO or CMO

# Information Services

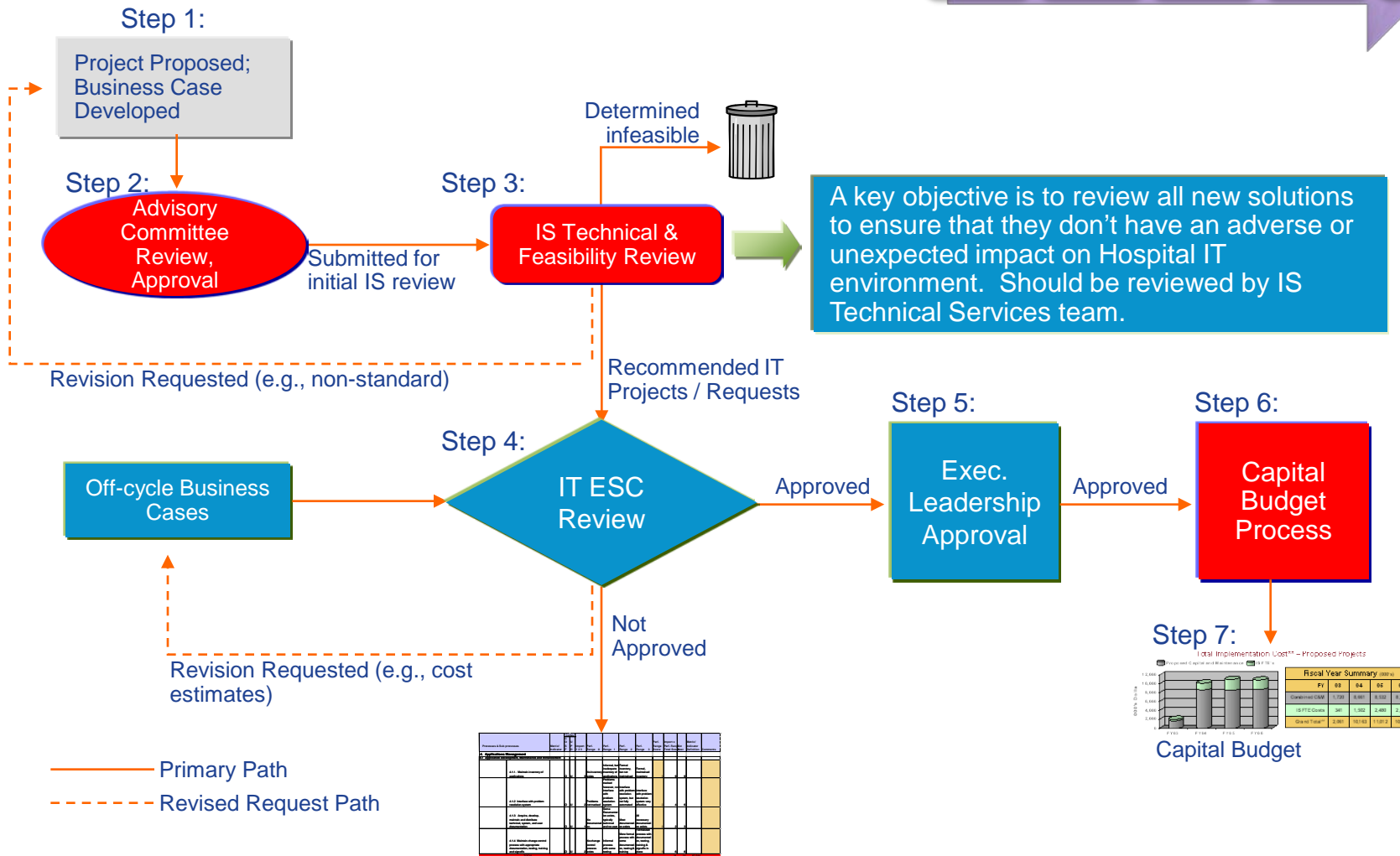
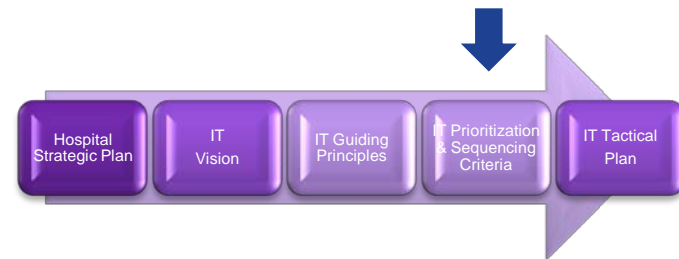


# Role of I/T Steering or Governance Committee

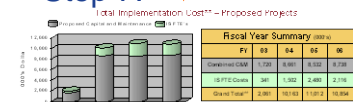


Source: "The Changing Landscape of Healthcare I/T Management and Governance," HIMSS Analytics-Scottsdale Institute Leadership Survey, 2005

# Project Prioritization Process



Project Name	Priority	Score	Status	Comments
IT System Upgrade	High	95	Approved	
Network Expansion	Medium	78	Under Review	
Security Enhancement	High	88	Approved	
Cloud Migration	Medium	72	Not Approved	Cost estimates too high
IT Training Program	Low	65	Not Approved	Not a priority



— Primary Path  
 - - - Revised Request Path

# Vendor Selection and Purchase Process



# The Buying Process

## Varying Approaches

### Procurement approaches vary by organization type

- Academic Medical Center vs. IDN vs. Community Hospital vs. other

### Be sure to understand key procurement/organizational goals

- Goals for minority and/or women owned businesses – drives partnership strategies

- Governmental / public procurements
- Who is the buyer? Depends on type of solution and the buyer organization:
  - Clinical Systems – departmental or enterprise
  - PACS/Radiology
  - Physician Practice EHR/Practice Mgmt – size/type
  - HIE – enterprise or community

# The Buying Process

## *Getting Engaged*

- Devise a IT Strategic Plan
- Prepare Technical and Functional Specifications
- Conduct a Benefits Analysis/Total Cost of Ownership
- Issue a Request for Proposal (RFP)
- Develop Narrowing Criteria
- Preliminary Review of the Vendor Proposals
- Reference Checks
- Vendor Presentations
- Proposal Scoring
- Financial Analysis/Price Performance Comparison
- Vendor Selection



*Strategic Partners always get engaged here*



*Transaction Sales Partners tend to engage here*



***Goal must be to move up the chain***

# Hospital to Ambulatory Challenges

- Specialty clinic modality interfaces – imaging systems, diagnostic devices, etc.
- Interoperability with hospitals and reference labs.
- Requirement for Continuity of Care Document interchange with referring and consulting physicians.
- Health Information Exchange environment, options and decisions.
- Analytical and quality measure reporting.
- Tracking EHR utilization for HITECH compliance reporting.



# Understanding Hospital Vendor Relationships



# Vendor Value

## Education

- What is new and what value does it bring to the customer.
- How your solutions help meet current and future state needs.

## Best Demonstrated Practice

- Map the experience with you to existing customers of a similar profile that are successful.
- Peer to peer examples.

## Problem Solving

- How have you solved tough challenges with creative solutions.
- May not always include your products or services.



# Key Vendor Do's and Don'ts

## Do

- Bring value every step of the way to all departments
- Follow their rules of engagement and be prepared at all times
- Understand their level of knowledge and talk to that level
- Bring testimonials and BDP to them in a respectful manner
- Engage and communicate to best understand how you are meeting their need for information

## Don't

- Violate the rules of engagement
- Do an end around to the business owner or the CIO
- Bad mouth your competition
- Bring poor references that do not match up with their profile
- Put lipstick on the pig...if your products are not state of the art then don't try to make it sound like they are
- Become confrontational

# Sales & Marketing Implications

- Be able to articulate industry trends and relate to customer strategic objectives from a HOSPITAL perspective.
- Engage with customers as a resource to support their strategy and planning. Build relationship capital.
- Link your solutions to strategic and tactical business and clinical objectives for the hospital.
- Engage in multi-level selling: IT, clinical and business decision makers.
- Understand and honor the rules of engagement at all times.
- Utilize Best Demonstrated Practice (BDP) for similar profiles.

# Implications for Selling to Hospitals

- Certification of Hospital EHR's – will you be there in the future?
- Are your products interoperable out of the box with one another?
- Will you be able to meet HITSP standards in a timely fashion?
- Can you be the trusted source of technology and services for a comprehensive Hospital and HIE application?
- Can you provide effective levels and high quality services over the long haul?

# Thanks for Participating !

**Education Program Materials Developed By  
Wakerly Partners, Inc.**

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