



THE ESSENTIAL GUIDE TO

EHR VALUE & SUSTAINABILITY

TABLE OF CONTENTS

Introduction 3

CHAPTER 1

**Seven Necessary Qualities
in an EHR** 4

CHAPTER 2

**10 Key Drivers
of Financial Sustainability** 12

CHAPTER 3

**An EHR Cost-Benefit
Checklist** 22

CHAPTER 4

Results 25

Conclusion 30



INTRODUCTION

We're in the midst of a profound period of change in both healthcare and the technology used to support it. Is your EHR vendor prepared to help you keep pace? Artificial intelligence, personalized medicine, advanced data analytics, cloud computing, remote patient monitoring ... the list goes on. As a healthcare leader, you have an endless list of important choices to make, but not an unlimited budget.

That means it's more important than ever to invest in an EHR that optimizes both innovation *and* value. An EHR is one of the most significant investments your organization will make. It's an investment in your future, and just like any investment, some pay off over time and others don't. The right EHR will produce value for your organization, helping you quickly achieve ROI. More importantly, it will put you on a path toward long-term sustainability, allowing you to preserve your independence.

In an age of tight margins and declining reimbursement, the cost of most EHRs is not in line with their value. EHRs are supposed to help healthcare organizations provide better, safer care, at a lower cost. But how can you be expected to bend the cost curve in one direction when your EHR vendor is pushing it the other way? With average hospital operating margins

barely above 2%, choosing an overpriced EHR that provides no more value can literally wipe out your margin. Today, the purchase, installation, and use of some EHRs now exceeds 5% of healthcare organizations' total operating costs, while the value they produce is often no greater than EHRs with half the total cost of ownership. That's a risky bet.

Ask for proof from vendors that the cost of their software produces comparable value.

Healthcare leaders must look beyond the hype. Some vendors want you to believe that if you pay more for your EHR you get more, but it's becoming clear to informed executives that neither clinical nor financial performance correlate with the amount you spend on your EHR. In fact, just the opposite may be true. Spending less and getting the same or even better results puts you on a sustainable financial path. That's good fiscal stewardship. It also frees up resources so you can focus on your most important job: caring for patients. That's principled leadership.

In the end, we hope you'll choose MEDITECH. We believe we deliver the widest range of innovative, integrated, intelligent EHR solutions at any price point — because we don't think you should have to choose between innovation and value. Today, our Intelligent EHR, Expanse, offers some of the most advanced functionality available, including

AI-powered search and summarization capabilities (collaboratively developed with Google Health); the industry's first EHR-based personalized medicine solution (Expanse Genomics); the most secure and scalable cloud-based EHR available for organizations of any size — MEDITECH as a Service (MaaS); and our national data exchange network (Traverse Exchange), which allows our customers to seamlessly and securely share data with other MEDITECH organizations and other EHRs. These are just some of the tools within Expanse creating the ecosystem of innovation that enables our customers to thrive.

But that's not what this ebook is about. If you want product information, you'll see how to get it, but this ebook is focused on the key drivers of long-term sustainability and the qualities needed in an EHR to help you succeed — today and well into the future. It presents valuable information culled from our deep experience in this industry. I firmly believe that if you use the information we share here, you'll select the EHR that's right for you.

Rachel Wilkes, MBA
Director, Marketing
MEDITECH





CHAPTER 1

Seven Necessary Qualities in an EHR

The purchase of an EHR isn't simply a cost to be incurred. It's an investment that must produce value.

Yet to produce value, and put you on a financially sustainable course, your EHR must possess several important qualities.

The following seven are essential:

1

An EHR must support **QUALITY**.

The EHR you choose should support — not hinder — the delivery of high quality care.

Quality is defined by the National Academy of Medicine as the degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge.¹ Today this means much more than ensuring patient safety through functions like drug interaction checking, electronic prescribing, and bedside medication verification.

EHRs today must embed current professional knowledge directly into their software through evidence-based content, protocols, and care pathways — making high quality care part of standard clinical practice and reducing

unnecessary and costly variation. But these best practices must also extend beyond individual patient care to encompass population-level care as well. Quality dashboards can ensure that patients are receiving the right care at the right time, but predictive surveillance can go further — constantly scanning EHR data to detect early warning signs and alert providers to emerging issues like sepsis, CAUTI, and other serious conditions so they can intervene before they develop.

Providers and executives today are called upon to prove they're delivering high quality, clinically appropriate care. This means an EHR must enable you to assess your performance on quality benchmarks at any time — not just at the end of the month, quarter, or year.

¹ Quality Measurement and Quality Improvement. Centers for Medicare & Medicaid Services. September 10, 2024.



2

An EHR must enhance provider and patient **SATISFACTION**.

Between the complexities of patient care, regulatory requirements, and clerical burdens, it's understandable why provider burnout remains at critical levels.

According to a 2020 study of 100 million patient encounters with more than 150,000 physicians at approximately 400 health systems, physicians spent an average of 16 minutes and 14 seconds per encounter using EHRs, with chart review (33%), documentation (24%), and ordering (17%) functions accounting for most of the time.² Although the distribution of time across functions in the EHR varied by specialty, the study corroborated

previous research revealing that physicians spend more than 50% of their workday pointing, clicking, and entering data in their EHR.³ These studies clearly demonstrate that physicians need more intuitive and usable software, including mobile tools that are as easy to use as their favorite apps, and software they helped design that meshes seamlessly with their workflows.

Ask physicians how easy it is to learn and use their existing software, and how it has impacted their productivity. Clinicians should do more than just tolerate their EHRs. They should enjoy using them.

² J Marc Overhage, David McCallie Jr. Physician Time Spent Using the Electronic Health Record During Outpatient Encounters: A Descriptive Study. *Annals of Internal Medicine*. October 6, 2020.

³ Brian G. Arndt, et al. Tethered to the EHR: Primary Care Physician Workload Assessment Using EHR Event Log Data and Time-Motion Observations. *Annals of Family Medicine*. September 2017.



3

An EHR must cut COSTS (not add to them).

Your EHR should improve your bottom line by reducing or eliminating avoidable costs

like penalties for unnecessary readmissions and hospital-acquired conditions. Predictive clinical surveillance can help your clinicians detect and address emerging issues before they become critical, notifying them when a patient meets the criteria for sepsis, CAUTI, CLABSI, and a number of other risks. Similarly, your EHR should continuously monitor your clinical and financial performance to identify and eliminate costly variations in care and root out other areas of inefficiency.

Of course, the up-front cost of EHRs varies widely, but there are ongoing costs that live on your balance sheet, too, making the total cost of operation most important in the long run. [See page XX for a detailed list of “hidden costs” to look out for.]

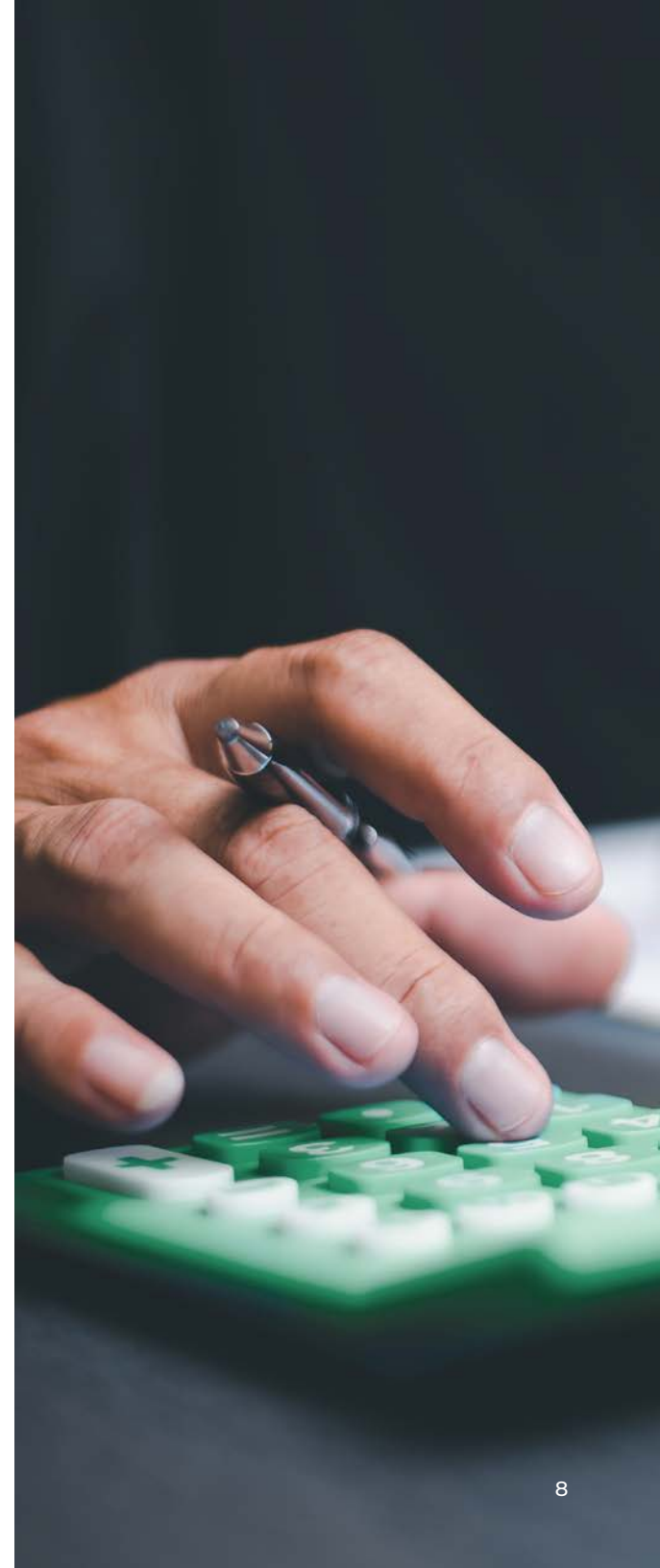


4

An EHR must unlock new REVENUE streams (and optimize existing ones).

The right EHR will help you better manage the costs of your patient populations and maximize your reimbursement under new care models — unlocking new revenue streams vital in today's competitive market. The ability to stratify populations by condition and risk is essential for taking appropriate action and keeping patients in lower cost, lower acuity settings whenever possible. And your EHR must include a modern analytics solution for real-time monitoring of your organization's financial and clinical performance. These solutions should be native to the EHR — not bolt-on, aftermarket products.

Don't forget the enormous opportunity an EHR can provide to optimize existing revenue sources. Integrated revenue cycle management tools can help you tighten your A/R cycle, reduce denials, and improve cash flow. All of these components should be designed to help you thrive under both value-based and fee-for-service models, since your organization will need to operate effectively in both worlds for the foreseeable future.



5

An EHR must drive greater EFFICIENCY.

Today's demand for highly integrated and coordinated care requires a more integrated and efficient EHR. One that automatically shares data and enhances communications across all of your settings, supporting smooth care transitions. Look for tools that enable care managers to help patients manage their conditions and maintain wellness; control costs and improve outcomes through more effective chronic care management; and efficiently prioritize care activities to ensure timely follow-up. These qualities don't just support operational efficiency, they enhance patient convenience and satisfaction.

Of course, clinician efficiency is absolutely critical — not just from an operational and financial perspective but for burden reduction. An efficient clinician — unhampered by their EHR — can focus on patient care. Your EHR vendor must be committed to developing thoughtful, AI-based

tools that reduce the burden of getting data into the EHR (documentation) and getting data out (surfacing the data they need, when they need it). These tools should include generative AI for drafting visit notes and AI-powered search and summarization capabilities that intelligently scan and rank structured and unstructured data, including scanned and handwritten documents, faxes, and legacy data. When providers have the time and cognitive energy to focus on their patients and not their technology, both patients and providers are happier — boosting satisfaction and loyalty for both.

Finally, integrated analytics can help you promptly detect and eliminate inefficiencies, including gaps in care. The most effective analytics solutions will help you visualize your data, using dashboards to track service line and supply chain performance, ensuring the highest levels of efficiency.



6

An EHR must provide an *intelligent* approach to INTEROPERABILITY.

Even the most thoroughly integrated systems must communicate with the outside world — with other vendor systems, public health agencies, health information exchanges, independent providers, and beyond. The ability to exchange CCDAs and support Direct Messaging is a baseline requirement. But interoperability can't stop there. Make sure any vendor you're considering is heavily invested in the next era of interoperability, which moves beyond cumbersome, static documents toward real-time FHIR-based requests for the targeted data that clinicians need at the point of care.

Organizations should have a proven track record of exchanging data with third-party systems, including multiple physician practice systems and other vendor EHRs. And be certain you

fully understand ALL associated costs. Some vendors charge per-transaction or per-patient data exchange fees, which quickly add up. The most reliable and cost-effective approaches are based on a “one-to-many” model that allows you to securely exchange data with a large number of third-party systems without custom-coded, one-off interfaces. Finally, ask vendors about their participation with interoperability organizations and initiatives, like the Argonaut Project, FHIR at Scale Task Force (FAST), Gravity Project, 360X, and others. The more engaged a vendor is in the interoperability community, the better positioned you'll be to interoperate with your current and future care partners.

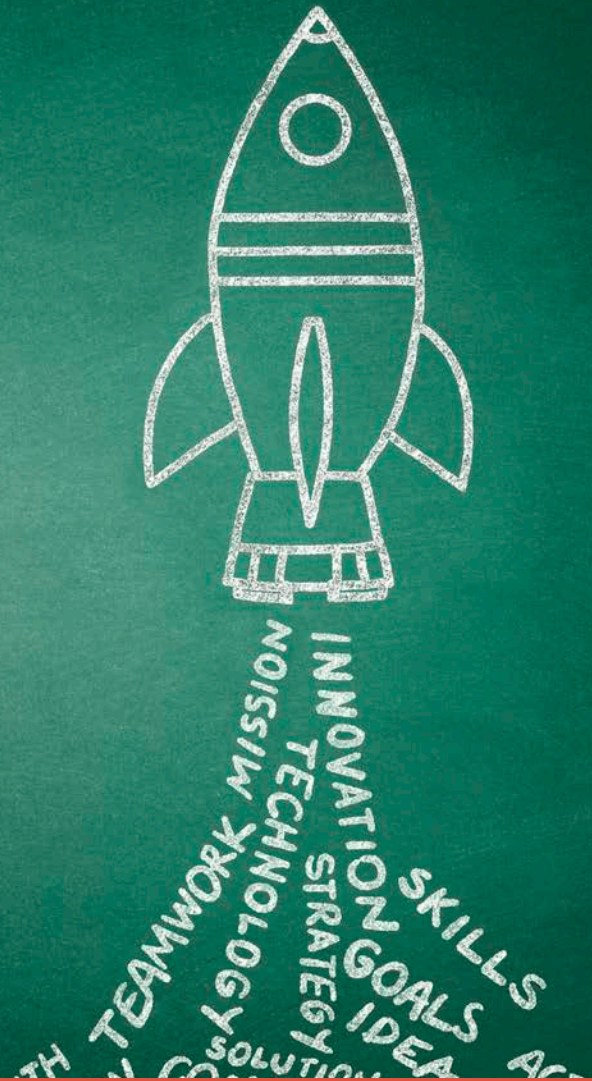


7

An EHR must provide a platform for continuous INNOVATION.

Your EHR should prepare your organization for the future, which means it can't be built on legacy software. Look carefully at each vendor's technology stack and make sure it's rock solid, forward facing, and absolutely secure. Healthcare organizations using legacy solutions are rich targets for cyber threats like ransomware, malware, and denial-of-service attacks. Web-based, cloud-hosted solutions offered via a software-as-a-service model can provide your organization with the security, scalability and flexibility necessary to adapt to evolving needs. Beyond the core EHR, advanced solutions — like integrated genomics, patient communications and engagement, and predictive analytics, among others — allow you

to plug and play rather than start a new vetting process for third-party solutions every time leadership launches a new initiative. Last but certainly not least, carefully evaluate a vendor's philosophy, strategy, and market position with respect to artificial intelligence. AI has the potential to significantly reduce clinician burden, detect subtle trends across large data sets, search and rank results from vast amounts of data inside and outside of the EHR, and so much more, but it must be utilized thoughtfully. Artificial intelligence should always operate as a supplement.



Up Next

While these seven essential qualities provide a strong foundation for a sustainable business model, no EHR alone can guarantee financial success. In the next chapter you'll learn about "10 key drivers" that determine long-term sustainability — and how your EHR vendor can help you maximize them.





CHAPTER 2

10 Key Drivers of Financial Sustainability

An EHR is not a silver bullet. It cannot guarantee you financial success on its own because key financial drivers in healthcare operate outside of the influence of software. But a good EHR vendor recognizes this and does more than deliver code: They partner with you to optimize their system for your specific environment. The right EHR supported by the right vendor will help you build a strong foundation for identifying, monitoring, and optimizing the key drivers that impact long-term sustainability. Here are 10 key drivers to look for:

01 AN EFFECTIVE IMPLEMENTATION

It's difficult to overestimate the importance of an effective implementation. Even the best software can fail when poorly implemented, and a botched implementation can have effects including patient safety concerns, ballooning costs, delays, and system disruptions.⁴ Today's EHR reaches deep into nearly every clinical and operational process of your organization, so it's essential for a vendor to understand your users and how their workflows can help you tailor the software to your environment.

Make sure the vendor has a well-defined implementation methodology, with proven results for achieving rapid and robust adoption. Ask them to explain how they approach each stage of the implementation — from planning and design, to building and training, to post-LIVE optimization — and be sure you know what kind of resources will be required from you, from them, and from any third-party vendors or consultants.

⁴ Underlying Factors Contributing to Deficiencies after the New EHR Go-Live at the Mann-Grandstaff VA Medical Center. Department of Veterans Affairs Office of Inspector General report. March 17, 2022.

WHAT YOU NEED:

A well-defined and easily understood implementation methodology with proven results.

02 SOUND LEADERSHIP

A project as large as an EHR rollout demands strong leadership. While you can't expect a software vendor to cultivate your leaders for you, you can expect them to build competence and confidence among your implementation team. Some vendors require massive teams of outside consultants to implement their software, ratcheting up costs and creating dependency among your users.

Look for vendors that have a well-developed core team model that identifies project leadership and helps them develop their expertise. This team should include physician and nurse leaders, executive sponsors, IT specialists, and other members of both the front and back office. A good vendor will continue to cultivate their system competence long after the implementation, through user forums, peer group meetings, and other opportunities to enhance skills and learn best practices.

WHAT YOU NEED:

A strategy for identifying and cultivating strong, engaged leaders and building their competence and confidence in the use of the EHR.

03 CLINICAL STANDARDIZATION

Evidence-based standards improve quality, outcomes, and patient experience — all at a lower cost. But to achieve effective standardization, you need provider engagement in developing, implementing, and enforcing your standards. Your EHR has an important role to play here. It should include evidence-based, peer-reviewed content wherever possible, delivered at the point of care. When evidence from rigorously conducted studies is not available, your clinicians should have the tools they need to set their own experience-based standards.

Don't overlook the analytics capabilities necessary to make sure your standards of care are being followed. When you combine performance transparency with timely and accurate data, providers understand both the clinical and financial impact of their care decisions.

WHAT YOU NEED:

Evidence-based clinical content built into the EHR and analytics for monitoring adherence to your care standards.

04 FINANCIAL BEST PRACTICES

It has never been more important for healthcare organizations to follow financial best practice guidelines. Healthcare organizations have experienced a long and difficult recovery from the COVID-19 pandemic, with margins finally starting to edge back to pre-pandemic levels. Hospitals' median operating margin index remains at just over 2% according to Kaufman Hall's 2024 "National Hospital Flash Report," based on data from more than 1,300 hospitals.⁵ Clearly, organizations must better manage their revenue cycles, eliminate unnecessary care variation, and properly balance their service lines. This is where your EHR should excel.

A strong EHR will tighten your A/R cycle by accelerating eligibility checking, claims submission, bill remittance, referrals, preauthorization, and denial management. It can help you capture charges at the point of care to ensure accurate coding and reduce lost charges. It can even help you take advantage of revenue-generating opportunities by automating chronic care management and annual wellness visits. The best solutions include tools that help you visualize your data with graphical dashboards to help you detect trends, identify trouble spots, and find new opportunities for growth.

WHAT YOU NEED:

Revenue cycle management and financial analytics tools that help tighten your A/R cycle, reduce variation, and optimize service lines.

⁵ National Hospital Flash Report. Kaufman Hall. January 30, 2024.

05 SYSTEMNESS

Systemness means more than building a cohesive and coordinated care delivery model across care settings. It means creating a genuine culture of connectivity. One that is experienced by everyone in your organization, including (and especially) your patients.⁶ This culture exists well outside the realm of software, but your EHR choice can be foundational.

An EHR that establishes a single patient record across all inpatient and outpatient settings is a good start because it can provide access to a fuller clinical picture of your patients. Just as important, a single EHR can present a consistent user interface to your providers wherever they are, reducing both training time and ongoing cognitive load. Through the sharing of data, processes, and standards, your providers and staff develop the sense of connection and common purpose that form the foundation of systemness.

⁶ Trudy Land, FACHE. Systemness: Leading Healthcare Systems from Theory to Reality. *Frontiers of Health Services Management*. Summer 2021.

WHAT ▶ YOU NEED:

An EHR that spans your continuum of care, establishing a single record across all settings and unifying the user interface for providers and other staff.

06 CONSUMER ORIENTATION

Enhancing the way your patients engage with and experience your organization is critical to your long-term success. More than ever, patients have choices for their care, and today's healthcare consumers expect convenience, value, and transparency.⁷ Your EHR will either help or hinder your efforts to enhance patient experience and cultivate loyalty. A well-integrated EHR will support a more seamless, end-to-end patient experience, beginning with convenient tools for self-scheduling and contactless check-in, through timely reminders and bi-directional patient communications, and on to patient-friendly statements that combine charges from services anywhere in the care system.

More robust solutions will include the ability to develop customized patient questionnaires and allow patients to share data from their personal devices and apps. Video visits are helping traditional care organizations compete with chain-based convenient care options, but make sure the solutions you're considering are fully integrated into provider workflows, not stand-alone processes. As value-based care advances, you'll want to develop specific engagement strategies for each segment of your patient population, since patients respond very differently to certain messaging and media.

⁷ Jessica Buchter, Jenny Cordina, and Jillian Eckroate. Consumers rule: Driving healthcare growth with a consumer-led strategy. *McKinsey & Company*, April 15, 2024.

WHAT ▶ YOU NEED:

An integrated patient portal with access to data from all care settings, patient-friendly bills, and telehealth/telemedicine features.

07 CLINICIAN ENGAGEMENT

An engaged clinician becomes a champion for your systems, processes, and culture. High-functioning organizations have high levels of engagement from all employees — particularly their clinical staff. Staff engagement is important in almost every industry but none more so than healthcare. According to a 2023 study by Press Ganey, facilities with highly engaged staff rank an average of 38 percentile points higher on "Likelihood to Recommend" scores in the inpatient setting compared to those in the bottom 25% of engagement performance.⁸

While many factors impact provider engagement, comfort with and confidence in their EHR is crucial. A more intuitive and usable system, collaboratively developed with providers, can support higher levels of job satisfaction and engagement. And options for personalizing the software based on individual preferences and work styles can enhance their satisfaction and productivity. Look for vendors that invite physicians and nurses to participate in development efforts and offer forums with their peers.

WHAT YOU NEED:

Engaged clinicians who buy into your culture and become ambassadors for your standards and best practices among their peers.

⁸ Jessica C. Dudley, MD, Milissa Eagle, MA. Why employee engagement matters for optimal healthcare outcomes. Press Ganey Healthcare Experience Insights. August 9, 2023.

08 DATA DRIVEN DECISION MAKING

Data has always been important in healthcare, but it's the lifeblood of value-based care. Even if your organization is just testing the waters with modest risk-sharing programs, you're recognizing the complexity of tracking performance under multiple payment models, which requires real-time monitoring of clinical and financial information. Performance on quality measures, readmissions, hospital-acquired conditions, outcomes, and a variety of other clinical benchmarks must be readily available. Similarly, service line, supply chain, margin performance, and other financial metrics must be continuously updated.

The old business maxim remains true: You can't improve what you don't measure. But measurement alone is no longer enough. Data must be made actionable. A modern EHR includes powerful visualization tools that deliver the actionable data needed to drive clinical and operational efficiency, maximize financial performance, and improve patient outcomes. Your CEO, CIO, CFO, and CMO each need access to a slightly different data set, presented in a slightly different manner, and they need the flexibility to customize their view of that data to make it meaningful to them. An EHR today must include role-based analytics that can be personalized by users to display just what they need to see, when they need to see it.

WHAT YOU NEED:

Advanced analytic capabilities that provide insights into the key business drivers important to each stakeholder.

09 CONTINUOUS IMPROVEMENT

Continuous improvement does not come from simply adopting a methodology, but from cultivating your organizational culture. You may already have a continuous improvement process in place, and you might even subscribe to a specific philosophy, like LEAN or Six Sigma. But for continuous improvement to take root, you need more than a few black belts on your leadership team. You need to empower everyone in your organization to be thinkers and troubleshooters, not simply rule and process followers.

This kind of cultural change exists outside of the purview of any software, but your EHR can and should play an important role. High-performing organizations empower not only their executive team but staff at every level with the data they need to make informed decisions and become agents of change and improvement. Much of that data is in your EHR.

WHAT YOU NEED:

A cultural commitment to continuous improvement and the tools necessary to measure it.

10 VALUE

To provide value to your patients, you need an EHR that provides value to your organization. Value in healthcare is measured by the outcomes achieved per dollar spent. Likewise, the value of your EHR should be measured by the results it helps you achieve, relative to its cost. Most EHRs today are not providing enough value to justify their cost. In fact, the percentage of an organization's total operating costs dedicated to the purchase, installation, and use of some EHRs now exceeds 5%, while the value they produce is often no greater than EHRs with half the total cost of ownership.

Take a close look at the performance of a vendor's customers to see if the costs associated with their EHR are producing comparable value. How do these organizations perform on quality measures? How about value measures? Ask if a customer or consulting firm has conducted a product value analysis. Data demonstrating the impact of an EHR should be collected at least one year before and after go-live of the product. If a healthcare organization's performance is no better than organizations spending half as much on their EHRs, they've paid a higher opportunity cost that could have been better spent on more patient-focused investments.

WHAT YOU NEED:

Tangible proof from vendors that their customers are performing at levels commensurate with the cost of their products.

A Closer Look at Value

Hospital Performance on Quality & Value Measures

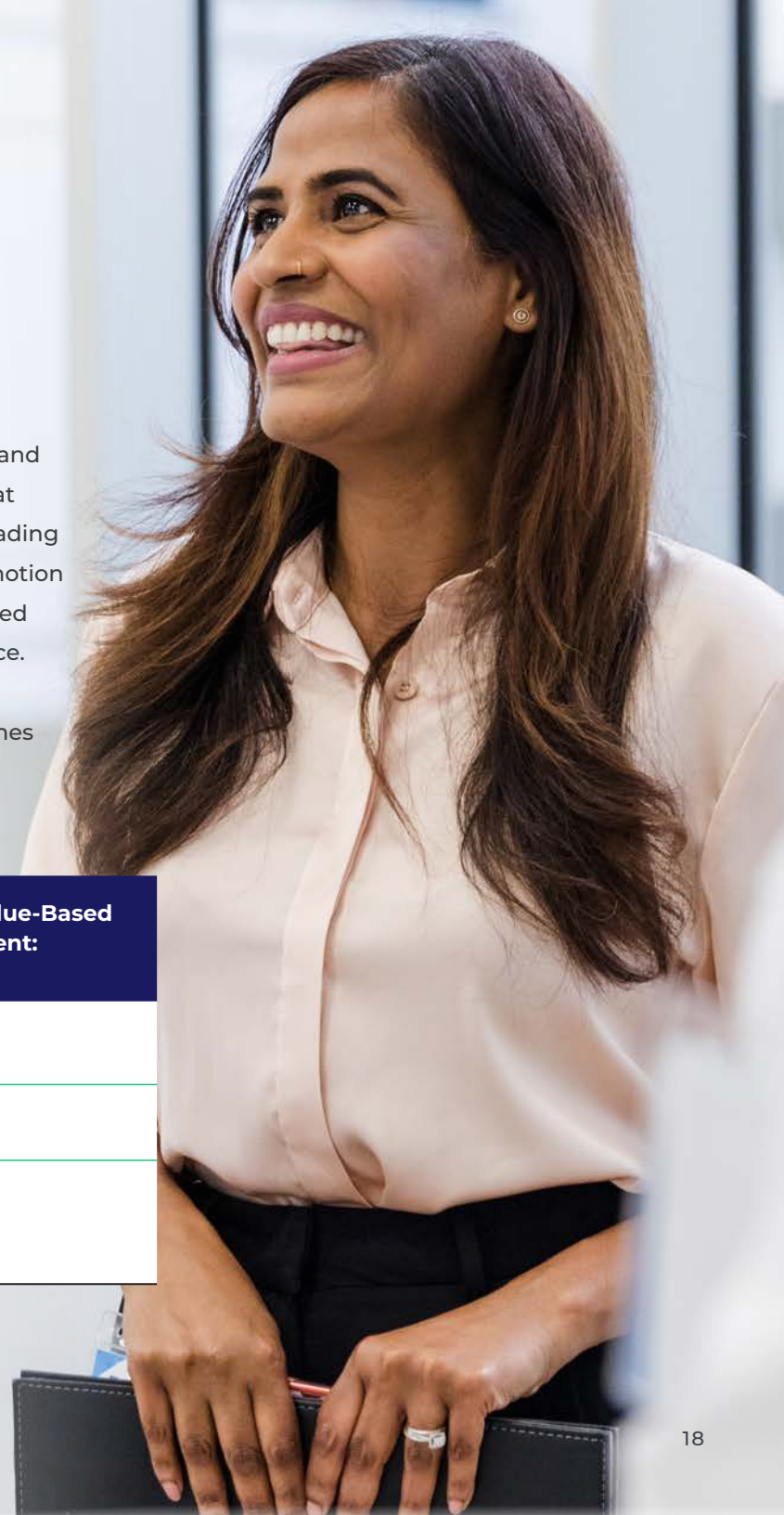
The notion that spending more for your EHR will lead to better outcomes is unsupported by evidence.

Comparing FY2024 CMS quality metrics data from the CMS database with EHR platform data, **Haffty Consulting** evaluated the incidence of hospital-acquired condition penalties, readmission penalties, and both positive and negative value-based adjustments for hospitals using the three leading EHR vendor systems. They concluded that there is no correlation between the amount of money a hospital spends

on its EHR and its performance on quality and value measures. Their findings indicate that healthcare organizations using all three leading EHRs perform equally well, dispelling the notion that spending more translates into improved quality measures and financial performance. MEDITECH customers across all platforms had equivalent to — if not better — outcomes across all four quality and value measures.

EHR Vendor	FY 2024 Medicare Value-Based Purchasing Adjustment: Positive	FY 2024 Medicare Value-Based Purchasing Adjustment: Negative
MEDITECH Expanse	55.4%	44.6%
Epic and Epic Connect	52.0%	47.7%
Cerner <i>(all platforms)</i>	42.2%	57.2%

For more information about this study, contact Haffty Consulting (www.hafftyconsulting.com).





An EHR's value is measured by the benefits delivered. These benefits are not simply enabled through implementation of the technology itself. **Organization-wide value is directly related to the scale of clinical and operational change that the EHR enables.** As such, value realization is not a short-term prospect. It must be measured across the lifetime of the EHR investment.⁹

9 Sharon Hakkennes and Veronica Walk. Three Steps for Electronic Health Record Value Realization. Gartner.® April 5, 2024.

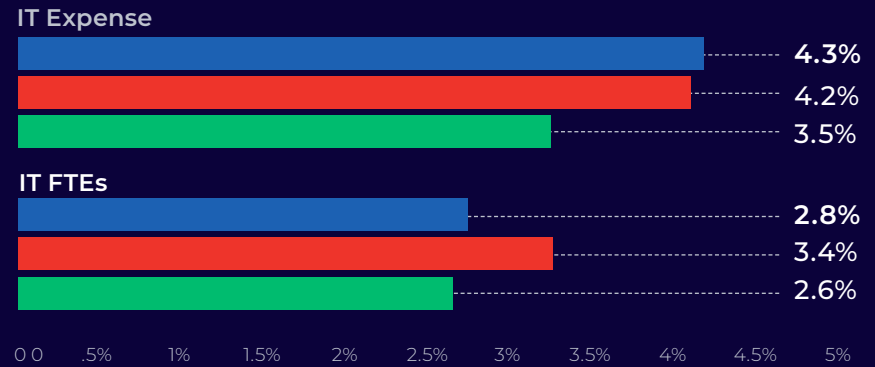
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Healthcare Organization IT Expense

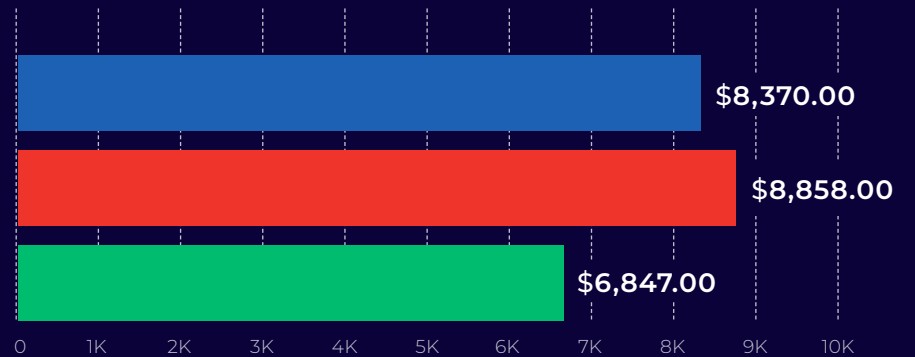
The Scottsdale Institute — a nonprofit organization focused on generating discussion among thought leaders from across the healthcare industry — offers an **IT benchmarking program** comparing metrics on IT spending and staffing. Analysis of program data from 75 participating organizations for fiscal years 2018-2022 indicates that EHRs require significantly different levels of IT staffing and spending.

■ Cerner ■ Epic ■ MEDITECH

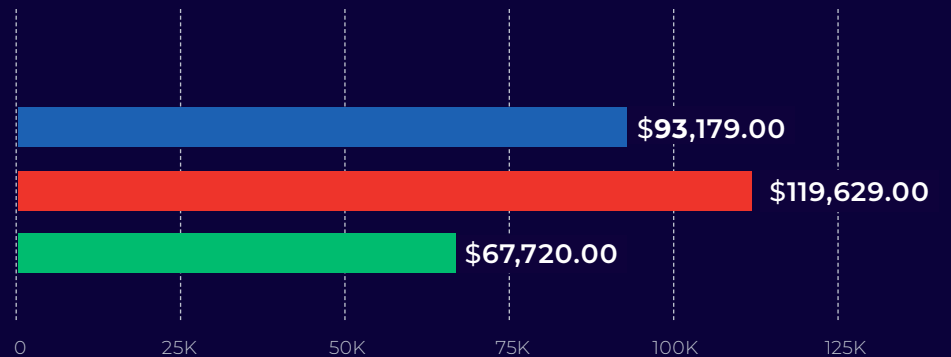
Average IT Expense and Average IT FTEs as % of Total Organization, by EHR

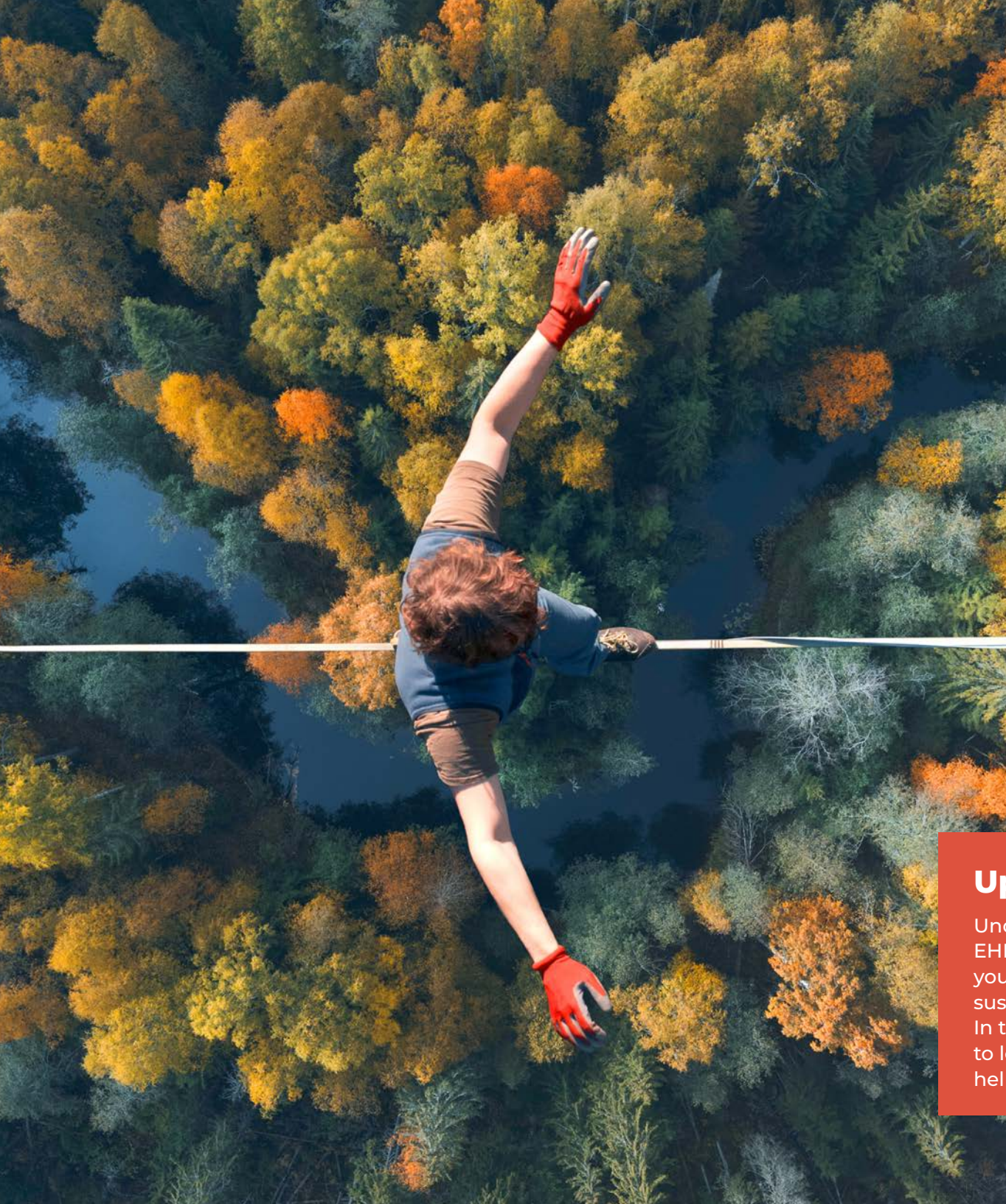


Average IT Expense per Organization FTE, by EHR



Average IT Expense per Staffed Bed, by EHR





Risky Business?

EHRs and Your Margin

With average hospital operating margins in the 2-4% range, choosing the highest cost EHR can literally wipe out your margin and leave you with a very small buffer. Armed with the knowledge that leading EHRs produce similar results in terms of quality and financial performance, it begs the question *why are some healthcare organizations paying for EHRs that consume 5-8% of their margins for no better results?*

Up Next

Understanding these key drivers and selecting an EHR vendor that optimizes their software to help you manage them can put you on a financially sustainable path. But there are still pitfalls to avoid. In the next chapter we discuss hidden EHR costs to look out for as well as benefits the right EHR can help you pursue.



CHAPTER 3

An EHR Cost-Benefit Checklist

It's easy to focus on an EHR's direct costs — licensing, implementation, interfaces, and support — but a number of important indirect costs are often overlooked or underestimated. Uncontrolled, they can cause EHR-related expenses to balloon, pushing off ROI and potentially threatening an organization's sustainability. On the plus side, benefits are achievable with the right EHR when it's effectively implemented and used to support strong clinical and financial standards.

BEWARE OF THESE HIDDEN COSTS:

✘ DATA MIGRATION

Some vendors charge large fees for bringing forward data from a legacy system. Be sure you know which data you need and how much it will cost to migrate.

✘ HARDWARE

EHRs vary greatly in terms of their processing needs. As a result, your current servers and client machines may not be sufficient. Ask for a detailed hardware analysis to assess any new potential costs. You should also consider a shift to a cloud-hosted model. Just be sure you understand any impacts on your autonomy.

✘ NETWORK AND INFRASTRUCTURE

Network capacity between and within facilities may need to be upgraded, including bandwidth and wireless coverage.

✘ DATA STORAGE

EHRs store data differently and have different storage requirements as a result. If legacy data will be archived, be sure to account for it.

✘ STAFF

Ideally, the EHR you select will help you reduce or reallocate FTEs, but many are resource intensive, especially during implementation. You must understand the short- and long-term staffing impact of your EHR choice.

✘ TRAINING

Initial training is often conducted by the vendor, but it's important to consider how you'll conduct ongoing new user training. An intuitive EHR will require significantly less training time and resources.

✘ SUPPORT

Software support models differ widely among vendors. Some provide dedicated service staff while others outsource through call centers, with personalized service available at a higher cost.

✘ ENHANCEMENTS

Some vendors assume the cost of enhancements in their contracts, while others do not. This can have a significant impact on operational costs over time. Even updates to meet regulatory compliance incur charges with certain EHRs.

✘ PREMIUM FEATURES

Be sure you know up front which features essential to your organization are considered add-ons. Items like evidence-based content, order sets, and patient eligibility are just a few that may not be standard. Specialty and custom templates may also cost extra.

✘ INTERFACES

The more integrated an EHR is (across facilities and care settings), the fewer interfaces it requires. Some vendors that claim to be integrated charge interface fees to connect their own products.

✘ UPDATES

Watch out for unexpected fees for updates to systems like ICD-10, LOINC, SNOMED CT, and others. Some vendors charge for updates while others include them in standard maintenance..

✘ PRODUCTIVITY

The transition to a new EHR often produces an initial productivity dip, but the duration of that dip can vary widely. The best EHRs will see providers and billing staff back up to full productivity within days. Others may take weeks or months. In some cases, productivity is permanently decreased.

LOOK FOR THESE BENEFITS:

✓ REDUCED A/R DAYS

An EHR with powerful revenue cycle and collections tools can have a significant and immediate impact — slashing A/R days, improving cash flow, and helping achieve rapid ROI.

✓ REDUCED LENGTH OF STAY

EHRs integrated across care settings enable more efficient care transitions, better coordination, and reduced LOS.

✓ CLINICAL DOCUMENTATION IMPROVEMENT

Better documentation tools enable more accurate coding and charge capture, resulting in improved case mix and higher reimbursement.

✓ REDUCED/ELIMINATED READMISSION PENALTIES

Smoother discharges and more effective education give patients the best chance for success upon departure, while tools for communication and engagement (like portals and remote monitoring) improve compliance.

✓ ENHANCED PROVIDER PRODUCTIVITY

A shared EHR, with the same intuitive interface across all care settings, reduces training time and enhances clinical efficiency. Additionally, specialty-specific workflows, personalization tools, mobility tools, and generative AI with ambient listening integration can further enhance efficiency and reduce click fatigue.

✓ FTE REDUCTION/REALLOCATION

Some EHRs require far fewer IT staff members to operate and maintain, reducing staffing needs and allowing resources to be redeployed more effectively.

✓ REDUCED DENIALS

Improved insurance verification and preauthorization tools reduce denials, while integrated revenue cycle management helps identify and efficiently manage them when they occur.

✓ REDUCED/ELIMINATED TRANSCRIPTION COSTS

Providers with more intuitive and flexible documentation tools (e.g., embedded cloud-based speech recognition, ambient listening, AI, and customizable templates) rely less on dictation and transcription.

✓ VALUE-BASED PROGRAM PERFORMANCE IMPROVEMENT

An EHR with sophisticated analytics capabilities can provide both clinicians and executives with real-time clinical and financial performance data for making rapid adjustments and improvements.

✓ REDUCED/ELIMINATED PENALTIES FOR HOSPITAL-ACQUIRED CONDITIONS

Advanced early detection tools like predictive surveillance and interventional analytics can rapidly identify HACs, helping organizations take action to improve outcomes and avoid penalties.

ROI, TCO & Sustainability

Don't be fooled by quick returns.

Did you know that it's possible to experience a return on investment with a new EHR, but still not achieve sustainability? This happens when a new system identifies and taps a large one-time revenue source. If you've struggled to collect on aging balances, for instance, you might experience a quick win with a new system if it helps tighten your A/R cycle, yielding an initial windfall. This is undoubtedly a good thing — but it's not enough. While it may appear your new EHR is “paying for itself,” cash flow returns to normal once the A/R cycle is tightened. At this point, if the new EHR's total cost of operation is too high, it becomes unsustainable.

On the other hand, if you select an EHR that produces comparable value at a significantly lower total cost of operation, you can maintain safe margins, reinvest in care improvement, and remain sustainable. And remember, TCO is a life cycle cost analysis, so be sure to measure it on at least a 10-year time horizon. Some vendors keep their up-front costs lower, only to capture far more revenue over the life of the product through higher maintenance-related charges.

Up Next

Real-world examples of healthcare organizations minimizing EHR costs and maximizing the key drivers of sustainability to achieve clinical and financial success.



CHAPTER 4

Results

The organizations profiled in this section demonstrate the significant impact an EHR can have on controlling costs, improving quality, and maximizing the key drivers of sustainability. When evaluating vendors, be sure to ask for hard data from customer-led studies to substantiate any claims.

PHELPS MEMORIAL HEALTH CENTER

A revenue cycle roadmap leads to positive outcomes

Phelps Memorial Health Center, a Critical Access Hospital based in rural Nebraska, was struggling with a high claims denial rate, low clean claims rate, and elevated A/R days before moving to an integrated EHR. Using advanced visualization tools like a Financial Status Desktop in the EHR, the organization's revenue cycle steering team was better able to analyze denials and pinpoint problem areas. These tools allowed staff to easily view receivables, revenue, denial data, amounts unbilled and billed, and other key metrics in one centralized location. By establishing key performance indicators and monitoring performance more accurately, leadership can now gauge progress toward organizational goals and make more informed, data-driven decisions.

The results have been significant:

Denials

By moving processes further upstream and identifying the earliest point at which edits can be made, Phelps has continued to reduce denial rates. Armed with better tools for fixing errors before claims are submitted, the organization has driven denial days from 9.4% in 2018 to 0.2% in 2024, boosting both patient satisfaction and employee morale.

Clean claim rate and first pass yield

Prior to implementation of their new EHR, billing staff were manually correcting nearly every claim because they couldn't trust their systems. Following implementation, their clean claim rate (claims that goes through "scrubbing" with no errors) skyrocketed from 0% in 2017 to over 90% in 2024. Additionally, their "first pass yield" rate has improved dramatically, enabling the organization to be paid on first submission.

A/R days

As a result of a lower denial rate, improved clean claim rate, and elevated first yield pass, Phelps has experienced a steep decline in A/R days. Today, the organization is being paid nearly twice as fast as it was, with average A/R days dropping from 55 to the low 30s. Once in the zone of concern for its slow reimbursement cycle, Phelps is now operating in the zone of excellence for healthcare organizations.



LEARN MORE



“When new technology is not viewed as a burden but rather a resource to enhance productivity, staff are in a better position to enhance financial performance and ensure a seamless patient experience. We are proud of how achieving revenue cycle optimization has enabled timely, exceptional care while reducing costs, benefiting both our providers and patient population.”

Rachel Dallmann

Senior Vice President of Clinical Operations

DENIAL RATE

9.4% IN 2018

0.2% IN 2024



CLEAN CLAIM RATE

0% IN 2017

> 90% IN 2024



TOTAL A/R DAYS

MID 50S IN 2017

LOW 30S IN 2024



MILE BLUFF MEDICAL CENTER

A community hospital uses AI to leapfrog larger peers

Mile Bluff Medical Center, located an hour outside of Madison in South Central Wisconsin, provides services to a population of more than 55,000 residents in an eight-county region. MBMC is the picture of a thriving, innovative, community-based healthcare system, with a 40-bed acute care hospital, two nursing and rehabilitation centers, a 12-bed assisted living facility, a 32-apartment retirement community, a state-of-the-art sleep center, retail pharmacy services, and five outreach medical centers

Recently, the health system leapfrogged many larger organizations through its use of advanced AI embedded into the EHR. In 2023, MBMC staff rolled out an AI-powered search and summarization solution developed collaboratively with MEDITECH and Google Health, enabling clinicians and other users rapid access to information from multiple sources in

a true, longitudinal view of a patient's health history. The solution locates and surfaces data from legacy platforms, other health systems, labs, specialty care settings, and a variety of additional sources — scouring unstructured data, scanned documents, and even handwritten notes before sorting, summarizing, and ranking results by relevance for quick review.

The time savings has been dramatic, with clinicians reporting significantly reduced cognitive load. Clinicians surveyed rated the usefulness of (and satisfaction with) the solution in the highest possible range — between “excellent” and “best imaginable” on the software usability scale. Similarly, their Health Information Management team has reported a time savings of approximately 16.7 hours per week — gaining back 10-30 minutes per patient over roughly 50 patients weekly (a 25-40% efficiency improvement).

“This search and summarization tool is powerful. Instead of spending hours or days requesting and sifting through several hundred pages of a patient’s record, this can be done in minutes. It distills the information into something usable at the moment that makes an immediate difference in what I do for this patient.”

Joseph Lachica, MD
ED physician



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EFFICIENCY

7.5

MINUTES SAVED PER PATIENT VISIT

PRE-VISIT PREP FOR PRIMARY CARE,
SLEEP MEDICINE, CLINIC PRE-OP

TIME SAVINGS

16.7

WEEKLY HOURS SAVED IN HEALTH
INFORMATION MANAGEMENT RESULTING
FROM A 25-40% EFFICIENCY IMPROVEMENT

USER SATISFACTION



REPORT BEING SOMEWHAT OR
VERY SATISFIED WITH SEARCH
AND SUMMARIZATION

“I am tasked with reviewing hundreds of pages of discharge summaries and scanned documents from other sites each day. This functionality is going to transform my entire workflow.”



Kayla Bilek
HIM staff

KING'S DAUGHTERS MEDICAL CENTER

Easing the burden on nurses

Physician burnout has been considered a primary concern of healthcare leaders for over a decade. Less conspicuous, but no less important, is nursing burnout. High patient-to-nurse ratios, challenges documenting care in EHRs, and the emotional toll of caring for the rising number of critically ill patients makes nurses just as prone to burnout as their physician counterparts. Recognizing these challenging dynamics, the leadership team at King's Daughters Medical Center in Brookhaven, MS, sought a solution that could reduce the burden on their nurses. The organization had already implemented a web-based EHR solution for their physicians and wanted to provide nurses with a similar EHR tool to support better collaboration, enable greater nurse mobility, and improve workflow efficiency.

“We’re seeing more nursing engagement than we ever have before — even from those who don’t normally engage or have positive feedback. Nurses really value having a system that looks and feels like the physicians’. Less mouse movement, fewer clicks, easier access. People really like it.”

Joe Farr, BSN, RN
Director of Information Systems



Recognizing these challenging dynamics, the leadership team at King's Daughters Medical Center in Brookhaven, MS, sought a solution that could reduce the burden on their nurses. The organization had already implemented a web-based EHR solution for their physicians and wanted to provide nurses with a similar EHR tool to support better collaboration, enable greater nurse mobility, and improve workflow efficiency.

KDMC selected an advanced nursing tool developed by their EHR vendor that enables mobile workflows for nurses using handheld devices. The organization received positive anecdotal feedback from nurses following a successful implementation, but they wanted quantitative proof of the impact on workflows and user satisfaction, so they undertook a usability study 120 days after go-live. This study included an analysis of chart reviews, home medication reconciliations, and handoff reports, comparing post-live to pre-live data. The results demonstrated substantial improvements in both efficiency and user satisfaction.



King's Daughters Medical Center Located 60 miles from Jackson, King's Daughters Medical Center in Brookhaven, MS, includes a 99-bed nonprofit acute care hospital with five primary and specialty care clinics and over 25 specialty practices serving a five-county region in South Central Mississippi.

FINDINGS:

45+
MINUTES SAVED PER NURSE



DECREASE IN CLICKS

EXCELLENT
★ ★ ★ ★ ★
RATING FOR SYSTEM USABILITY



LEARN MORE

FREDERICK HEALTH

Bringing precision medicine to every community

In 2020, Frederick Health (Frederick, MD) launched a precision medicine program. Initially its genomic medicine processes looked like any other healthcare organization with a precision medicine program — that is, it existed largely outside of the EHR.

A year later, leadership learned that their EHR vendor was developing a genomics solution that would enable genetic test ordering as well as storage of discrete genetic test results directly in the EHR. Working collaboratively with their vendor, they became one of the first healthcare organizations anywhere to import discrete genetic data directly into the EHR and display results at the point of care alongside embedded clinical interpretation and guidance.

“The integration of genomic data into MEDITECH represents a transformative step in enhancing patient care. Our healthcare providers can now access vital genetic information directly within the patient's record in MEDITECH, enabling precise diagnosis, personalized treatment plans, and proactive disease prevention strategies.”

Saro Sarkisian, MD, MHA
Hematologist and Oncologist

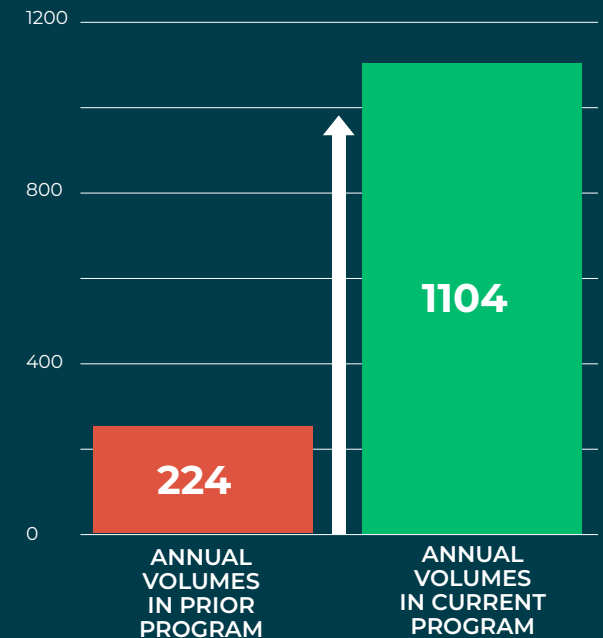
Today, any physician at this mid-sized, independent healthcare organization can order genetic tests just like any other lab test; receive and store genetic results in their patient's chart (as discrete data, not auxiliary text-based PDF reports); display results in meaningful and actionable ways at the point of care; perform pharmacogenomic drug-gene checking automatically; and receive the interpretation and guidance they need to steer their patients toward the most effective treatment options.

Since then Frederick Health has become one of the leading community-based precision medicine programs in the country — removing the barriers that have historically made it difficult for physicians to access and use genetic data. Frederick Health has demonstrated that healthcare organizations of all kinds and sizes can tap into the power of genomics to provide personalized medicine in their communities. The program's streamlined workflows for ordering genetic tests out of their EHR and importing discrete test results into patient charts has yielded enormous time savings, and supported the program's rapid growth.



Frederick Health Hospital (Frederick, MD) is the hub of Frederick Health and the only acute care hospital in the county. Located 50 miles from Baltimore, this nonprofit, 269-bed facility and its outpatient services account for 285,000 visits every year. Frederick Health Hospital was recognized by CHIME as one of Healthcare's Most Wired 8 organizations.

5X INCREASE IN ANNUAL PATIENT VOLUMES



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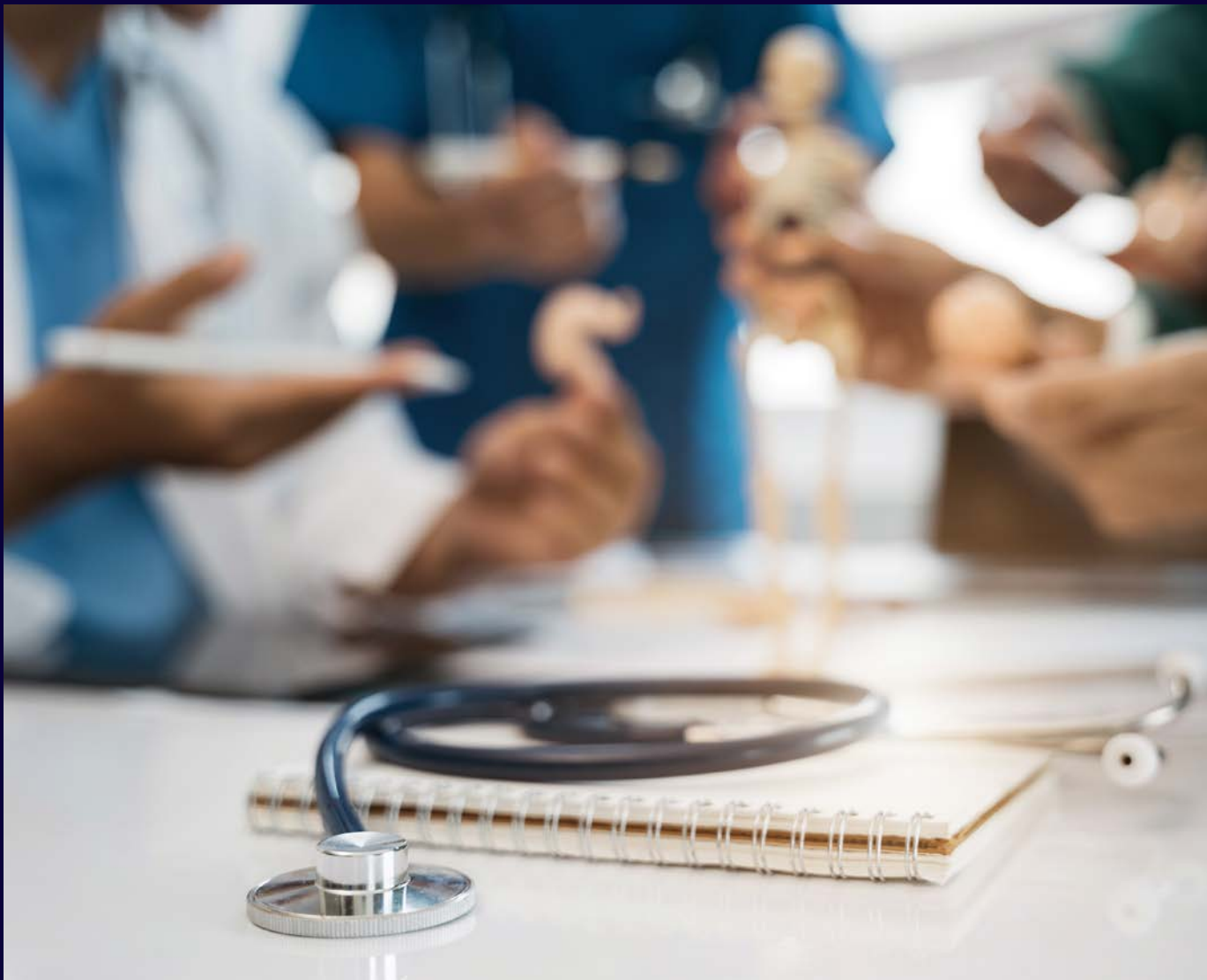
CONCLUSION

Healthcare leaders who understand the primary drivers of long-term financial sustainability, along with the key qualities in an EHR that impact those drivers, are better positioned to make informed decisions about the technology necessary to help their organizations succeed in the long run. With rapid advancements in both healthcare and the technology that supports it — from AI, to genomics, to data analytics, and beyond — few organizations are in a financial position to pursue every worthy project. Yet, if they choose the right EHR (one that optimizes both innovation and value) they can chart a sustainable path, maintain their independence, and thrive in challenging times. Their goal should be to select an EHR whose total operating cost consumes less of their organization's margin while providing a platform for continuous improvement. Only by looking beyond the hype and focusing on proven results can they make data-driven decisions. And the data is clear: Spending more on an EHR does not correlate with improved clinical or financial outcomes.

Guided by the principles in this ebook, leaders can make smart choices about their next EHR.



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