

# HRSA Health Information Technology and Quality Webinar

**“Tips On Conducting Due Diligence for a  
Health IT System”**

**Date: 4/29/2011**

US Department of Health and Human Services  
Health Resources and Services Administration

# *Office of Health Information Technology and Quality*

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Additional HRSA Health IT and Quality Toolboxes and Resources including past webinars can be found at:

<http://www.hrsa.gov/healthit>

<http://www.hrsa.gov/quality>

Additional questions can sent to the following e-mail address:

[HealthIT@hrsa.gov](mailto:HealthIT@hrsa.gov)

- US Department of Health and Human Services
- Health Resources and Services Administration

# Upcoming HRSA Health IT and Quality Announcements

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- New Items to the HRSA Health IT Site:
  - Frequently Asked Questions Document on Meaningful Use for FQHCs
- Next HRSA HIT and Quality webinar, "Tips on Using Health IT Within A Patient Centered Medical Home For The Safety Net Community" on Friday, June 24th, 2pm EST
- Office of Federal Rural Health Policy made a grant announcement for the **Rural Health Information Technology Network Development (RHITND) Program**
- Accountable Care Organizations News
  - HRSA will be hosting an "Ask the Experts" Technical Assistance Call for the Safety Net Community on Friday May 20th, 2pm EST. Call will include CMS and HRSA staff to provide an overview and answer questions on the Interim ACO Rule from CMS. Registration Info will be available soon.
  - Public Comments for the Interim Accountable Care Organization Rule are due on June 6th, 2011
- The CDC and AMIA Teaming up for Meaningful Use Boot Camp Workshop, May 25-27, 2011, Orlando, Florida.

# Introduction

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## Presenters:

- David Ginsberg, President, PrivaPlan Associates, Inc.
- Dan Elliot, CIO, Kansas Association for the Medically Underserved
- Teneka Duke, Program Manager, CentrEast Regional Extension Center

# KS Regional Extension Center Vendor Selection and Due Diligence

HRSA Health IT and Quality Webinar  
“Tips on Conducting Due Diligence for a Health IT System”  
April 29, 2011

Dan Elliott  
Chief Information Officer  
Kansas Association for the  
Medically Underserved

# Due Diligence Defined

The Merriam Webster Dictionary defines Due Diligence as:

1. The care that a reasonable person exercises to avoid harm to other persons or their property
2. Research and analysis of a company or organization done in preparation for a business transaction

# Model Overview

## KFMC Regional Extension Center EMR Vendor Solicitation Process

The KFMC REC EMR Vendor solicitation process is a collaborative model driven by the Kansas REC EMR Steering Committee. The EMR Steering Committee consists of 12 individuals with 6 physicians and 6 lay people. The EMR Steering Committee agreed to use the following 4 step solicitation process to identify and select “preferred” EMR vendors.

1. Develop and distribute 19 “minimum” requirements to EMR vendors
2. Develop and distribute a 5 section Request for Information (RFI) to EMR vendors who provided the best responses to the 19 minimum requirements
3. Identification of the best respondents to the RFI to a third party Group Purchasing Agent who will let a Request for Proposal (RFP) and negotiate financial and contractual aspects of software sourcing with the top eight to nine vendors
4. Selection of the best five responses to the Group Purchasing RFP as “Kansas Preferred” EMR vendors

# WHY WE CHOSE THIS MODEL...

There were four primary objectives for choosing this vendor selection model:

1. Ensure stakeholder involvement
2. Maintain momentum for the Kansas electronic Health Advisory Commission (eHAC) statewide initiative
3. Conduct the selection with full transparency and equity for all vendors
4. Ensure the end result provided a good set of options for Kansas priority caregivers to select from

# Kansas EMR Steering Committee Members

## Provider Members

Dr. Rebecca Allard  
Dr. Jen Brull  
Dr. Alan Greiner  
Dr. Brad Marples  
Dr. Terry Mills  
Dr. Steve Szielke

## Residence

St. Francis  
Plainville  
Kansas City  
Topeka  
Newton  
Wichita

## Representing

Great Plains Health Alliance  
Kansas Academy of Family Physicians  
University of Kansas Medical Center  
Kansas Medical Society  
Kansas Academy of Family Physicians

## Lay Members

Michael Aldridge  
Gary Caruthers  
Aaron Dunkel  
Dan Elliott  
Dee Nolting  
Bill Wallace

Lawrence  
Topeka  
Topeka  
Emporia  
Wichita  
Topeka

Kansas Foundation for Medical Care  
Kansas Medical Society  
Kansas Dept. of Health and Environment  
Kansas Association for Medically Underserved  
Kansas Medical Group Manager's Association  
Kansas Foundation for Medical Care

# Selection Process Overview

1. Review CCHIT certified list of vendors and consider other industry reports to develop initial list of potential vendors
2. Survey KFMC REC EMR Steering Committee members for other vendors who have a significant presence in Kansas
3. Obtain and review example RFI's
4. Develop draft "Minimum Requirements" and RFI and invite EMR Steering Committee members to amend the criteria
5. Distribute the RFI to EMR vendors
6. Review and rank vendor responses to the RFI
7. Identify top vendors to the third party Group Purchasing Agent
8. Release of a financial/contractual Request for Proposal (RFP) by the Group Purchasing Agent
9. Selection of the EMR vendor partners

# RFI SELECTION CRITERIA

## Selection Criteria

- Vendors having the best score in responding to 19 “Minimum Requirements” received the full RFI
- The full RFI contained five sections of equal weight:
  - ARRA Meaningful Use criteria
  - Services provided to REC and providers
  - Functional Requirements (400 divided among 28 subsections)
  - Vendor background
  - Pricing
- KLAS Scores, including....
  - Sales and contracting
  - Implementation and training
  - Functionality
  - Post-implementation support
- Local presence

The KS Steering Committee  
Reviewed approved all criteria



# RFI SELECTION CRITERIA

## Sources Used to Develop the Criteria:

- ARRA Meaningful Use → Meaningful Use Section
- HRSA EMR Guidelines → Functional Requirements Section
- ONC FOA Guidelines → Services to REC and Provider Section
- Gartner Group TCO → Pricing Section
- n/a → Vendor Background

# Value Delivered to Kansans

- Reduced software costs to providers
  - “All Inclusive” pricing
- Achieve greater control over contract terms
- Pre-negotiated standard contracts
  - Provider “Bill of Rights”
- Ensure functionality supports priority primary care providers
- Ensure unique requirements of safety net clinics are met
- Development of “communities of practice”
- Accelerate the adoption of HIT and HIE, which, in turn will reduce
  - Unnecessary tests, and...
  - Adverse medication events

# Web-based EHR Quotes

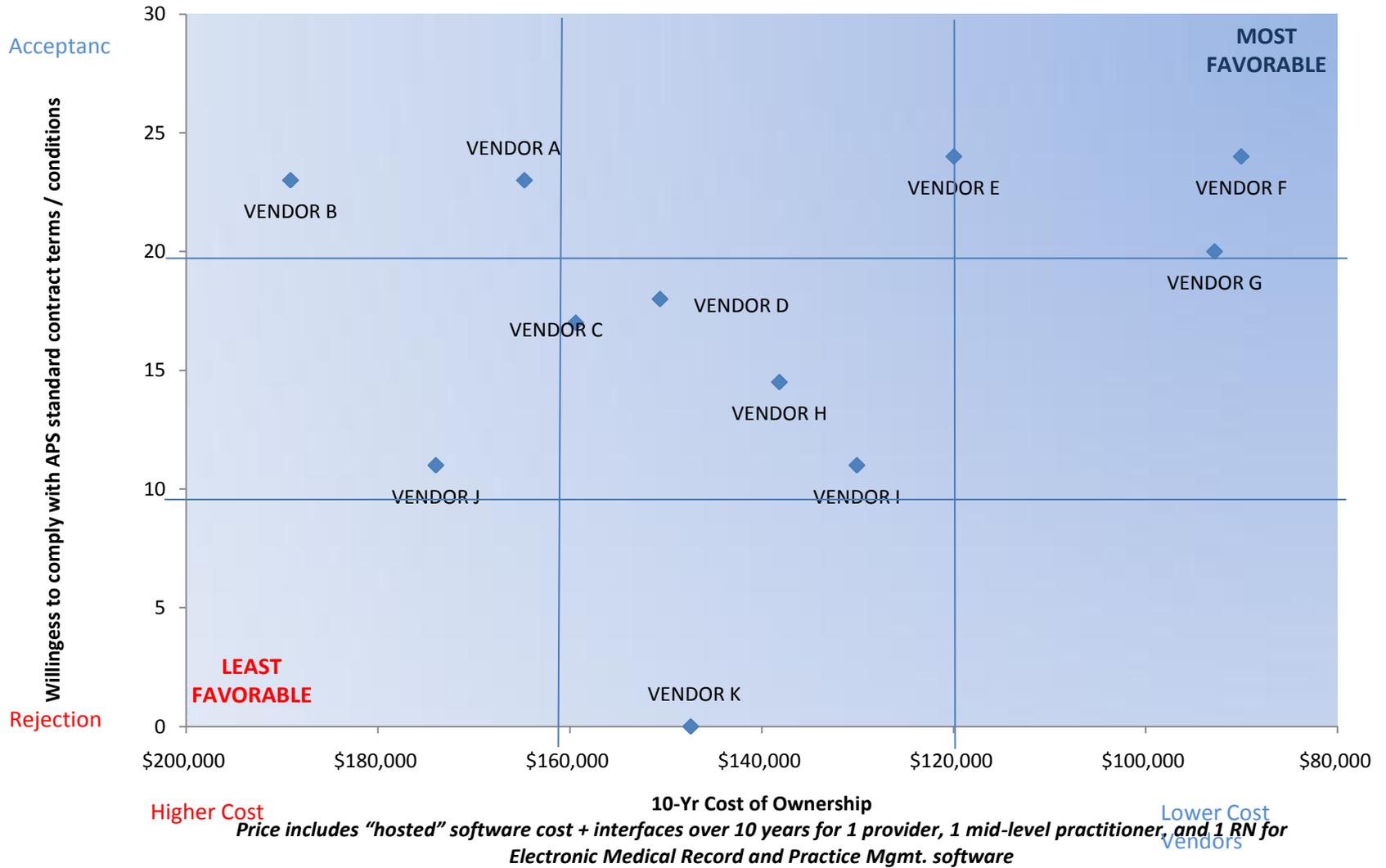
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# Provider “Bill of Rights”

- ONC ATCB certification
- Assignability
- Recurring fee increase cap – 3%
- Data ownership
- Copy of data upon termination
- Completion of milestones – 180 days
- Fulfillment of obligations – 30% holdback
- Savings of 5 – 25%

**Tier I vendors agreed to extend contractual terms to existing installations in KS as well for those sites that are REC participants.**

# Hosted (SaaS) EHR & PM



# EHR Vendor Partners



## Tier I

Cerner  
eClinicalWorks  
e-MDs  
McKesson  
Pulse  
SuccessEHS

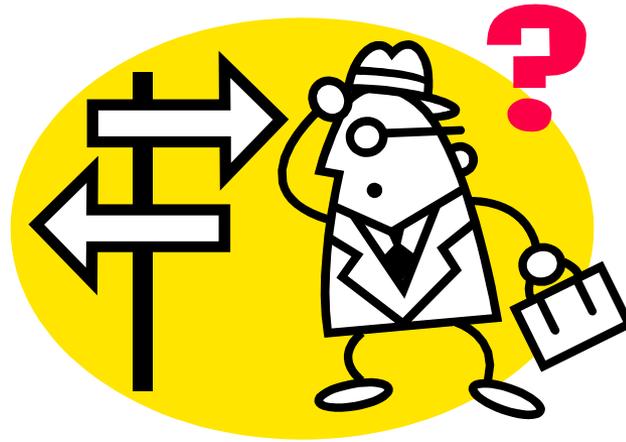
## Tier II

NextGen  
Sage

# Lessons Learned

- The process is a team effort
  - Diversity among team members is important
- Commitment is required for the entire process through post implementation
- There is power in numbers, partner with others
- Good information is available
  - HRSA HIT Toolbox - [www.hrsa.gov/toolbox](http://www.hrsa.gov/toolbox)
  - AHRQ - <http://healthit.ahrq.gov/>
- Your Regional Extension Center is a key resource

# QUESTIONS?



Dan Elliott – [delliott@kspca.org](mailto:delliott@kspca.org)

# *HRSA Health IT and Quality Webinar*

## **Tips on Conducting Due Diligence for a Health IT System**

April 29, 2011

Presented by  
David A. Ginsberg  
President, PrivaPlan Associates, Inc. and Senior Advisor  
to THE Consortium-Colorado Rural Health Center



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# Agenda

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- Challenges for HRSA recipients vary-Ryan White, RHCs, CAHs, FQ's and CHCs
- Unintended Consequences
- Workflow Considerations
- Meaningful Use
- Notes from the field

# Setting the stage

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- For today the HIT focus is primarily with electronic health records and to some degree data exchanges
- This recognizes that for many participants HIT encompasses many other areas including imaging, document management, laboratory services and so forth

# Challenges typical to rural providers such as CAHs and RHCs

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- “If you have seen one CAH, you have seen one CAH!”
- Cash flow and access to capital
- Skilled staff, especially for HIT-recruitment and retention
- Medical staff-either not engaged, somewhat engaged or too engaged!
- Variety in “model”-one or more clinics (and clinic type), LTC, multiple service lines

# Other challenges

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- IT infrastructure weakness
  - Data communications (will 40 MB Fiber be enough for the future?)
  - Server room and environmental
  - Access controls and security
  - Network management and monitoring
  - Need for skilled application specialists-slightly different than a typical IT engineer

# Challenges to Ryan White facilities

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- Data confidentiality is paramount!
- Concerns around data exchange with other providers or even health exchanges
- Enhanced need for social work and behavioral health functionality in an EHR
- Strong business and clinical
- Competing priorities

# Challenges to CHCs, FQs

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- Wider scope of services-dental and behavioral health functionality is needed
- Strong need for solid reporting (UDS)-of course this is true of almost all HRSA Funded healthcare providers
- Practice management and billing requirements

# The case for due diligence

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- Acquiring, implementing and successfully adopting an EHR is often the single most comprehensive and challenging project a health care provider can embark upon
- It touches virtually every administrative and clinical workflow
- Costs frequently overrun budgets; budgets frequently do not anticipate overruns and indirect costs (lowered productivity, workforce enhancement)

# Due diligence

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- Ideally due diligence is needed *before a go/no go decision is made on moving ahead*
- It is needed prior to selecting vendors (to understand what is needed)
- It informs the implementation process
- But if you already have purchased an EHR, then due diligence *may be of value by improving workflows and implementation*

# Due diligence

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- The tried and true “trinity” of:
  - Needs assessment
  - Readiness assessment
  - Workflow assessment
- Notes from the field-this methodology works!
- The steps are interactive, dynamic and inform each other

# Specific areas

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- In twenty minutes we cannot cover it all!
- Specific areas to review today include:
  - HIPAA
  - Staff Readiness
  - IT infrastructure

# HIPAA

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- The same regulation but new challenges:
  - HITECH Breach notification
  - New rules related to access, accounting, marketing, business associates and so forth
  - New enforcement penalties and increased enforcement
  - Meaningful Use Risk Analysis
- In the future- concerns over 5010, ICD10, Health Care Reform (EFT, Payer ID numbers)-this is HIPAA too!

# Snapshot of one HIPAA requirement

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- “Conduct or Review a Security Risk Analysis as per 45 CFR 164.308(a)(1) and implement updates as necessary and correct identified security deficiencies as part of the EP/EH or CAH’s Risk Management Process
- For most clinics and hospitals it starts with conducting a security risk analysis
- Required for the fifteenth Stage One Core MU objective

# Risk Analysis

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- Contrary to what some advisors are saying, a HIPAA Risk Analysis is not a checklist!
- The core is to safeguard the confidentiality, integrity and availability of electronic protected health information that is created, stored, transmitted and used/maintained

# Risk Analysis

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- Thus a PHI inventory is needed
- Followed by an analysis of safeguards in place
- A criticality analysis
- A threat matrix-vulnerabilities and threats and likelihood
- A risk ranking or matrix
- A review of *all of the HIPAA Security rule requirements (42)*
- Your analysis

# Risk Analysis

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- Review policies and procedures
- Define current deficiencies
- Recommend remediation or risk management
  
- Can you do it on your own?

# Staff Readiness

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- The need for a “facilitative” approach
- Steering committees
- Champions
- Assessing roadblocks and barriers to adoption from staff
- The importance of assessing computer literacy and readiness
- Tools to remediate

# Remediation tools

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- Introduce computer use beyond what is currently in place-and make it fun
- Games, iPads and related
- Remember time is your friend and your enemy
- Budget sufficient time for training
- Then budget additional follow up training
- And then more follow up
- Optimization and QI are necessary with any HIT system

# IT Infrastructure

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- A paradigm shift---IT becomes more critical and you need more IT resources
- Not only network administrators but systems analysts
- So you may find the value in a clinical informatics position or oriented individual
- Network adequacy
- Server adequacy
- Optimal use of monitoring tools, group and domain tools
- Server rooms
- Back up power

# IT Infrastructure

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- Many organizations are considering a data center approach
- This too requires due diligence to ensure they are adequately equipped, secured and staffed
- And that you have redundancy in data communications

# Success stories

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- Nebraska
- Colorado



# Q & A

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- Individual Questions?



# Contact information

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1-877-218-7707

[www.privaplan.com](http://www.privaplan.com)

Or [dg@coruralhealth.org](mailto:dg@coruralhealth.org)





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**THE TEXAS A&M SYSTEM HEALTH SCIENCE CENTER  
RURAL AND COMMUNITY HEALTH INSTITUTE  
TEXAS A&M UNIVERSITY  
DWIGHT LOOK COLLEGE OF ENGINEERING  
MAYS BUSINESS SCHOOL**

**REC and Legal Recipient Name:**

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College Station  
Texas 77845-4321  
Website: <http://rf-web.tamu.edu/>  
DUNS Number: 141582986

**Staff Name/Contact Information:**

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Kathy Mechler, MS, RN, CPHQ 979.862.5004  
[mechler@tamhsc.edu](mailto:mechler@tamhsc.edu)  
Teneka Duke Program Manager 979.862.5001  
[tduke@tamhsc.edu](mailto:tduke@tamhsc.edu)

REC Website <http://centreastrec.org>

# DUE DILIGENCE IN PURCHASING A HEALTH IT SYSTEM

- Information systems utilized in a health care setting have very specific needs and purpose
- First and foremost it is a component of delivering patient care
- Various entities, departments, and providers utilize to deliver services across the care continuum

# PROCESS IN SELECTING AND PURCHASING YOUR HEALTH IT SYSTEM

- Due diligence is the process that health care organization should perform when considering the purchase of an IT system. It should involve careful research and analysis.
- As legislation and regulations are developed and may change, organizations are finding it even more important that they have a thorough understanding and selection method in place.
- This will provide them with a decision-making process that will enable the purchase of a product that will meet their needs efficiently and comprehensively

# PHASES OF DUE DILIGENCE

Due diligence can generally be categorized into two phases:

- **Initial**
  - Opportunity to understand organization's needs
  - Opportunity to research vendors and products
  
- **Ongoing**
  - Needs will continue to evolve in the health care practice
  - Stay proactive in understanding and continuing to meet those needs with your vendor's collaboration

# TOOLS

## Team

- Establish the right teams

## Organization assessment

- Workflows
- Interfaces
- Equipment
- Budget
- Timelines
- Future strategy

# TOOLS

## Vendor

- Vetting
- Request for proposal (RFP)
- Demonstration guideline
- Evaluation results

## Contract checklist

- Scope of Work
- Terms
- Timelines
- Training specifications

## Resources available

# DUE DILIGENCE DONE RIGHT

Results of a properly conducted due diligence process:

- Efficiency
- User satisfaction
  - Healthcare staff
  - IT staff
  - Departmental staff
- Prepared to enhance the delivery of health care
- Better prepared to meet future IT requirements/needs

# QUALITY OF CARE

A health information system that is a match for the health care organization is a strong and important component in the delivery of quality patient care.

When all of the information related to the care of a patient is captured and maintained in an IT system, it is a tool that can assist in providing greater patient safety and satisfaction.

- **ONC Health IT Workforce Training Website**
  - <http://healthit.hhs.gov>
- **HRSA/Indian Health Service Dual Grantees Health IT Workforce Training Info**
  - American Indian Higher Education Consortium (<http://www.aihec.org>), Al Kuslikis, Director ([AKuslikis@aihec.org](mailto:AKuslikis@aihec.org))
  - NIHB-REC Director (<http://www.NIHB.org>), Tom Kauley ([TKauley@nihb.org](mailto:TKauley@nihb.org))
- **American Medical Information Association's 10x10 courses**
  - <https://www.amia.org/10x10>
- **April Launch of HRSA Health IT Workforce Portal**

## Web-based EHR Quotes

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