

IT Vendor Selection and Negotiations

Darby Dennis, RN MS
 Director, Clinical Information Systems

St Rita's Medical Center

- 440 Bed Community Hospital
- Serves a Ten County Area
- Annual Inpatient Admissions: 18,545
- Annual Outpatient visits: 376,717
- Annual Emergency Visits: 57,418
- Largest Employer
- 370 Private Practice Physicians on Staff
- Catholic Healthcare Partners
- Current Expansion Project Underway: Medical Center of the Future



Today's Environment.....

■ Installed:

- EMPI
- ED Tracking and Triage Assessment
- Order Entry
- Pharmacy application with Meds Integration in Order Entry
- Radiology and PACs
- Medical Records Management with Document Imaging
- Inbox and Electronic Signature
- Clinical Documentation
- Physician Portal, including Radiology Imaging
- Rules and Alerts

■ Implementing:

- 3rd Phase Clinical Documentation: Daily Flowsheets
- EMAR with Bar Coding
- PDA for Meds Documentation
- Emergency Physician Documentation
- Rules and Alerts
- EKG image inclusion
- Facility coding

Overview

- History/Timeline
- Priming the Organization
 - Evaluating the Need
 - Determining the Vision
 - Key Resources
- Comparing the Market
- Selecting a Product
- Negotiating the Contract

History

- 5 Year IT Strategic Plan
- Time Study: Self Reporting
- Re-Engineering Team
- Organizational Analysis
- CIS
- Implementation

IT Strategic Plan

Created in June 1995

■ Phased approach

- Level I
 - ▶ MIS Infrastructure
 - ▶ Department specific solutions: ED, Radiology, Medical Records Imaging, QM, Home Care, Financial
- Level II
 - ▶ Clinical Applications: Repository, Results Reporting, POE, Critical Paths, Outcomes Management
 - ▶ Point of Care Systems: Bedside terminals, handheld devices

Time Study

Evaluating Nursing Processes: 1997

- Vendor Performed
- Self Reporting Time Study
- Focus: Nursing Documentation

Re-Engineering and Org Analysis

- Enabler Evaluations
- Time Studies on Nursing Units: Process Analysis
- Gap Analyses
- Process Analyses
 - Bed Utilization
 - Cardiopulmonary Workflow
 - ED Workflow
 - Case Management
 - Scheduling
 - Occupational Workflow
- Impact of Technology
 - Determining Priorities

CIS

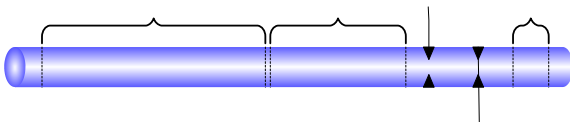
- Based on Re-Engineering work
- Vision and Objectives
- Benefits Study
- Vendor Analysis

Vision and Objectives

A Clinical Information System will include the foundation to support an integrated clinical system that will:

- Provide point of care data entry capabilities
- Sort and analyze data in a variety of ways
- Provide immediate access at any site within the organization including external connectivity
- Capture all episodes of care
- Enter once, View multiple

Timeline



Vendor Analysis

- CIS Team
- Benefits Study
- Physician Advisory Team
- Vendor Selection Process
- Organizational Readiness

Benefits Study

- Support approval, selection, and implementation
- Determine expected benefits
- Determine scope

- Results: Scope expansion
 - Support a multidisciplinary approach
 - Provide integration versus interfacing
 - Provide complete electronic file on each patient
 - Improve efficiency in care delivery
 - Improve outcomes monitoring capabilities
 - Improve quality measurement
 - Decrease redundant, duplicate work
 - Identify realizable benefits

Systems Scope

- EMPI
- Data Repository
- Order Entry
- Pharmacy
- ED
- Medical Records Imaging and E-signature
- Surgery
- Documentation: clinician and physician

Physician Implementation Team

- Identify current workflow and needs analysis to study physician expectations
- Physician survey
- Develop goals and priorities for physician customization
- Identify security issues
- Develop physician project strategies:
 - Communication
 - Training
 - Implementation

Vendor Selection Process

- Three Phases:
- Invitation to vendors
 - Demos, functional requirements analysis
 - Site visits, reference calls, additional demos
 - Cost proposal and benefits opportunity
 - KLAS report analysis
 - Functional requirements comparison
 - Vendor Comparison Matrix
 - ▶ Fit
 - ▶ Cost
 - ▶ Risk
 - RFP from finalists

Vendor Invitations

- Seven companies
- Demonstrations
 - Physicians, Nursing, Respiratory, ED, Surgery, Medical Records, Cardiopulmonary, Nutrition, QM, Administration
- Functional Requirements
- Evaluation of results of Demos

Functional Requirements: Categories

- EMPI and Data Repository
- Order Entry
- Clinical Documentation
- Physician
- Surgery
- Emergency Department
- Medical Records
- Pharmacy
- Interfaces
- BMDI

Functional Requirements: Guidelines

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Function Requirements Response Guidelines	
STATUS	COMMENTS REQUIRED
NOW Available and fully operational in the field on a non-test site basis. No user tools/utilities are required to achieve this feature other than the use of the application(s) indicated in the Product Column.	Any exclusions.
SOON Available and under field test at a client site. No user tools/utilities are required to achieve this feature other than the use of the application(s) indicated in the Product Column.	Any exclusions. One-time or ongoing costs incremental to those. Availability date for code load. Current status.
FUTURE This feature or function is not currently available, nor is it in field-testing. However, if client licenses the application(s) listed in the Product Column and/or the user tools/utilities specified in the Comments Column, then client will receive it with a future release of the system.	Any exclusions. One-time or ongoing costs incremental to those bid. Availability date for code load. Current status.
USER MODIFIES This feature or function is not standard to the system; however, it is available if the client licenses the application(s) listed or the user tool/utility specified in the Comments Column is deployed by the client.	Any exclusions. One-time or ongoing costs incremental to those bid. Estimated number of hours it would take the vendor to complete, at a fee, if client were to request the work to be done by the vendor.
CUSTOM This feature or function is not standard to the system; however, if the client licenses the application(s) listed in the Product/Comments Column, then the vendor will provide the modification. Alternatively, the vendor will make a source code change to provide the function.	Any exclusions. One-time or ongoing costs incremental to those bid. Description of how the work would be done (tool/utility or source code change). Availability date for code load.
WON'T PROVIDE This feature or function is not available, in testing, or planned for future development.	None.

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Functional Requirements: Example

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Defined Functional Requirements			
Functional Requirements	Status	Product(s)	Required Prerequisite/Comments
Documentation: The system will provide a multidisciplinary approach to documentation, supporting all clinical documentation needs regardless of the specialty. It can support outpatient and inpatient charting needs and can include standards of practice if desired.			
Will have the capability of assigning ICD-9/CPT/ICDM coding to appropriate documented interventions in order to automatically create a charge on the correct account at the time the service is performed and documented.			
Auditing at random will be supported to check for accuracy in charges and documentation associated with the automatic charge.			
If a clinician makes a documentation error, on correcting that entry any associated charge made to the patient account will automatically be credited.			
A workload value (weight) can be assigned to the activity/treatment in order to develop a balanced staffing assignment.			
Will allow for use of soft and hard mandatory fields (required fields of data entry in documentation).			
In the event of an emergent situation, it allows for the ability of the clinician to leave the system, draft save the incomplete documentation, then return and complete later, with appropriate time stamp.			
Supports a multidisciplinary care note, viewable in one screen. It would include information on the current encounter from admission to discharge and includes specific historical data on the patient.			
It provides graphics viewing of vital signs, data from hemodynamic monitoring equipment automatically populating the appropriate fields at times determined by the clinician.			

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Functional Requirements: Comparison

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General Data Requirements (current)	Vendor 1	Vendor 2	Vendor 3
General Criteria: R&D, integration, # installs, interfacing capabilities to our products	150	130	110
% of revenue invested in R&D (1-4%=DNMC, 6-15%=MC, >16%=EE)	25	25	25
10 or more operating installs in US	10	10	10
30 or more operating installs in US	10	10	10
Physician orders/related functions:	140	140	140
Medical history	10	10	10
Problem List	10	10	10
Discharge diagnosis	10	10	10
Discharge Date	10	10	10
Assessment/Care documentation:	50	50	65
Charting by exception	10	10	10
Progress notes	10	10	10
Flowsheet charting	10	10	10
VIS/Results Graphing	10	10	10

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Narrowing the Field

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- Functional Requirements Analysis
 - Three finalists

Phase Two:

- Site Visits
- Reference Calls: performance on support, implementation services, meeting timelines, and response times of systems
- KLAS report reviews
- Additional Demonstrations: department specific
- Further Analysis: Side by side comparison of
 - Fit
 - Cost
 - Risk
- Benefits studies 2

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Fit

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- Vendor alignment with the clinical information system needs
- Vision and goals of St. Rita's
- Integration of company products versus interfacing products due to acquisition;
- The integration ability with current and future technology

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Cost

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Vendor ability to:


- Provide a competitive price on capital and operating expenses over the life of the project
- Vendor ongoing annual support costs

SRMC Costs:

- Ability to Support
- Resources: support structure implications

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Risk



- The company's product maturity
- Proven track record
- Integration track record with SRMC products
- Acquisition history
- Quality of the education and training
- Financial stability of the company

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Risk – Technology Comparisons



Detailed September 2000:	Operating Systems						Database Management						Application Cycle					
	MS/IE	MS/EXE	MS/SQL	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD	MS/MSD
Company A																		
Company B																		
Company C																		

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Risk – Financial Analysis



- 10K and 10Q Comparatives
 - Three year comparisons of:
 - ▶ Current Assets
 - ▶ Total Assets
 - ▶ Current Liabilities
 - ▶ Total Equity
 - ▶ Total Revenues
 - ▶ Operating Expenses
 - ▶ R and D
 - ▶ Working Capital
 - ▶ Net Income/Loss
 - ▶ Earnings per Share
- Ratio Comparison Leverage
 - DSO Ratio
 - Debt to Equity
 - Interest Coverage
 - Cash Flow to Current Maturity of Long Term Debt
- Profitability
 - Return on Equity
 - Return on Invested Capital
 - Return on Assets

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Risk – Customer Satisfaction



- KLAS results
- Reference Calls:
 - Implementation Track Record
 - Proven Product: Beta avoidance
 - Integration track record with already established footprint
 - Product Maturity: time on the market
 - Quality of educational tools and training provided

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Request for Proposal




- Two Finalists
 - Vendor General Information and Organizational Structure
 - Client Base Information for Proposed Systems.
 - Proposed Product/s Information
 - Product Architectural Design
 - Functional Requirements
 - Hardware and Technical Interfaces
 - Implementation Support
 - Customer Support
 - Systems Costs
 - Additional Requirements

Vendor Selection Made

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Contract Negotiations



- Basic cost negotiation to budgeted amount
- Three month process
- Included CIS Director, IS Director, Consultant, CFO, multiple vendor representatives, attorneys
- Multiple iterations
- Know your needs upfront: what is negotiable and what is not

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Points to Consider

- Language inclusion:
 - Meeting state regulatory requirements
 - Functional requirements
 - Scope: know what you want!
 - Technology: data center and growth allowances
 - Watch the interfaces
 - Payment Terms
 - At Risk
 - Response time guarantees
 - Capping implementation costs: overestimating and underestimating
 - Licensing options
 - Know the products to be sure you get what you need
 - Roll out strategy

Gotcha's

- Thorough review of product descriptions and modules
- Understanding the vendor "speak"
- Carefully review responses to functional requirements: identify gaps
- End of quarter sales
- Staffing

Negotiating Points

- Discounting options
- Professional services: fixed fee vs for services, caps
- Licensing options: metrics vs site
- Functional requirements becomes ruling document : make it so!

Questions?

