

IT Vendor Selection and Negotiations

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Today's Discussion

- Introduction: MedCentral History & Overview
- Impetus for Change: The Strategic Plan
- Vendor Selection Process
- Vendor Negotiations
- Lessons Learned
- Q&A



MedCentral Mansfield
 Hospital



MedCentral Shelby
 Hospital

Mission: MedCentral Health System will Provide Expert Health Care to the People of North Central Ohio

MedCentral Health System

- Located in NorthCentral Ohio
- Largest Health System between Cleveland and Columbus
- 2,763 Employees
- 2 Hospital Campuses, Crestline OP Facility, Urgent Care, Wellness Complex, 3 Outreach Labs, Pain Care, Home Health Care, Hospice, College of Nursing
- 351 Beds, 44 Bassinets, 17,500 Admissions, >10,000 Surgeries, 71,000 ED Visits
- Services: General Med/Sug, Critical Care, Oncology, Interventional Cardiology, EP, Laboratory, Cardiothoracic Surgery, Level II Trauma Center, Level II OB, Psych, Rehab, Neuro Surgery, Interventional Neuro-Radiology
- Non-profit

Introduction: History & Overview

- IT Environment
 - Decentralized IT
 - ▶ Dependant on Department Directors to Drive Silo's Decisions
 - ▶ Total Cost of Ownership
 - Total Cost of Ownership for IT unknown
- Strategic Plan
 - Not used for Departmental Planning
 - Goals were Departmental
- Metrics were not used for IT initiatives
- Integration was desirable, however, not mandated

Issues

- Sunset Dates
- Outdated Technology
- Communications
- Defining Vision
- Features/Functions vs. Technology
- Issues we did not know about

Sunset Dates

- End of 2004
 - Orders
 - Results
 - Pharmacy
 - Radiology

Out Dated Technology

- Laboratory
 - Interface Issues
 - Response Time Issues
 - Features/Functions
- Interface Engine
- Mainframe Computer
- Internal Network

System Selection Process

- Form a Committee
- Hire a Consultant
- Define Process for Selection
- Define Goals
 - IT Goals
 - ▶ Data Bases
 - ▶ Architecture
 - ▶ Network
 - Clinical Goals
 - ▶ Replace Existing Functionality
 - ▶ Improve Functionality
 - Financial Goals
 - ▶ Maintain status quo
 - ▶ Improve performance
 - Departmental Goals

Consultant

- Independent Viewpoint
 - Big Firm
 - Independent
- Add Structure
 - Proposal
 - Final Report
- They take arrows

Consultant

- Helped Define Structure for Decision Making Process
- Verbalized and Wrote Charters/Statements/Plans
- Added Structure to Decision Making process
- Challenged Status Quo
- Define Goals for project:
 - Development and sign-off of a three-year strategic plan with an emphasis on 2003 which is in alignment with MedCentral's Strategic Business Plan
 - Development and implementation of a selection process enabling the selection of a single integrated HIS vendor addressing MedCentral's immediate and future state IT needs supporting the clinician and business

IS Strategic Plan

- Vision
 - Standardized technology platforms will be utilized to enable the delivery of responsive clinical/business solutions throughout the MedCentral enterprise.
 - Clinical data will be provided when and where the clinician, business and ancillary support individuals need them.
 - Staff retention and employee skills will be improved by providing training opportunities and using new technologies.
- Goals
- Alignment of Organizational Goals

IS Strategic Goals

- Accessibility of information
 - Right time
 - Right Place
 - Right Format
- Leverage technology for quality patient care
- Leverage technology for patient safety and privacy
- Align information technology strategies across the enterprise
- Fiscal responsibility

Project Expert Care Goals

- Access to Accurate Information (Clinical/Financial)
- Reduce Clinical Practice Variance
- Improve Patient Safety and Reduce Medication Errors
- Improve Quality of Patient Care
- Improve Patient Satisfaction
- Improve Financial Responsibility and Manage Cost
- Leverage Technology to Improve Efficiency
- Improve Clinical Documentation
- Reduce Information "Silos"
- Be Recognized as State of the Art Facility in Community

Impetus For Change:

- Burning Platforms
- Financial Performance

Vendor Selection Process

- Pick some vendors to present their solutions
 - ▶ We decided to ask five vendors for initial presentations
- Narrow choice to three vendors: Four vendors made initial presentations
- Three vendors did follow up on Site Presentations
- Site Visits
- Analysis: Begin lists of features/functions
- Additional Site Visits
- Objective Evaluations
- Announce Vendor of Choice
- Rule Out VOC
- Presentations to Board

Objective Vendor Selection

- Scoring Mechanism
 - Priorities
 - Vendor offerings
 - ▶ Priorities: Score from 1 thru 5
 - 5: High Priority
 - 1: Low Priority
 - ▶ Vendor offering/evaluation
 - 0: Does not Meet
 - 4: Outstanding
 - ▶ Formula: Priority X Evaluation = Score

Objective List

- Develop a scoring matrix
 - Priorities 0 thru 5
 - ▶ 0 Not required
 - ▶ 5 Absolute Must Have
 - Vendor Evaluation
 - ▶ 0: does not meet
 - ▶ 1: Some what Meets
 - ▶ 2: Meets
 - ▶ 3: Exceeds
 - ▶ 4: Outstanding

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- Priority X Functional Evaluation = Score
- Example:
 - On Line QC: Priority of 5
 - Vendor functionality: 3
 - Score = 15
 - Vendor functionality: 4
 - Score = 20
- Develop a List of Features/Functions
- Total the Scores
- Who wins?

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Example Scores

- Lab Requirements
 - Report Writer Functionality
 - Sample Tracking
 - Monitor TAT
 - User defined alerts

Priority Function/Feature	0	1	2	3	4
3 Rept. Writer				3	9
4 Sample Tracking					4 16
5 Monitor TAT			2		10
5 User Defined Alerts		1			5

Vendor Score: 40

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Vendor Negotiations

- Final Vendor Presentations
 - Corporate Overview
 - Product Overview--Vision
 - Final Pricing
- Selection of VOC
 - Gut
 - Objective
 - Financial Comparison
 - Vendor Corporate Comparison

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Objective Comparison

- People were surprised at outcome
 - Required
 - Desired
 - Wish List
- Multiple people had input
- Rethink priorities

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Vendor Comparisons

- Develop a master spreadsheet
 - Product Description
 - Available, in development, not available
 - Version information
 - Cost
 - ▶ Software, Hardware, Maintenance fees
 - ▶ Profession Services
 - Implementation Timeline
 - Non-vendor costs
 - Infrastructure Costs
 - Hospital personnel costs for implementation
 - Utilities and office space

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	Siemens	Siemens
	Description- In House Solution	SW Status
English Description	Siemens Laboratory	Quoted
Laboratory	"	Beta
Microbiology	"	Not Quoted
Quality Management	"	Quoted
Phlebotomy	"	Quoted
Blood Product and Patient Related Data Management	Blood Bank	Not Quoted
Provides electronic alternative for doing orders and receiving results	Soarian Clinical Access & Physician Module	Quoted
Manage workflow for cytology and histology	Anatomic Path	Not Quoted
Software which connects laboratory instruments to LIS	Instrument Interfaces from Data Innovations	Quoted

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Financial Comparison

- Total Cost of Ownership
 - Software
 - Hardware
 - Maintenance Fees
 - IS Infrastructure
 - Professional Services
 - Implementation Fees
 - Network Fees
- Seven Year Projection
 - Version Upgrades
 - Hardware Upgrades

Activities

- Affirm vendor selection criteria and attributes
- Identify and define project expectations
- Define priorities – milestones, tasks and ownership
- Identify Project Sponsor, Project Owner, Project Teams
- Points of Contact (POC's)/departmental lead analysts (NOT management) be identified and assigned to project from each impacted department

What did we do?

- Multi-million dollar proposal for:
 - Software
 - Hardware
 - Maintenance Fees
 - Professional Services
 - Implementation Fees
 - Seven year cost proposal
- Three Phase Project Plan spanning three years
 - Phase 1: Lab, Rad, Rx, Orders, Results, and Data Center
 - Phase 2: Financials, Scheduling, and Clinical Documentation
 - Phase 3: Cardiology, Decision Support, CPOE, and PACS

Lessons Learned

- Establish your vision and goals
- Visit the above often
- Be objective and professional at all times
- Hold everyone accountable-not just the vendor

What Questions Do you Have?

?