Vendor Assessment: The Industry Short List of Electronic Health and Medical Records for Small and Midsize Ambulatory Practices

EXCERPT

Judy Hanover
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HEALTH INDUSTRY INSIGHTS OPINION

On February 17, 2009, President Obama signed into law the $787 billion American Recovery and Reinvestment Act (ARRA) of 2009, which provides more than $20 billion in funding for healthcare IT, including incentive payments to physicians who implement and use eligible electronic medical records (EMRs) under the conditions laid out in the law. Office-based providers that implement an eligible EMR before the start of the incentive program and receive the maximum incentive payments over the full five years, based on their allowed Medicare charges, would receive a total of $44,000 in incentive payments over five years. This incentive is driving interest in EMR in the small and midsize practice market, which has thus far seen adoption rates estimated to be below 5%. In addition:

- Use of EMRs in small and midsize ambulatory practices can result in many of the same benefits as in large practices, such as those that result from the migration from paper charts, electronic ordering, charge capture, and improvements to patient safety and the quality of care as a result of feature such as clinical decision support. However, small practices do not see the economies of scale that accrue with process efficiencies upon EMR introduction in larger practices, making the initial investment quite formidable and the ROI questionable for many small practices. For small practices, selecting the right EMR and choosing functionality that meets the practice's needs without creating unnecessary complexity or support costs are critical.

- ARRA provides essential cost relief for practices considering the investment in an EMR but also adds tight deadlines for implementation to the existing, confusing application landscape and demanding process change required by EMR adoption. This report discusses ambulatory EMR functionality for small and midsize practices with 20 providers or less and presents the offerings of several vendors that serve this critical space.

IN THIS REPORT

Methodology

The methodology of this report is designed to provide an objective analysis of the small and midsize ambulatory EMR space that will assist providers in determining the EHR and EMR technology and vendor best suited to their practices, existing IT environment, and business needs. IDC Health Insights has applied the Industry Short List methodology to compare technology providers with offerings in the EHR and EMR space that are directed at practices with 20 providers or less. The vendors that are covered in the Industry Short List for small and midsize practices offer systems that are well suited for use in this market, including practices with 20 providers or less, in the United States. While these systems may be used in larger practices and many are also covered in the Industry Short List for large practices for this reason, the vendors covered in this report have specialized in, or have significant market share in, the small market.

The Industry Short List methodology is based on three criteria we believe are essential in the selection of an inpatient EHR or EMR supplier: fact-based research, industry focus, and evaluation transparency.

In the course of developing this evaluation, we undertook the following steps:

- The scope of the market to be evaluated is defined, and the associated vendors to be evaluated are determined. Technology suppliers selected included those considered to be current or upcoming leaders in the market. Leadership is determined by the analyst and based on the suppliers' current customer base, technology offering, and their business model's viability.

- Criteria for evaluation are determined and weighted. A management review is undertaken to ensure the appropriateness of the evaluation and to minimize analyst bias.

- Vendors are notified of the upcoming evaluation and given the opportunity to provide data regarding their product offering and business model.

- Customers are interviewed, with up to three interviews taking place with customers of each vendor under evaluation; all such interviews were conducted during the past 12 months.

- The IDC Health Insights Industry Short List criteria and tool are used to evaluate each vendor and develop the Industry Short List evaluation.

- The Industry Short List evaluation is shared with participating vendors, which are given an opportunity to review the information for factual accuracy and submit any comments or questions to the analyst for review.

- The Industry Short List evaluation is then published. It will be updated periodically, as warranted by our evaluation of the market and new product offerings.

During the course of this evaluation, each participating vendor was contacted and provided with an opportunity to participate actively in the evaluation process. A number of vendors were invited but chose not to participate in the evaluation and are not included in this report.

Market Definition

This report uses IDC Health Insights' definition of an EMR.

The EMR is owned by a single-provider organization (i.e., physician practice, hospital, integrated delivery organization [IDN]) and is the digital equivalent of the legal paper "medical record" of care provided across encounters at that provider organization. It organizes and reformats data captured in (or transcribed into) electronic form from other, independent departmental clinical information systems such as lab, pharmacy, or radiology, as well as those of external providers such as commercial laboratories. Digitized images of paper documents as well as images of diagnostic procedures (e.g., x-ray exams or EKGs) may also be included in the EMR.

The IDC Health Insights definition is the basis by which the products discussed in this report are referred to as EMR products, despite the fact that many of these vendors market their products as EHRs. More background information on the relative definitions of EMR and EHR technology is available in the Definitions section under the Learn More section. Our analysis of EMR and EHR terminology is also available in *EMR Versus EHR: Similar, But Not the Same* (Health Industry Insights #HI215640, December 2008).

SITUATION OVERVIEW

Industry Short List EMR/EHR Vendors

The ambulatory EMR market for small and midsize practices is characterized by an exceptionally large number of suppliers, and over 100 of these vendors were evaluated for inclusion in this report. Criteria for selection included:

● Market share among small and midsize practices

● 2008 revenue, with most vendors covered in this report indicating revenue in excess of $10 million in 2008

● CCHIT certification

● Functionality, with attention given to vendors offering innovative functionality that has the potential to deliver exceptional levels of performance, usability, or productivity enhancements for practices

● Architecture, with particular attention given to vendors offering service-oriented architecture and/or software as a service (SaaS)–based applications

Vendors that serve the ambulatory EMR space are typically segmented on the basis of the size of the practices served as well as price, functionality, and integration with particular practice management systems either offered by the vendor or integrated via partnership.

The criteria used here focus on aspects of ambulatory EMR selection, implementation, adoption, and use that can result in:

● Substantive benefits to the efficiency of operations at ambulatory practices

● Improvements to the quality of care delivered

● Measurable return on investment for the EMR system

● Demonstrable meaningful use that results in eligibility for stimulus payments under ARRA

Vendor Assessment

Each technology provider evaluated in the Industry Short List is assessed based on how well its product fits market needs and our confidence the technology provider will provide the customer with a satisfactory ownership experience. The assessment criteria fall into two categories, the criterion that assesses the application's fit to market needs and the criterion that assesses ownership confidence. Each category has individual criteria that are rated and then weighted to

calculate a score, which is the basis for the analysis. While most of the criteria have been revised for inclusion in the 2009, new criteria that were not included in the 2008 report are noted.

Rating Process

Each criterion is rated as a 1, 2, or 3. Definitions for 1, 2, and 3 ratings vary according to each criterion and are listed in Table 2. Each criterion takes on the weighting of 1 or 2, which determines the overall importance of the criterion in the composite rating. For example, if a feature/functionality is determined to be a critical criterion in the assessment of the vendor's ability to fit the market's needs, the criterion will receive a weighting of 2. If the vendor has significant gaps when mapped to other applications in this product category, then the analyst will rate the vendor as a 1 for this criterion. Therefore, the equation will follow as:

2 (weight of criterion) x 1 (vendor rating for this criterion) = 2 (vendor score for this criterion)

When presenting the criterion graphically, the rating for fit to market needs is plotted on the x-axis, with low to high moving from left to right. The rating for ownership confidence is plotted on the y-axis, with a low-to-high movement from the center outward. Those IT suppliers that are best positioned are located in the upper-right quadrant, which represents a strong fit with market needs and a high likelihood of a positive ownership experience.

Fit to Market Needs

The fit to market needs (x-axis) assessment is a weighted total of 11 criteria that assess the strength of a product in terms of feature/functionality, interoperability, architecture, quality of service and support, and cost. The criteria for the fit to market needs assessment and the weights attached to them in the analysis for the ambulatory EMR market are summarized in Table 2. Specific criteria are addressed in the sections that follow Table 2.

TABLE 2

Industry Short List for the Ambulatory Provider EHR/EMR Market: Definition of Ratings for Fit to Market Needs (X-Axis) Attributes

Rating Category	Definition of 1 Rating	Definition of 2 Rating	Definition of 3 Rating	Weighting
General feature/function	Product is CCHIT certified and/or presents substantially all the features and functionality of a basic EMR	Product has several significant advances in features and functionality not offered by other products in this product category	Product has many important advances in features and functionality and exceptional reference feedback on features and functionality	2
Functionality for meaningful use	Significant gaps exist to achieving functionality complete for meaningful use	Gaps exist to achieve meaningful use, functionality release in progress	Few concerns about ability to achieve meaningful use, functionality complete	2
Reporting and decision support feature/function	Reporting limited to canned reports or requires an additional third-party product, operational and financial reporting	Some performance reporting capabilities, limited configurability	Full-featured performance reporting integrated with decision support to facilitate participation in internal or provider-sponsored programs such as pay for performance	2
Integration capability — interoperability	Product is not CCHIT certified and/or has limited integration options	Product is CCHIT certified and/or provides support for enterprise application integration	Product provides business process–level application integration via service-oriented architecture technology including XML and Web services	1
Integration capability — practice management	Minimal provisions for integration to practice management	Integration to practice management without automated charge capture	Products offered in conjunction with, or with integration to, a practice management system, facilitating charge capture across applications	1
Architecture	Client/server	Thin client	No client — Web-based technology requiring no installation of code on the client machine	2
Delivery	Installed only	Installed with optional hosting	SaaS offering	2

TABLE 2

Industry Short List for the Ambulatory Provider EHR/EMR Market: Definition of Ratings for Fit to Market Needs (X-Axis) Attributes

Rating Category	Definition of 1 Rating	Definition of 2 Rating	Definition of 3 Rating	Weighting
Breadth of services	Limited capabilities maintenance, support, implementation, and training	Broad capabilities (Those defined for 1 rating above plus integration with major applications)	Full-service capabilities (Those defined for 2 rating above plus strategic consulting and change management)	1
Service quality	Inferior service quality; vendor may be the only service provider for the product	Average service quality	Extensive service offering; vendor guarantees performance and is willing to gain share/accept penalties	1
Pricing	Premium-priced offering	Average-priced offering	Value-priced offering and/or service-based options	2
Implementation cost	High cost of implementation, >3x license	Implementation cost average relative to industry, 2–3x license	Low cost of implementation, <2x license	2

Source: IDC Health Insights, 2009

Ownership Confidence

The ownership confidence (y-axis) assessment is a weighted total of seven criteria that assess the soundness of a technology supplier's strategy, financials, commitment to an industry, and customer satisfaction (see Table 3). The ownership confidence assessment criteria for the clinical EMR market are summarized in Table 3. A criterion new to the 2009 report is used to assess the vendor's approach to meaningful use for ARRA as part of the ownership confidence criteria.

TABLE 3

Industry Short List for the Ambulatory Provider EHR/EMR Market: Definition of Ratings for Ownership Confidence (Y-Axis) Attributes

Rating Category	Definition of 1 Rating	Definition of 2 Rating	Definition of 3 Rating	Weighting
Supplier's market share	Not a top 5 market share	Top 5 market share	Top 3 market share	2
Supplier's profitability	Not profitable	Profitable/privately held/publicly held on a minor exchange	Profitable/publicly traded on major exchange	2
References	Vendor has difficulty producing positive references	Small number of positive reference accounts	Most customers rate implementation positively	2
Customer satisfaction with support	Vendor has difficulty producing positive references, significant issues cited by customers	Small number of positive reference accounts	Most customers rate ongoing support positively	2
Customer satisfaction with product	Customers cite delays in product development, missing functionality that was promised	Average satisfaction with product	Customers cite exceptional levels of product satisfaction, responsive development and no missing functionality	2
Vendor approach to meaningful use for ARRA	Not currently CCHIT certified, gaps present obstacles to meaningful use	Currently CCHIT certified, proactive approach to meaningful use certification	Meaningful use guarantee and/or financing available	1

Source: IDC Health Insights, 2009

Evaluating the Vendors

Industry Short List Evaluations

Figure 1 outlines the relative position of each vendor, based on its total ranking by ownership confidence and fit to market, factoring in the weighting (see Figure 1).

Tables 4 and 5 outline the criteria used in the fit to market needs and ownership confidence that are incorporated into the Industry Short List evaluation in Figure 1.

Industry Short List: Ambulatory Provider Small and Midsize
Practice EMR/EHR Market
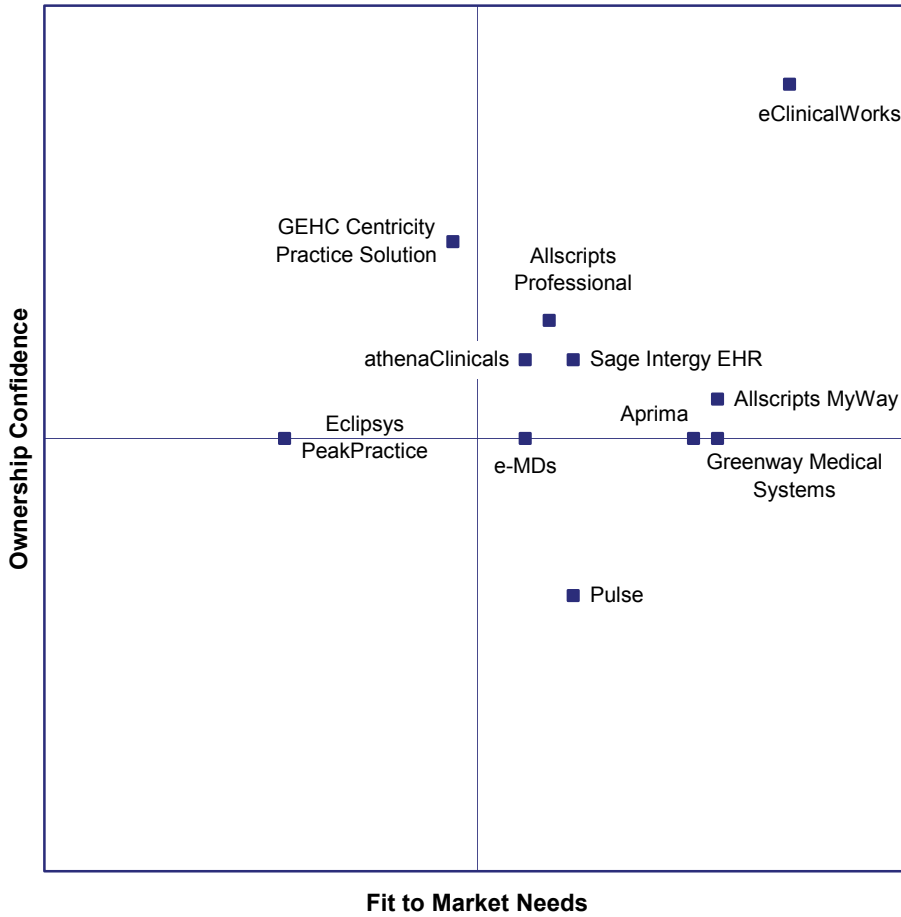
Note: Those IT suppliers that are best positioned are in the upper-right-hand quadrant, which represents a high fit to market needs and a high likelihood of a positive ownership experience.

Source: IDC Health Insights, 2008

Industry Short List for the Ambulatory Provider EHR/EMR Market: Vendor Ratings for Fit to Market Needs (X-Axis) Attributes

	General Feature/ Function	Functionality for Meaningful Use	Reporting and Decision Support Function	Integration/ Interoper-ability	Integration with Practice Manage-ment	Architecture	Delivery	Breadth of Services and Support	Quality of Services and Support	Pricing	Implemen-tation Cost
Allscripts Professional	3	3	2	3	2	2	2	2	2	2	1
Allscripts MyWay	2	3	2	3	3	3	3	2	2	2	3
Aprima	2	2	2	2	3	3	3	2	2	3	3
athenaClinicals	2	2	1	1	2	3	3	2	3	2	2
eClinicalWorks	3	3	2	2	3	3	3	2	2	3	3
Eclipsys PeakPractice	2	2	2	2	3	1	1	1	2	1	1
e-MDs	3	2	2	3	3	2	2	2	2	2	1
GEHC Centricity Practice Solution	2	3	3	2	3	1	2	2	2	1	1
Greenway Medical Systems	3	3	2	3	3	3	3	2	2	2	2
Pulse	2	2	1	3	3	3	3	2	2	2	2
Sage Intergy EHR	2	3	3	2	3	2	3	3	2	1	1

Note: See Table 2 for an explanation of the scale for each attribute.

Source: IDC Health Insights, 2009

T A B L E 5

Industry Short List for the Ambulatory Provider EHR/EMR Market: Vendor Ratings for Ownership Confidence (Y-Axis) Attributes

	Market Share	Profitability	References	Customer Satisfaction with Support	Customer Satisfaction with Product	Approach to Meaningful Use
Allscripts Professional	3	3	2	1	2	3
Allscripts MyWay	1	3	2	2	2	3
Aprima	1	2	2	2	3	2
athenaClinicals	1	3	2	3	2	2
eClinicalWorks	3	2	3	3	3	3
Eclipsys PeakPractice	1	3	2	2	2	2
e-MDs	2	2	2	2	2	2
GEHC Centricity Practice Solution	3	3	2	2	2	3
Greenway Medical Systems	2	2	2	2	2	2
Pulse	1	1	2	2	2	2
Sage Intergy EHR	1	3	3	2	2	2

Note: See Table 3 for an explanation of the scale for each attribute.

Source: IDC Health Insights, 2009

FUTURE OUTLOOK

With stimulus funding in the mix, the outlook for ambulatory EMR adoption has never looked brighter than it does in 2009. Although adoption of EMR among all practices is currently estimated to be below 10%, various industry estimates predict that 50–60% of all U.S. providers will take advantage of stimulus funding to install EMR by 2016. This will bring EMRs into use by the majority of providers.

ESSENTIAL GUIDANCE

Actions to Consider

To meet all of the challenges of EMR adoption and get to meaningful use, it is clear that ambulatory providers need integrated solutions that address not only the total cost of ownership for the technology but also the technology, workflow, and human factor issues associated with EMRs. Addressing as many issues as possible in the solution will help to accelerate EMR adoption for providers and drive users toward both meaningful use and the quality and efficiency goals associated with EMR. An integrated EMR solution for an ambulatory practice should address:

- EMR application selection and licensing.

- User interface.

- Clinical staff buy-in.

- End-to-end technology site assessment.

- Readiness of the practice and providers.

- Process improvement and clinical transformation.

- Integration with practice management systems.

- Interoperability.

- Budget.

- IT support availability.

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