

Steps to EHR Success

Contracts and Business Practices

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Dr. Murphy's Law

**"If anything can
go wrong, it will"**

Unless



You can take charge and ...

- Assess your EHR Needs
- Select the right vendor for your practice
- Negotiate an agreeable contract
- Avoid unexpected and unplanned for costs
- Keep your EHR project under control
- Form a partnership with your vendor

Communicate Requirements

- Use needs assessment or RFP document
- Needs and expectations communicated
- “Apples to apples” feature comparison
- Vendor profiles compared
- Vendor commitments documented
- No financial investment

Vendor Checklist

- Financials
- Customer base
- References
- Product maturity
- Staff size (R&D, sales, support, etc.)
- Support (hours, incident cost, etc.)
- User groups
- Leasing
- Release schedules
- 3rd party relationships
- WebEx, Live Meeting capability

What to look for in a Vendor...

- Listening
- Questioning
- Understanding
- Enthusiasm
- Problem Solving
- 3rd Party Knowledge
- Discussion of Options

Vendor Red Flags...

- One sided conversation
- Limited patience
- Slow responsiveness
- Cookie cutter approach
- Technical jargon
- Promised features not available

Specifications and Documentation

- Functional requirements
- Performance requirements
- Request for proposal response
- Hardware requirements
- Training materials
- Technical manuals

Areas of Focus

- License types
- 3rd party agreements/sub-licenses
- Source code Escrow
- Specifications and Documentation
- Fees and Payments
- Implementation
- Acceptance
- Support and Maintenance, Upgrades
- Warranties
- Penalties and Termination

License Types

- Enterprise
- Concurrent
- Named User
- CPU/Server
- Perpetual
- Term

Negotiation Strategies

- Beta site offering ongoing feedback
- Referral arrangement
- Committed to long term vendor goals
- Vendor is new to market
- Vendor quotas

Third Party Software

- Additional Fees
- License type and restrictions
- Vendor agreements
- Support

Source Code Escrow

- Release conditions
 - Insolvency
 - Non-support
- Licensee's right to modify source code
- Verification of escrow
- Timely update of source code
- Definition of source materials

Source materials placed in escrow

1. Copies of source and object code
2. Build scripts
3. Object libraries
4. API's
5. Compiling instructions
6. Documentation

Implementation and Training

- Project plans
- Milestones
- Timelines
- Involvement
- Commitment
- Partnership

Acceptance Testing

- Use cases
- Test Plan
- 3rd party interfaces
- Bug triage
- Compliance to specification

Maintenance and Support

- Level of support needed
- Ability to renew support in later years
- Cost of renewing support
- Fee % based on negotiated price
- Sufficient time for upgrade installation
- Support of previous version

Maintenance and Support

- Service Level Agreement
 - Hours of support
 - Methods of support
 - Response times
 - Severity
 - Problem resolution and escalation

Upgrades, Updates, Enhancements

- Allow sufficient time to test and install
- Take re-training into consideration
- Support of previous version
- Specify any associated costs

Fees and Payments

- Costs of additional users
- Identify 3rd party fees
- Avoid “non-refundable” payments
- Customization
- Milestone based payments
- Exclude all fees not identified in contract
- Agree to pay only undisputed amounts
- Vendor expenses shall be approved
- Payment shall not imply acceptance

Warranties

- System meets specifications
- Complies with HIPAA
- Services provided in timely manner
- Services in compliance with best practices
- Vendor has adequate insurance coverage
- No pending litigation
- Disclose and pass through 3rd party warranties
- Software does not contain disabling code

Penalties and Termination

- Project milestones
- Acceptance testing
- Promised features not developed
- Specifications compliance
- Support responsiveness

What do vendors need from you?

- Clear requirements
- Timely responses to questions and issues
- Involvement and project commitment
- Staff resources for implementation & testing
- Realistic timeframe expectations
- Understanding of contracts and business practices

Your Software Bill of Rights

You have the right to ask vendors to -

- Understand your practice needs
- Solicit and encourage your involvement
- Communicate clearly and address all questions
- Put all verbal commitments in the contract
- Disclose all 3rd party arrangements
- Provide an implementation project plan
- Accept milestone based payments
- Allow you to perform acceptance testing
- Discuss support options based on your needs
- Provide a source code escrow account
- Disclose all costs in contract

Benefits of this Approach

- Understanding of your EHR Needs
- Selection of an appropriate vendor
- Negotiation of an agreeable contract
- Adherence to your budget
- Control of your EHR project and timelines
- Formation of a partnership with your vendor

Information presented is based on 20+ years of personal experience and research in the areas of software acquisition, development, and project management. It is meant to be a guide and outlines some important concepts which practices need to be aware of when contracting for an EHR and working with vendors. The information is not represented as legal advice.

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