

CASE STUDY GOOD SAMARITAN HOSPITAL

Strategic Alternatives Analysis for a Replacement EHR

BACKGROUND:

McKesson had recently announced their intention to halt development of Good Samaritan Hospital's (GSH) Horizon application suite. McKesson then proposed their Paragon electronic healthcare record (EHR) solution as an effective replacement for GSH. Encore worked with GSH to evaluate potential alternatives between McKesson's Paragon solution, Epic's EHR solution using Epic Connect through Deaconess Hospital in Evansville, IN and an EHR solution proposed by Cerner.

CHALLENGE:

The challenge was to help GSH evaluate and understand the risks and opportunities associated with these three solutions through an assessment of the functional issues, costs, schedules and business implications. GSH had received bids from McKesson and Cerner and also had conversations with Deaconess prior to engaging Encore. GSH needed an experienced guide who could lead their organization through this critical assessment without worries of bias. GSH's CEO, Rob McLin, requested that Encore examine all of the issues, even if the issues were top management. The hospital's goal was to objectively view all three EHR solutions and then make the best, unbiased decision for their organization.

SOLUTION:

Encore began the strategic alternatives analysis for GSH's replacement EHR by conducting a series of intensive interviews with hospital executives, physicians, other organization leaders and IT to develop a list of key findings to validate what the hospital was seeking in an EHR. Six "must have items" were identified as a result of this assessment through further discussions that were conducted with the executive team. Each EHR solution was scored and evaluated based upon these "must have" factors. A summary slide of KLAS scores for each solution was also presented.

As a next step, both executive teams from GSH and Deaconess were involved during the evaluation of the Epic solution. Encore then led the GSH and Deaconess executives teams through a collaborative process based upon several dimensions that were identified through the executive interviews conducted within both organizations. Several business and IT principles were developed that listed three alternatives along a continuum. Each participant identified where they wanted to be in the future (deal breakers or controversial items were included to make sure both organizations had their eyes wide open). Elements where there was joint agreement were approved without discussions; items with alternative views were discussed and agreement reached. The outcome was a set of agreed-upon decisions that formed the basis of how services would be provided by Deaconess to GSH. There was agreement on the level of services and flexibility that Deaconess would provide.

Multiple McKesson Paragon and Horizon resources were utilized to understand the McKesson proposal. Cerner's interaction was limited to a GSH demo in Indianapolis, along with the total cost of their application.

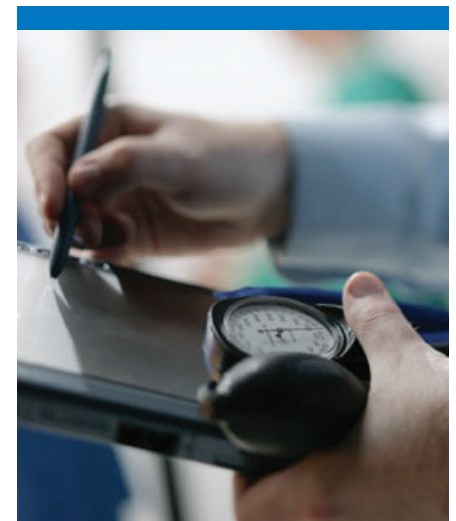
It was determined that Deaconess, who had never been a vendor, could and would meet GSH's needs as an EHR partner through the business and IT principle exercise above. Substantial agreement existed between the potential partners so a benefits and cost assessment were performed. A technical assessment of Deaconess' ability to share their solution was also performed.



ABOUT THE CLIENT

Good Samaritan Hospital, Knox County's largest employer, is licensed for 239 in-house patients. Annually, Good Samaritan Hospital has more than 440,000 outpatient visits and an additional 35,000 plus visits to its emergency room. The hospital offers a wide scope of medical services. From thoracic surgery to the birth of a baby, this growing health care provider balances quality patient care with preventive education to fulfill its mission. Consistently ranked in the top 10 percent in the nation in patient satisfaction, Good Samaritan Hospital provides a superb level of care while maintaining fiscal integrity and expanding facilities to meet the needs of the community.

Good Samaritan's mission is to provide excellent health care and promote healing through trusting relationships, while being recognized as the regional center of excellence for health care.



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Encore assessed Paragon, McKesson’s proposed replacement solution, as to its suitability with GSH’s, costs and functionality of the integrated clinical, operational and financial solutions. The ability to reuse and repurpose existing data made through an effective conversion utility was seen as a very positive factor for this solution.

Encore reviewed Cerner’s pricing and evaluated GSH’s risks in pursuing a Cerner solution. The cost assessment ruled out Cerner’s EHR early in the analysis process.

Total costs of ownership were calculated for each remaining EHR option. A summary overview of the benefits, implications, costs and hospital cultural considerations was created for each alternative. Recommendations were also created that included transition strategies to minimize the total cost of writing down the McKesson Horizon assets, while mitigating Meaningful Use risks.


At the conclusion of the assessment Encore delivered to Good Samaritan Hospital:

- A detailed presentation to the Board of Directors
- Worksheets that presented a total cost of ownership for the final two solutions
- Decision Day One Assessment between Deaconess and GSH to verify that each hospital had consistent expectations concerning support and needed flexibility of GSH using Epic Connect from Deaconess
- The business and IT principles used during the assessment
- The key findings from staff interviews
- Potential timelines for implementation
- Recommendations

RESULTS:

The information presented to the board was well accepted, according to Rob McLin, Good Samaritan Hospital’s CEO. The major value of the project to the hospital was that Encore provided the detailed analysis and information necessary to allow the hospital’s management to make a well-informed, unbiased decision, and they are in the process of doing so now. Additional benefits included:

- a. McKesson gave GSH effective discounts, while allowing them a window to evaluate the Paragon Ambulatory solution;
- b. The client did not feel pressured into another long-term McKesson contract without seeing the solution first;
- c. Encore’s work with McKesson ensured GSH’s flexibility in case the integrated Paragon Ambulatory functionality does not measure up to expectations;
- d. The project was completed on time and within budget.

An additional major learning point for GSH was the more than \$8.5 million in existing “McKesson Exposure,” if McKesson Horizon was shut down in the next 12 months. This included depreciated fixed assets, projects that were near closure, but not on the books and contracts for maintenance and implementation that would never be implemented, but still had to be paid. This amount was over and above the total cost associated with any other non-McKesson solution, which would have had a material impact on finances that year. As it now stands, these assets are being written off, making a potential shift in vendors more cost effective while GSH current sits on the sidelines. GSH is currently waiting for a demonstration of the Ambulatory Physician product and final pricing to make a knowledgeable decision as to their ultimate direction in using a one-database solution, Epic or Paragon. 



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