

HFMA SURVEY: Electronic Health Records and Meaningful Use

August 2013



hfma
healthcare financial management association

Summary

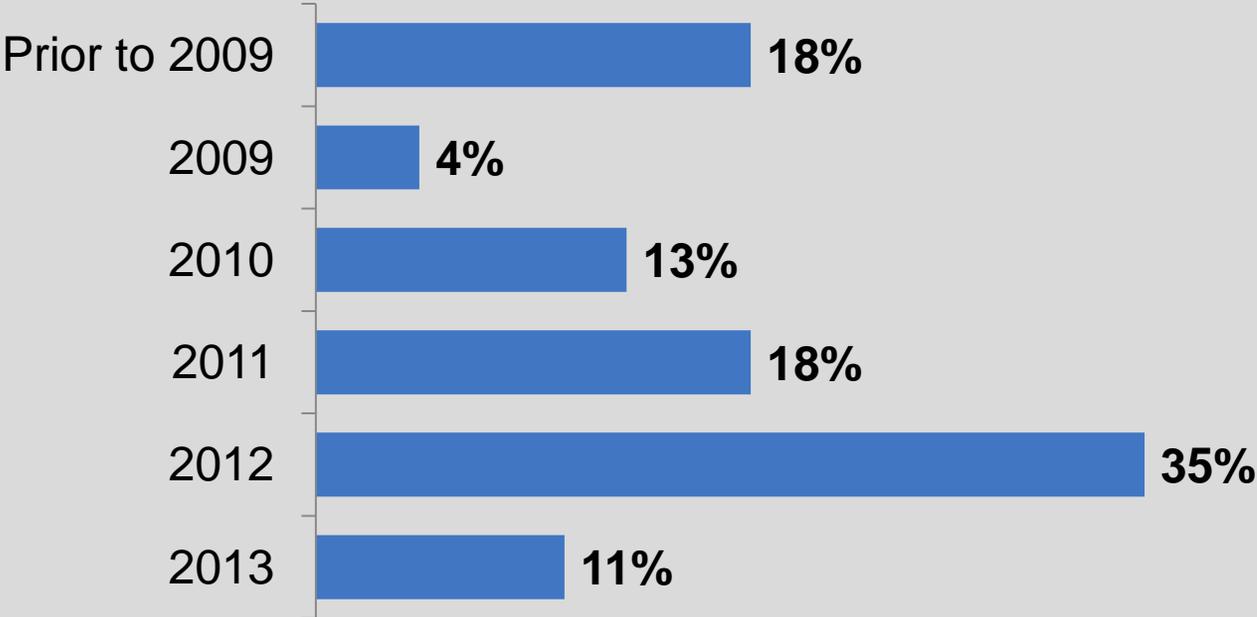
- EHR Implementation Across the Industry
 - Most organizations have implemented EHRs
 - The majority implemented a new EHR within the past two years
 - Meaningful Use
 - Most organizations have achieved Stage 1 meaningful use requirements and are making progress toward meeting Stage 2 criteria
 - Cost
 - Almost one-quarter of organizations spent more than \$7,500 per bed to achieve or maintain meaningful use. **Small organizations spend more to achieve meaningful use.**
 - Of those that implemented an EHR within the past two years, more than half spent \$5,000 or more per bed to achieve or maintain meaningful use
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Summary

- ROI
 - Nearly two-thirds of respondents anticipate a positive financial return on meaningful use
- Impact on Productivity
 - In most organizations, **physician performance** returned to normal within two years of implementing an EHR
 - In most organizations, **revenue cycle performance** returned to normal within one year

The Majority of Organizations Implemented a New EHR Within the Past Two Years

When did you implement a new EHR?



Most Organizations have Achieved Stage 1 and are Making Progress Toward Meeting Stage 2 Criteria

| Where does your organization currently stand with regard to <i>EHR implementation and meaningful use criteria</i>? | |
|---|------------|
| Implemented an EHR, have achieved Stage 1, and are progressing toward Stage 2 criteria | 76% |
| Implemented an EHR and have achieved Stage 1 meaningful use criteria | 10% |
| Implemented an EHR and have not yet achieved all Stage 1 meaningful use criteria | 7% |
| In process of implementing an EHR | 7% |
| Do not have an EHR | 1% |

Almost One-Quarter of Organizations Spent More than \$7,500 per Bed to Achieve or Maintain Meaningful Use

Similarly, of those implementing an EHR within the past two years, more than half spent \$5,000 or more per bed

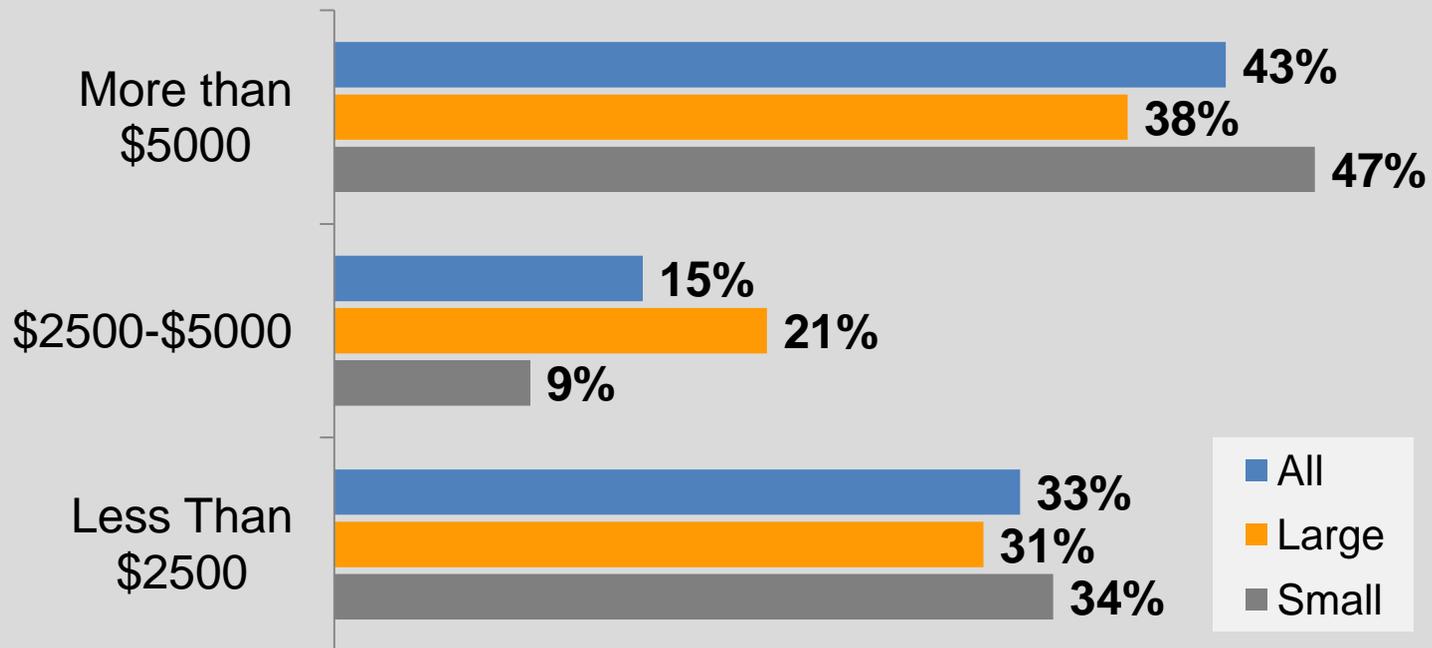
On a per bed basis, how much do you estimate your organization spent in calendar year 2012 trying to achieve or maintain meaningful use?



Based on the question, "How much do you estimate your organization spent in calendar year 2012 trying to achieve/maintain "meaningful-use"?"

Small Organizations Spent More to Achieve or Maintain Meaningful Use

On a per bed basis, how much do you estimate your organization spent in calendar year 2012 trying to achieve or maintain meaningful use?



* Filtered response for hospitals that implemented an EHR in 2011 or 2012

Most Organizations Have Conducted an Analysis of Pay-for-Performance Programs

Has your organization conducted an analysis weighing the cost of participating in programs such as Medicare's hospital pay-for-performance programs or meaningful use against the financial impact of not participating/non-compliance?

We have conducted an analysis of pay-for-performance programs  **81%**

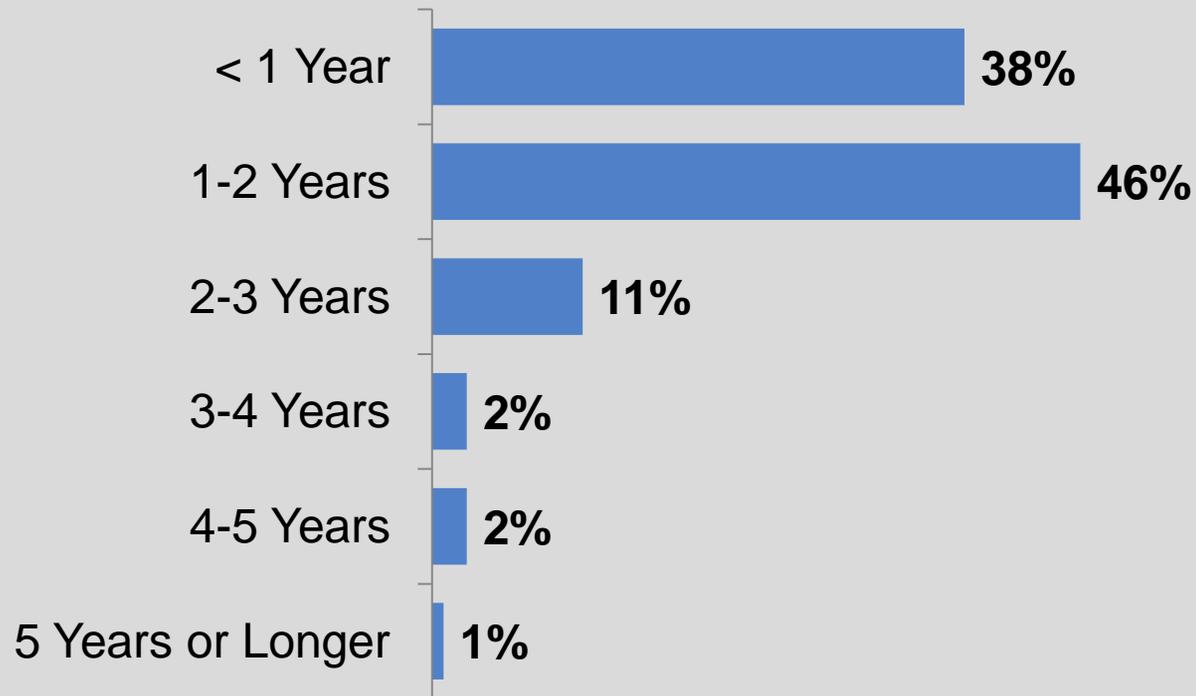
We have conducted an analysis of meaningful use  **48%**

Most Analyses Indicated a Favorable Financial Return for Meaningful Use

| <i>What was the result of your analysis of the potential financial impact of pursuing meaningful use?</i> | |
|---|------------|
| Financial return would be favorable to our institution | 65% |
| Financial return would not be favorable to our institution | 19% |
| Result of analysis was inconclusive | 16% |

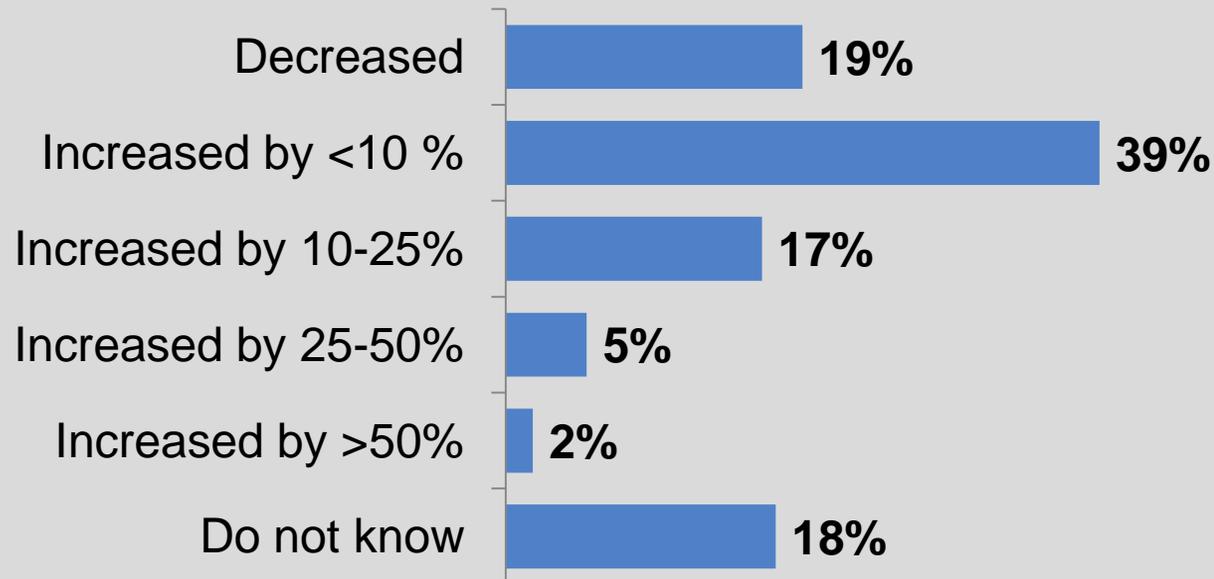
In Most Organizations, Physician Performance Returned to Normal Within Two Years

How long did it take to resume to pre-conversion physician performance (i.e. physician productivity)?



Most Organizations Noted a Modest Impact to Revenue Cycle Performance Within the First Year

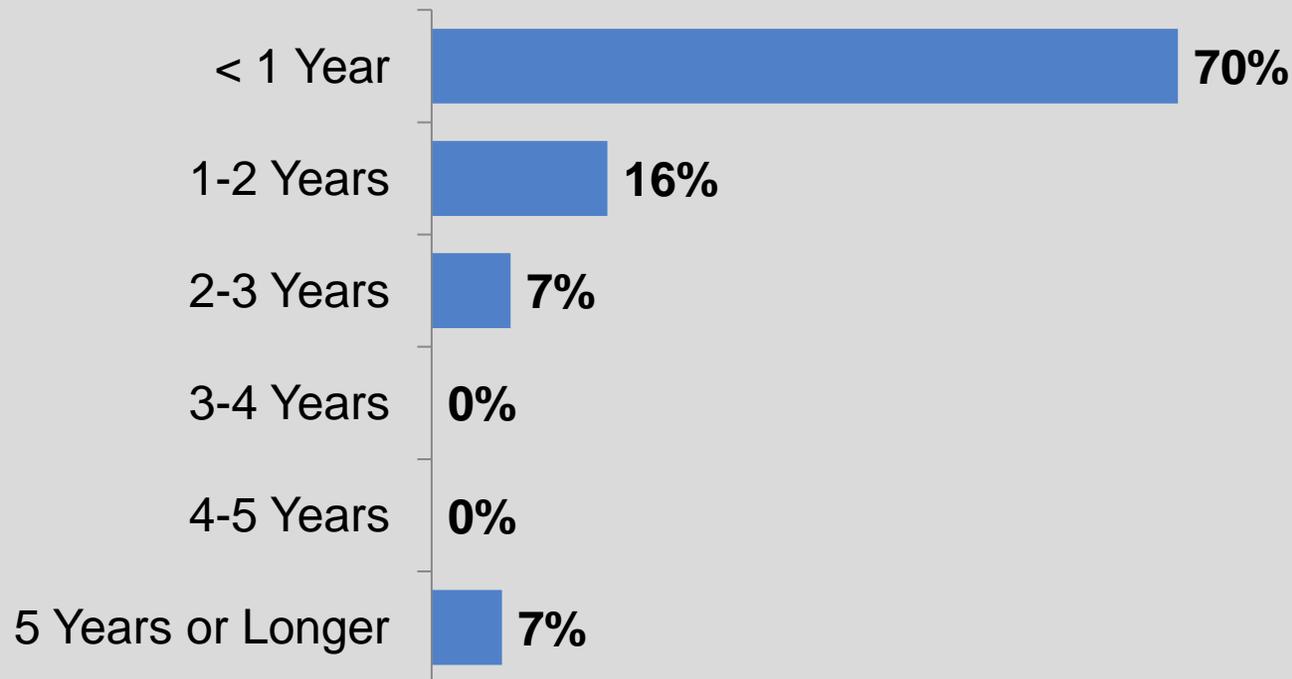
Please estimate your shift in revenue cycle performance within the first year of implementing your EHR.



Consider % increase or decrease in Net Days in A/R.

In Most Organizations, Revenue Cycle Performance Returned to Normal Within One Year

How long did it take to resume to pre-conversion revenue cycle performance (i.e. Net Days in A/R)?



EHR's Impact on the Revenue Cycle: Some See Positive Results, Others Face Learning Curve

The POSITIVE

- “After the learning curve, results have been that documentation is clearer, billing more accurate, and claims paid sooner (less denials).”
- “Our revenue cycle was back to normal performance within six to nine months.”

The NEGATIVE

- “We had trouble with the conversion of the chargemaster from the old system to the new system.”
- “We had a lot of setbacks from the beginning because we went live with everything (including physician documentation) all at once.”
- “A/R didn't function the way they said it would. Considerable 'glitches' in the programs—reports not created, files not sent to collection agencies. Vendor has a very difficult time figuring out what the problem is and a relevant 'fix' to the issue.”
- “[We] went from 53 days to 79 days.”

Key Learnings from EHR Implementations

EHR implementation costs and resources are often underestimated

“There are ALWAYS hidden (or additional) costs that can be significant.”

Allowing time to select the right vendor is important

“We would have been more deliberate in our selection. More interviews with more questions.”

Physician engagement can make or break an EHR roll-out

“Physician participation and choosing physician champions to lead and be an integral part of the EHR selection and implementation process is key.”

Key Learnings from EHR Implementations (cont'd)

Many organizations underestimate the **impact on documentation**

“It is a lot harder than using paper charts and lot more time consuming.”

Communication and training is critical

“Develop a group of super users to assist in training and with questions as the system is implemented.”

122 Valid Responses from Hospital and Health System Financial Executives

| <i>Response by size of hospital or health system</i> | | |
|--|---------------------------|-----------------------|
| <i>Bed Size</i> | <i>Survey Respondents</i> | <i>U.S. Hospitals</i> |
| Fewer than 100 beds | 43% | 50% |
| 100-300 beds | 31% | 29% |
| 300-500 beds | 8% | 9% |
| Greater than 500 beds | 6% | 5% |
| System | 12% | 8% |