

Achieving ROI with EMR

Seven Provider Practice Saves Around \$200,000/year with EMR System

Glynn Medical Associates

Brunswick, Ga.

OVERVIEW:

Glynn Medical Associates, comprised of four internists, two rheumatologists and a physician's assistant, began using eClinicalWorks integrated EMR/PM system in February 2005 with every provider using the system as of the first day. Glynn had decided that maintaining dual systems and "phasing in" would defeat the purpose of changing from paper to EMR. In fact, the main reason eClinicalWorks was selected is that the company was the only one that had success with all-at-once implementations, according to references provided by a short-list of vendors.

The first three months of going paperless were stressful; however, returns have proven the transition well worth it, with the practice saving approximately/conservatively \$200,000/year. Also, one physician in the practice is seeing 33% more patients daily with the EMR system with increased patient satisfaction. Some of the quantitative benefits Glynn has received include:

- \$120,000 of annual transcription costs disappeared almost immediately.
- Glynn has allowed attrition to reduce medical records personnel from 4.5 people to two at an estimated savings of \$50,000, conservatively.
- Attrition has permitted the billing department to decrease from 5.5 people to three at an estimated savings of \$50,000, conservatively.
- With 500 charts a day not being transported and the diminution in personnel, Glynn realized that it had more space than needed. It downsized from 14,000 square feet to 11,500, saving \$47,500 per year. Some of these savings may be used by IT for now.

"Changing to an EMR system and making the office paperless required a significant learning curve but was well worth the effort," says Dr. Erick Bournigal. "Aside from the financial rewards, there is the ability to work from home, to review labs, catch up on notes, access notes from the hospital that improve our quality of life and contribute to better patient care."

FULL TEXT:

Glynn Medical Association is a six physician and one physician's assistant practice based in Georgia. The group is comprised of four internists and two rheumatologists, and the town is small enough that the rheumatologists still have to take Emergency Room call for unassigned primary care patients.

The practice started with eClinicalWorks in February 2005 and every provider started using the system on the first day. Glynn Medical spent extra money for training, and committed evenings and weekends to the learning process. The main reason eClinicalWorks was selected was that references were called from all the short list companies, and only eClinicalWorks had had success with this all-at-once implementation. Worse yet, they did not call a single site using the other considered systems that had all the providers using the product, even after 18 to 24 months of use.

Ahead of time, Glynn Medical decided that maintaining dual systems and “phasing in” would defeat the purpose of changing from paper to EMR. More importantly, the practice felt that it left an avenue to “escape” the commitment to the new system. In other words, having the old system around would invite failure.

Despite the investment in education, the first three months of the transition could be described as difficult. Glynn Medical committed to an EMR hoping for ROI, but prepared to accept that it wouldn’t happen. Also, one of the factors in the implementation of EMR that is seldom discussed is the Opportunity Cost of Learning. The practice has attempted to quantify that cost, though with decreasing reimbursements occurring rapidly during the time of implementation, there are limitations to accuracy.

eClinicalWorks was selected as the best value and the initial cost of the product was dwarfed by the investment in hardware, IT, and opportunity costs.

The bottom line for costs:

Glynn Medical’s final estimate of the costs of implementing eClinicalWorks was \$288,000. Included in this cost was the money spent for an interface lab program written by eClinicalWorks, a reasonable charge of \$5,000, and by the lab machinery vendor, \$15,000.

The EMR/PM program itself was only \$35,000 for the entire practice. \$20,000 was then spent in training. Glynn Medical asked for the extra training as a condition of purchase. Opportunity costs were incurred the first day when each provider scheduled eight patients each, down from an average of 22. Hardware costs and IT ended up being more than \$140,000, including the lab software costs. There were some duplicative costs that added to that figure – tablets were bought, but eventually desktops were hard wired in every room, for nursing use.

There are some stories of the obstacles faced. To be truthful, the learning curve was much worse for the implementation of the hardware than it was for the learning of the program. Hardware issues so traumatized the practice that it impaired its learning curve for the EMR/PM program, and it is clearly at the beginning that interest in learning is high.

Billing charges were down, dramatically, the first month and then rose to match previous norms by the fourth month. The practice did have some “catch-up” in months 5-6, that prompted to decrease initial estimates of opportunity costs by \$40,000.

Opportunity costs based on lost revenue until the doctors were able to return to a normal patient load added \$100,000 to the cost of the system. As an aside, one particularly motivated physician in our practice is seeing 33% MORE patients daily with EMR. His patient satisfaction levels are UP, according to his surveys.

Return on Investment:

1. \$120,000 of annual transcription costs disappeared almost immediately. Glynn Medical immediately stopped having to send overage transcriptions to India. One of its two in-house transcriptionists quit the week before implementation of eClinicalWorks. The other took another job three months after implementation. She was bored and had many job offers from people who needed her that it was best for both sides.

2. Glynn Medical has allowed attrition to reduce its medical records personnel from 4.5 people to two, with an estimated savings of \$50,000, conservatively. The 0.5 employee did not get benefits, but the other two did.

3. Similarly, attrition has allowed the billing department to decrease from 5.5 people to three, with an estimated savings of \$50,000, as well, but that is more conservative. The cost of the previous PM system matches exactly what it pays eClinicalWorks for EMR/PM combined.

4. Glynn Medical realized that it now had a lot more space than needed. The opportunity arose to sell its office space, and to move to different quarters. The practice reduced its square footage 14,000 square feet to 11,500. At \$19 per square foot, there is a savings of \$47,500 per year. Despite the smaller space, patients keep commenting as to how quiet and peaceful the new place is. The difference in movement, when 500 charts a day are not being transported, really adds up.

IT costs went up. Dr. Erick Bournigal was not sure by how much at the time this was written, but when upfront costs of moving were calculated, he realized that the IT costs will be inflated for the year. He expects the \$47,500 savings in space will be consumed by IT support for now.

Overall, for this group of six M.D.s and a physician's assistant, Glynn Medical is comfortable in stating that they are saving \$200,000 a year with its EMR in place. The practice is very comfortable with its decision to go with an EMR, and in a practice with high transcription costs it would seem that the decision to change over would be much easier.

“Changing to an EMR system and making the office paperless required a significant learning curve but was well worth the effort,” says Dr. Erick Bournigal. “Aside from the financial rewards, there is the ability to work from home, to review labs, catch up on notes, access notes from the hospital that improve our quality of life and contribute to better patient care.”