Breaking the grip of the BIG EHR vendor

By Becky Quammen, CEO, **Quammen Health Care Consultants**

When asked to contribute to this Thought Leaders column, I thought it would be an easy exercise. After all, I am approaching 30 years of progressive and engaged tenure in the healthcare industry, with a varied history that includes hospital and ambulatory operations, executive software vendor leadership, information systems, and consulting. I have been deeply immersed in information systems and operations across the full continuum of acute and episodic care, which has afforded me a rich understanding of virtually every related department and process. In short, I have seen the worst of us, but I have also seen the best of the human spirit drawn to this amazing and noble industry.

Recently, I had the opportunity to participate in a presentation where the term nobility was used to describe our work in the healthcare industry. I love that! The speaker went on to outline our need for the "best of the best minds" to tackle the modern-day problems we face in healthcare. I know my colleagues across the country and around the world who are impassioned about their work in healthcare would agree.

For those of us who surround the healthcare delivery system with products and services, we need to rise to this nobility, we need to be cognizant of our impact on those we serve, and we need to think of BIG ideas that can solve the BIG problems our industry faces: interoperability, payment reform, quality care, delivery system consolidation, and population health in a diverse healthcare ecosystem, to name a few. As technology, information systems, and data are central to our success, this piece provides a contrarian view on the continued progression of our expensive, dated, and inflexible EHR industry as it is currently known to us.

EHRs and related software

I have witnessed the rise, fall, and acquisition of every third-party software company during my time in the industry. While I am known to be agnostic regarding software vendors and their products, it is not because there are not nuanced differences in them, but because it is simply not about them. At the core, every major software vendor delivering modern-day electronic health records and surrounding specialty products delivers basically the same functionality to support common clinical workflow: placing orders, documenting care, reviewing results, and providing retrospective reports. The user interface is different, rules and alerts may present differently, technical specifications and hosting may vary, but at the core each of these products is the same, as they were designed to digitize the same environment.

Individual intuition and perception regarding usefulness and ease of use is what changes from product to product, and successful adoption heavily depends on the individual user. Organizational resolve and dedication to a solution matter. Creativity and ingenuity in an imperfect world matter. The software, itself, does not matter.

We are at a major crossroads concerning the future direction with EHR vendors and the solutions needed to meet today's challenges and opportunities. To date, our EHR solutions are primarily large, complicated, expensive systems that have been implemented over many years. Many healthcare organizations are now on their second – and maybe third – replacement of these systems. With healthcare system mergers and consolidations, we now have large healthcare ecosystems supporting a variety of expensive and challenging EHRs in locked-in agreements, limiting system integration for years to come. And still the cycle continues with the delivered functionality remaining largely the same as outlined above, with limited innovation at increasing costs.

Breaking the cycle of locked-in vendor agreements

The typical software vendor agreement ranges anywhere from five to 10 years with costs of $10 million to $200 million over time. Switching costs include new hardware, new implementation, and, of course, the human capital required to divert attention from clinical delivery and revenue growth to participate in yet another project. The status quo would have us continue to grow the primary EHR vendor footprint when new functionality is needed to meet more demanding regulatory and clinical requirements.

However, there is a way to break the excessive grip the EHR vendors have on our bottom line. The enterprise resource planning (ERP) products of the 1990s and early 2000s provide an example of how that functionality hit a plateau with large, expansive implementations, before becoming the background transactional database for which smaller, lighter, more nimble, and highly integrated components could be attached. Technology advancement and interoperability standards made it possible and practical for bolt-on solutions to augment the major central ERP databases, reducing the reliance and cost associated with a limited number of big vendor choices.

EHRs are positioned for the same cataclysmic change if our healthcare leaders think outside the box to leverage emerging cloud-based, subscription-based, and innovative products that extend the functionality of the core EHR rather than simply taking what emerges from the primary EHR vendor. For some in our industry, this movement will resemble the best-of-breed model that we fled from in the 1990s. However, I firmly believe it is the necessary cycle that allows for reduced dependence on the behemoth, monolithic, expensive vendors that have our healthcare organizations locked into expensive, long-term contracts – and who are themselves locked into dated technologies with limited ability to provide nimble, cost-effective responses to our changing times. We need only to look to the ERP progression in the last two decades to see a model that, if followed in healthcare, will break the chains limiting our ability to serve this noble industry. **HMT**