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Electronic Health Records: Understanding the Opportunities for Your ASC

December 1, 2012

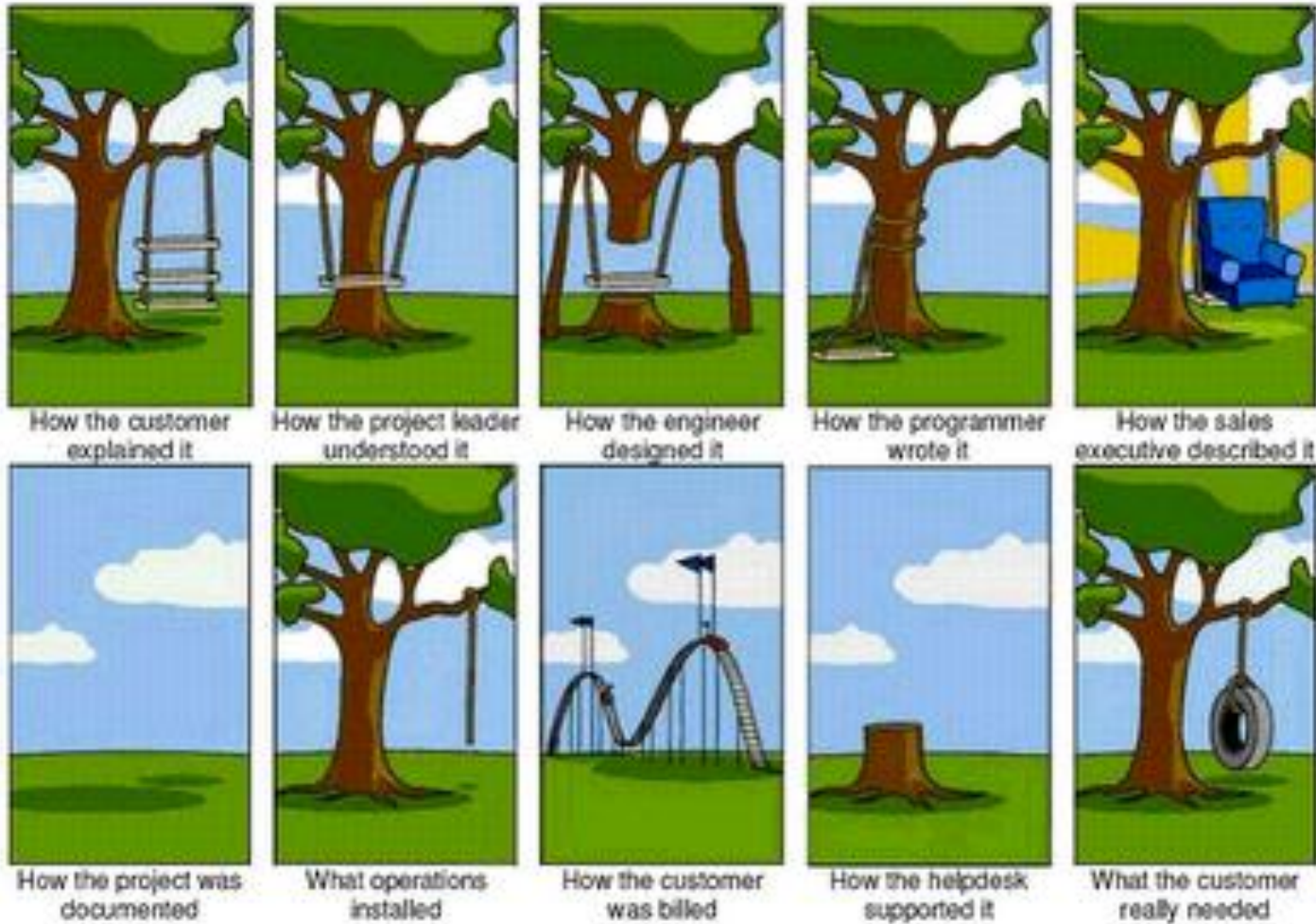
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EHR in ASCs- Post Project Analysis



Today's Discussion

- ◆ Review the financial impact, ROI discussion
- ◆ What trends are occurring in the ASC Industry
- ◆ Future of EHRs in ASC
- ◆ Review of the actual

Benefits of an EHR

Clinical

- ◆ Patient Safety
 - Medication alerts
 - Allergy alerts
 - Decision support
 - Legible documentation
- ◆ Physician Satisfaction
 - Offsite chart access
 - Automated op reports

Financial/ROI

- ◆ Eliminate paper
- ◆ Eliminate chart storage
- ◆ Labor efficiencies
- ◆ ***Better costing data***

Actual Report

Revenue:			\$1,400.00
Knee Arthroscopy/repair Ligament	1	\$900.00	
2.0 Mm Screw - E1399	1	\$500.00	
Fixed Costs:			\$353.33
Rent/Lease		\$120.00	
Utilities		\$20.00	
Labor		\$90.00	
Insurance		\$40.00	
Professional Fees		\$16.67	
Marketing		\$11.67	
Debt Service		\$48.33	
Other		\$6.67	
Staffing:			\$78.33
Asst. Circulating Nurse (SERRANTINO, EDJOHNETTA M)	85	\$35.25	
Circulating Nurse (DENNISON, WILLIAM I)	85	\$43.08	
Disposable Supplies			\$479.53
2.0 mm Screw - E1399 (201.016E)	0	\$0.00	
Arctic Flow Cold Therapy, Knee (11-1316-0-02000)	1	\$49.56	
Arthroscopy "Y" Tubing ADAPTER, Arthrex (AR-6215)	1	\$24.78	
Arthroscopy PATIENT tubing, Arthrex (AR-6215)	1	\$24.78	
Arthroscopy PUMP Tubing, Arthrex (AR-6215)	1	\$24.78	
Blade, 15 (371215)			
Cautery, Pencil with Holster (E2515H)			
Drape, Light Handles (LB41)			
Drape, Mayo Stand Cover (8337)			
Drape, Pack Arthroscopy (SOP13ARFSA)			
Dressing, EZE bandage 6" X 10 Yards (5038483134306)			
Dyonics 4.5mm Incisor Plus Blade (7205)			
Fiberwire 2-0 Meniscal Repair Needles (7205)			
Genzyme Carticel kit (Genzyme Carticel)			
Glove, Biogel 8 (30480)			
Glove, Biogel 8 1/2 (5038483134306)			
Marcaine/Sensorcaine 0.5% 30 ml with e			
Morphine 10mg/ml (2771293)			
Osteomed Screw 2.4mm x 6mm (319-24)			

Profit/Loss Analysis Report (Continued, Page: 2)

Prolene 2-0 (FS-2) (8685H)	1	\$2.62	
Solution, Sodium Chloride 0.9% Irrigation 250ml Pour Bottle (2F7122)	1	\$1.13	
Solution, Sodium Chloride 0.9% Irrigation 3000ml (2B7127)	4	\$25.58	
Suction, Cannister 3000cc (5054-65651230)	4	\$7.79	
Suction, Sterile 10 tubing (N510)	1	\$1.57	
Suture, 2-0 Vicryl (CT-1) (J839D)	0	\$0.00	
Syringe, 20cc LL (8881520657)	1	\$0.22	
Vicryl 0 (CT-1) (J946H)	0	\$0.00	
Vulcan Large Chisel (7209647)	0	\$0.00	
Equipment Depreciation			\$0.00
Arthrex Arthroscopy pump (Arthrex Arthroscopy pump)	1	\$33.33	
Arthroscopy Tray (Arthroscopy Tray)	0	\$0.00	
Chondrocyte Implantation Tray (chondrocyte tray)	0	\$0.00	
Leg Holders (Leg Holders)	2	\$100.00	
Meniscal Stitch System (Meniscal Stitch System)	1	\$62.50	
Minor Orthopedic Tray (Minor Orthopedic Tray)	1	\$480.95	
Tourniquet ATS (Tourniquet ATS)	1	\$30.00	
Vulcan Generator (Vulcan Generator)	1	\$0.00	
Total Cost:		\$911.19	
Profit/Loss:		\$488.81	

Summary ROI

- ◆ What will it cost?
 - After you establish objectives, research vendors and ask for a detailed analysis/quote, inquire with peers what they spent
- ◆ What are you spending now?
 - Actual Costs (Hard and Soft Dollar)
 - Opportunity Costs (Be Conservative)
- ◆ Benefits:
 - Case costing for maximizing reimbursement from payers and savings in supplies

Analysis

	Year					
System Impact	1	2	3	4	5	Totals
Hard Dollar Form Savings	\$21,800	\$21,800	\$21,800	\$21,800	\$21,800	\$109,000
Disposable Supply Savings(Standardization/W	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$15,000
Increased Revenue Capture	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$18,750
Increased Revenue Better Reimbursement	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000
Inventory Cash Flow	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$40,000
Labor Savings	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$115,000
Total System Benefit	\$71,550	\$71,550	\$71,550	\$71,550	\$71,550	\$357,750
	Year					
System Cost	1	2	3	4	5	Totals
Initial Outlay	\$156,135	\$0	\$0	\$0	\$0	\$156,135
Recurring	\$12,500	\$25,000	\$25,000	\$25,000	\$25,000	\$112,500
Additional Staff Time during implementation	\$10,000	\$0	\$0	\$0	\$0	\$10,000
Decreased Revenue	\$10,000					
Total System Cost	\$188,635	\$25,000	\$25,000	\$25,000	\$25,000	\$288,635
Net cash flow	-\$117,085	\$46,550	\$46,550	\$46,550	\$46,550	
cumulative cash flow	(\$117,085)	(\$70,535)	(\$23,985)	\$22,565	\$69,115	

Total Net Present Value	\$21,699.65
Internal rate of return (IRR)	22%
Pay back period (Years)	3.52

Industry Trends

- ◆ Recent *SurgiStrategies* survey showed 55% of ASCs are using EHRs
- ◆ Regulatory factors
 - ARRA- Meaningful Use
 - State Level
 - CMS Quality Reporting (Mandatory beginning 1/1/12)
- ◆ ACOs
- ◆ Improved patient care

Industry Trends-Meaningful Use

- ◆ Meaningful Use - Has been implemented in Physician practices and hospitals, and is coming to ASCs - soon



- ◆ State of MN has mandated the use of electronic records in all facilities by 2015

Industry Trends- ACO

- ◆ ACO (Accountable Care Organizations) - In order to participate in an ACO you will need to be able to share clinical data

“Ability to exchange information across sites of care. To be successful as an ACO, hospitals will need to exchange patient data with physician practices, post-acute care facilities and others as well as have systems in place to mine data to inform clinical decision-making.”



*- Lindsey Dunn, Becker's ASC Review
“Should Your Hospital Form an ACO?
Five Considerations” April 22, 2011*

Future of EHR in ASCs

- ◆ Certified EHRs in ASCs will be mandated by CMS and other payers to measure quality
- ◆ As ACOs grow, there will be a requirement of EHRs in all participating entities, including ASCs
- ◆ Fewer EMR vendors because of the overall contraction of the market and cost to build and maintain a certified system

Need for an Electronic Health Records System

- ◆ Producing an EHR that is much like paper charts
- ◆ Case costing on every case
- ◆ Easy of transition for physicians and staff
- ◆ All specialties including anesthesia
- ◆ Tablets vs. Desktop
- ◆ Tablets/Weight/Battery Life

What Should You Expect When Implementing an EHR?

- ◆ Governing Body and Staff Support
- ◆ Training
 - Appoint staff from each department
 - Patience

What Should You Expect When Implementing an EHR?

- ◆ Workflow & Chart Packs
 - Specialty chart packs
 - Implement by specialty, staff, or all at once
 - Department specific workflow issues
 - Equipment needs

What Should You Expect When Implementing an EHR?

- ◆ Medical Records
 - Chart reviews
 - Scanning documents
 - Update document policy and procedures

What Should You Expect When Implementing an EHR?

◆ Our Experience

- Resource person in each department
- All clinical staff then physicians

“EHR is just like adapting to a new cell phone – you will master it and come to love it. Embrace technology!”

- CRNA

“When starting an EHR, issues will arise. You have to adapt and work through the issues. It can be a great asset to the facility. It’s just the next step into a new future for healthcare.”

- Pre-op Nurse

What Should You Expect When Implementing an EHR?

*“**Change** is the law of life and those who look only to the past or present are certain to miss the future.”*

- John F. Kennedy

Questions?

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