

Achieving the Elusive ROI on an EHR



Contact

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While most hospitals and health systems have adopted electronic health records (EHRs), provider leaders face continued challenges generating a return on their EHR investments.

HFMA Managing Editor Eric Reese sat down with David Burik, managing director at Guidehouse, to discuss how providers can better leverage their EHRs, based on insights from c-suite executives who attended Guidehouse’s 2018 CEO Forum.

David Burik: Forum executives agreed that the return on investment (ROI) on EHRs has not developed. With EHRs, there were instances of how we added material that we didn’t think we were going to add, and we didn’t take out expenses that we thought we were going to take out. Of course, there was the elective concern about how this has affected caregiver satisfaction and ease of doing their work.

Those are pretty big concerns that Forum executives relatively freely admitted, but at least to my ears, the solution offered was not a radical one. No one was saying, “Oh, let’s tear these things out.” Rather, there were some almost academic conversations about how there are stages of IT adoption and we’ve got to work through this phase. “We’d like to go faster.” “We are heavily dependent on our vendors — we want them to prioritize innovations that can drive value and allow us to get those costs.” “We’d like it if the systems can

be informed with artificial intelligence, sooner rather than later.”

I would say it was also freely admitted that the EHR has been expensive. That rather than a measurable ROI, they have actually increased costs. But, it’s really hard to see material savings from reducing length of stay or eliminating duplicate exams or some of the other things that were mentioned.

It was also admitted that, more often than not, the drudgery and the necessity of spending time with EHRs — emotionally for most caregivers — overcome the advantage of having all the information at their fingertips when they need it.

But the mentality was, “Let’s get through this. We’re all going to learn how to use this information better. We need to get organized and make sure that there’s a prioritization of software improvements and application development that will yield the benefits quicker, better, and faster, and here is the course.” I think that’s how I would summarize that portion of the day.

Eric Reese: You mentioned that a lot of caregivers find there’s a certain amount of drudgery in working with the EHR, but were there some innovative solutions to that problem where physicians could see the value and get on board with it?

Burik: I think that — and this actually is in line with the notion about the evolution

“I don’t think there is a list of five things to do to make your EHR blended. It really is more of a nine-inning game and we’re in the first inning.”

of technology adoption — a lot of folks had metrics that were about ensuring a successful install. For example, all of the physicians are online and use the EHR and don’t have paper, and some of the innovations to support that.

There are some expectations of reinstalls. And in the middle of the conversation, questions about general ledgers and financial systems came up with the recognition that in some cases, investment in those foundational systems has been put off in favor of EHRs for the last decade or so. Now it’s time to reinvest in our ERPs so we can get better information to manage the business.

It has also dawned on people that digital and IT budgets aren’t going to go down. They’re going to continue to grow, but the organizations have to get better in figuring out how those investments will, in the short term, have a positive effect on value. That may not necessarily have been part of the initial expectation for them.

Reese: But we can say there are signs that there’s an evolution that’s happening and as you said, we’re in the first inning, but we can see the direction we’re headed.

Burik: Yes. Now, is the average CEO an information scientist and 120% conversion black belt in digital and IT? Probably not, but the journey and the conversations that are happening that led them, that’s a reasonable assumption to guide their organizations.

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Contact



David Burik

Managing Director

M +1-312-583-4148

E dburik@guidehouse.com

 [linkedin.com/company/guidehouse](https://www.linkedin.com/company/guidehouse)

 twitter.com/guidehouse

guidehouse.com

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