Why Most EMR Implementations Fail:
How to Protect Your Practice and
Enjoy Successful Implementation

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Contents

EXECUTIVE SUMMARY

Research shows that roughly 73% of all EMR implementations fail. Experts give numerous reasons that may contribute to this failure, three of which specifically stand out as greatest contributing risk factors when converting physician offices to electronic medical record (EMR) systems:

The first factor in EMR risk is the **style of implementation**. Many vendors try to cram the practice-changing techniques into a very short period of time - often too short for proper adoption and full understanding of how the new system works best in each unique practice environment. **SOLUTION:** Practices who adopt EMR solutions gradually using an incremental implementation approach are over 90% successful. Be sure your vendor offers incremental implementation or you could be setting yourself up to fail.

The second factor in EMR risk is **lack of useful clinical content in its design**, which slows down and frustrates the user, leading them to abandon the EMR all together. **SOLUTION:** The right EMR can actually save time and increase the accuracy of patient record documentation. Select an EMR that is customized around the unique needs of your specialty. Critical clinical content should be already expressed in its template designs. The system should be designed to be intuitive to the way you work, for faster speed and accuracy from the start. Be sure you select an EMR solution designed specifically for your specialty.

The third factor in EMR risk is cost. EMR solutions can be initially expensive, with many vendors collecting payment in full before the system is fully functioning, leaving little incentive for ensuring the ongoing success of their clients. **SOLUTION:** Select a vendor with a pay-as-you-go or subscription-based fee structure, one with lower up-front costs. This ensures the interests of the vendor are directly in line with your success. You may have heard the expression, "Once you pay, they go away." However, when a vendor is subscription based, paid on a continuous basis, the vendor will be much more motivated to provide the training, service and support needed for a successful EMR implementation. Make them work for you, keeping those financial incentives in place.

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Why Most EMR Implementations Fail: How to Protect Your Practice and Enjoy Successful Implementation

Industry experts quietly agree that most EMR implementations actually fail. Most physicians have heard the horror stories.

Nearly three-quarters of all practices purchasing EMR (electronic medical record) systems are not successful when integrating the technology into their workflow. On the other hand, a large percentage of practices (more than 90%) who adopt specific change management techniques will find EMR success. This factor alone can limit their exposure to risk substantially as compared to their peers nationally.

Successful implementation and use is of growing importance because of the recent US economic stimulus plan. The American Recovery & Reinvestment Act of 2009 (ARRA) will give Medicare incentive payments for up to five years to physicians who are "meaningful users" of certified EMR technology. Stimulus rewards will be made available only to those practices that are successfully using EMR as determined in the definition of "meaningful use."

According to the Healthcare Information and Management Systems Society (HIMSS), to be eligible for the payments, "physicians must use the technology in a meaningful manner, which includes e-prescribing; exchanging electronic health information to improve the quality of care; having the capacity to provide clinical decision support (CDS) to support practitioner order entry and, submitting clinical quality measures – and other measures – as selected by the Secretary of Health & Human Services (HHS). Further, physicians must meet the definition within a specified time frame, which … must be made increasingly stringent over time by the Secretary."

The purpose of this white paper is to: examine the possible reasons for common EMR failure; to protect physician entrepreneurs from increased risk when adopting EMR; and, to inform the reader of key factors to consider so they might obtain an impressive 90% implementation success rate when introducing EMR to their practice, versus the much lower 27% industry average.

Several of these key success factors include: the importance of an incremental or gradual EMR implementation; templates designed around the clinical content of specific areas of specialty; and the advantages of a pay-as-you-go provider -- selecting an EMR vendor with a vested interest in your ongoing success.

Research shows that 73% of all physician practices purchasing EMR systems are not using the system as intended 12 months after implementation. This according to studies conducted by the New England Journal of Medicine and confirmed by independent research by AC Group, a healthcare technology advisory and research firm (April 2009). That means only 27% of all EMR implementations are viewed to be "successful".

A "successful" implementation, according to AC Group, is based on the condition that 12 months after purchasing an EMR system, the physician-user was able to see and document at least 80% of patients using the EMR. NEJM had similar criteria. According to AC Group CEO Mark Anderson, it's a reasonable expectation that the EMR system it should be actively used within a year of the purchase and training investment. If the product is not being used 80% of the time, or according to its intended use, the implementation must be considered a failure.

Why Most EMR Implementations Fail

Anderson's AC Group has identified several factors contribute to an unsuccessful EMR experience. The good news is that one significant factor - the change management process known as incremental implementation - virtually guarantees EMR success.

Here are the most common reasons for failure, reasons that cause physicians to abandon their EMR system after purchase and training - and how your practice can avoid being among the horror stories of an EMR implementation gone wrong.

■ Failure Source: Software Issues

According to Anderson, in many cases the EMR software simply function to perform the tasks necessary to support the user needs as promised. Buyers must use caution. There are no less than 400 vendors out there, selling EMR "systems" that range from the basic Word-document-type formats to advanced applications with intuitive prompts, built-in alerts and customizable templates. Few of them are certified as required to meet requirements for healthcare stimulus dollars.

Tip: Be sure to see a demonstration of the software before you buy. At the demo, ask to see an example of a procedure or office visit template that is customized to your specialty. The most important thing you can say is "Show me." Take nothing for granted - if they claim the system can do a certain function, see it with your own eyes before you assume what the vendor says is true. See if they can back up their claims with third-party validated results.

■ Failure Source: Slow Documentation

One must expect "delayed gratification" when introducing EMR to your practice. The positive results, such as increased savings and efficiency, become obvious only after a certain period of time. However, such delays can be avoided.

To keep the "adjustment period" to a minimum, clinical content must be fine-tuned according to the unique needs of the physician. Be aware that a system designed for a general practitioner may not adequately serve an orthopedic surgeon's needs -- templates designed for a patient with a sore throat may not easily conform to document a broken arm. This can drastically slow down the physician.

In most cases, the doctor's time is the primary revenue engine for the practice. The entire livelihood of the office depends on the efficiency of the physician. Templates should be customized to speed time spent documenting patients - not slow them down.

Mark Anderson believes that some EMR systems can take physicians up to nine times longer to document a patient visit as compared to dictation or hand-written charts. According to a US government-funded study by the **MGMA**, practices using EMR showed a decrease in physician productivity of up to 15% for up to a year or so.

Initially, using EMR takes more time than expected. When left unprepared for this reality, doctors often will abandon the new system and go back to dictating or hand writing their notes rather than lose time. According to Anderson, when a doctor is frustrated or slowed down by an EMR system, there is a good likelihood that he or she will simply stop using it. Not only does this waste thousands of dollars already invested in technology, the practice also misses out on future gains in efficiency and savings often experienced after the system is in place for more than a year.

Causes for these initial productivity delays include: software that doesn't function properly or smoothly; lack of adequate user training; a system with non-intuitive templates and design; page templates that are not customized according to specialty; doctors required to input too much information; and a lack of patient history already loaded prior to the appointment.

Productivity is even more negatively affected when system implementation is rushed, or condensed into a single week. Experts believe that more time is necessary to properly prepare the EMR users and customize the system for optimum efficiency and smoother integration into existing workflow of the practice.

Tip: The best EMR - designed around your clinical content - helps you move quickly through your notes, to speed your workflow and ensure a higher likelihood of success. For best results, be sure your EMR vendor offers templates specifically designed for the clinical content of your specialty. Working with EMR that is NOT customized from the start will take a long time to be useful to you. By using a system that includes clinical content as part of its existing design, you can avoid the expense, time and frustration of doing the fine-tuning yourself.

Also, before you begin using your EMR to document healthcare records, input as much information as you can about each active patient, using the lowest level of staffing available. Simply scanning old paper records may not properly populate the correct data fields in your system, which may not be adequate to meet the "meaningful use" criteria established to receive healthcare stimulus rewards for using an EMR system. Obviously busy physicians cannot afford the delays of having to input all patient details on their own. Your vendor representative should be able to assist you with strategies to more efficiently handle the transition to electronic medical records into their appropriate fields -- without the major expense of hiring new staff to do so. If they do recommend hiring staff, be sure to factor that into the overall expense of purchasing an EMR system. In most cases, additional personnel should not be necessary.

■ Failure Source: Bad Vendors

According to Anderson, there are an estimated 400 EMR vendors out there. Every year, about 50 vendors go out of business. Products sold by these unfortunate 50 may no longer have proper support. When things go wrong -- when error messages come up -- customers will often give up on the product and abandon the system.

In other instances, floundering vendors may sell their inventory to a competitor who then "sunsets" the product line, lacking the parts and service to support the outdated product over time.

Worse yet, many systems simply never work as designed. Some touted as EMR are nothing more than document imaging systems. Other bare-bones systems may function, but they fail to reach the expectation of a full EMR system. This is of growing importance - especially in regards to receiving stimulus dollars. Certification is required.

Tip: Find out how long your EMR vendor has been in the EMR business, and how long they have been specializing in this type of technology. Ask specifics about their background - is it in software design exclusively, or do they have former medical professionals on their team? Also, find out what type of customer and technical support is provided after the purchase? Training, on-site support, and telephone help-desk support are all important factors to consider when making an EMR buying decision.

■ **Failure Source: Not Enough "Buy In"**

One major reason for EMR applications to be abandoned is a lack of buy-in and enthusiastic leadership by the physician and/or the staff. This is according to Jim Tate, founder and president of EMR Advocate, who is among the world's leading experts in implementation of both EHR and Practice Management systems. He is also heavily involved with guiding EMR vendors through their CCHIT Certification.

Practices that do not have a "champion" or advocate for EMR on staff typically have a higher implementation failure rate. Just one person can make the difference.

Tip: "For a truly successful EMR implementation, there has to be a Champion within the physician office," says Tate. "It's best when there is a point-person in place who wants it, who encourages others and really 'owns' the process. Also, the practice has to be looking forward to having EMR, without having it forced down their throats."

Having one person - better yet, an implementation team that includes at least one physician and one nurse - helps maintain the momentum for successful implementation, to keep moving forward as challenges arise.

■ **Failure Source: First Year Pains**

Transitioning to an EMR system can be an emotional one, as you're changing the very culture of the practice and what your people are used to. Tate compares the process to a birth -- complete with labor pains and delivery pains -- but assures his clients that the final results (a state-of-the-art practice operating more efficiently through use of EMR) are worth the few months of stress.

Anderson agrees that the first year of EMR use in an office can be difficult. However, once the office adjusts to a new way of doing things and the patients are active in the system, EMR benefits become more obvious.

"When you're in your second or third year of EMR, that's when you're starting to get those savings," says Anderson. "All of the prior data is now in the computer. Once you're on that second or third (patient) visit, it really saves a lot of time."

Tip: Successful EMR implementation requires effective change management. Seek out a vendor who will partner with you and your staff to ensure the smoothest implementation possible. Do they set up the system, show you the ropes, then never see you again? Or do they work with you over time on a more personal level, learning how your practice functions so they can actually customize your EMR system around your unique needs and workflow? Be sure you feel confident in the continued support to see you through the hurdles of transition. Ask for references. Find out if they'll come in to train new hires.

It is actually possible to transition your office to EMR with the least discomfort to yourself, your staff and especially your patients - but it starts with your vendor's focus people, instead of on software.

■ **Failure Source: Limited Initial Return on Investment**

Most EMR systems have huge front-end costs. EMR systems typically are a sizeable initial investment with limited returns until the system is properly used - which may take up to a year or longer. Vendors often "make the sale," and afterward, may lack the financial incentive to get the office up and running - and reaching the meaningful use status as recommended.. This "perverse incentive" actually can delay a positive return on investment for the client/buyer.

A few vendors, instead, offer a "pay as you go" model, so a stronger incentive is in place for the vendor to make sure each practice they serve is a successful end user of the system. Because of this "win-win" relationship, practices often show higher rates of implementation success with a "pay as you go" vendor as compared to others.

Even so, it does take time for the practice to get up to speed, to start seeing the returns on investment.

When asked, both Tate and Anderson agreed that the financial benefits may not be here today, but they're coming - and now is the time to prepare for what lies ahead.

"Until I'm paid for using an EMR, why would I do it?" asks Anderson, who is quick to point out that healthcare reform is upon us.

Tip: Seek out a vendor who offers the "pay as you go" model. That way, they have a vested interest in your success - and you have a means to decrease your initial investment, thereby lowering your exposure to risk.

Also: "The reality is the U.S. government says you have to show improvement in the quality (of care)," says Anderson. "And when they start paying for an EMR, you better have a years worth of data already in your system to show those trends. If you don't have any data in there, it's going to take you two years to show that improvement in quality. You better get ahead of the game.

"In other words, if you think they're going to require the use of EMR in 2011, you better go get one in 2009. Look at two years out, because it's going to take that long to get really efficient with the product and to get enough data in there. (The government) is not going to say you have to simply use it. They're going to say you have to use it in a 'meaningful way' to report improvements in quality."

■ Failure Source: Procrastination or Delaying the Inevitable

Some physicians don't completely abandon their EMR… they just take a Scarlett O'Hara-like approach and plan to "worry about that tomorrow." The fact is that tomorrow is coming sooner than many anticipate. And according to Tate, when the government finally says "you have to have an EHR system," there may not be enough certified system vendors to fill the demand.

Tip: Both Tate and Anderson agree the time to purchase and learn how to use EMR is now. The stimulus perks are coming. Physicians can begin to enjoy benefits as early as 2011, so physicians need not delay.

The recently enacted stimulus bill — the American Recovery and Reinvestment Act of 2009 (ARRA) — boasts an unprecedented $19 billion program to promote the adoption and use of health information technology (HIT) -- especially electronic health records (EHRs), known as EMR. This part of the $787 billion stimulus package is referred to as the HITECH Act. Pressure to implement the law quickly is to help fulfill President Barack Obama's promise that every American will have the benefit of electronic health records by 2014. Congress hopes to improve health and health care through HIT.

To excerpt an article by David Blumenthal, M.D., M.P.P. that appeared in the NEJM (April 9, 2009):

"From the standpoint of physicians, the legislation's most important provision may be $17 billion in financial incentives intended to get doctors and hospitals to adopt and use EHRs. Starting in 2011, physicians can receive extra Medicare

payments for the "meaningful use" of a "certified" EHR that can exchange data with other parts of the health care system. These payments can total as much as $18,000 in the first year in the case of physicians who adopt in 2011 or 2012, with at least $15,000 for physicians who adopt in 2013 and a slightly lower amount for those who do so in 2014; incentives are gradually reduced and then ended in 2016. Thus, physicians demonstrating meaningful use starting in **2011** could collect $44,000 over five years. Waiting until 2013 would result in a maximum bonus of $27,000 over three years. Experts estimate the cost of purchasing, installing, and implementing an electronic-records system in a medical office at about $40,000.

"For physicians with high volumes of Medicaid patients (30% or higher), the law provides subsidies through the Medicaid program as well. Doctors must choose whether to participate in the Medicaid or Medicare bonus program — they cannot receive awards from both. Hospitals participating in Medicare also stand to benefit. Meaningful use of EHRs in 2011 will earn hospitals a one-time bonus payment of $2 million plus an add-on to the Medicare fee based on the diagnosis-related group (DRG). The add-on, which would phase out over a four-year period, would apply to every admission up to a (yet-to-be-designated) maximum amount. Children's hospitals and other hospitals with a high volume of Medicaid patients can participate in a Medicaid incentive program instead.

"HITECH also threatens financial penalties to spur adoption. Physicians who are not using EHRs meaningfully by 2015 will lose 1% of their Medicare fees, then 2% in 2016, and 3% in 2017. Hospitals, too, face penalties for nonadoption as of 2015 — in their case, taking the form of cuts in their annual updates under the DRG system."

■ Failure Source: "Big Bang" Implementation

One of the greatest indicators for failure - and one of the easiest to prevent - is having a "big bang" approach to implementation and EMR training. In fact, Tate and Anderson agree that having an all-at-once big bang implementation is the Number One most important factor that so many implementations fail.

In a Big Bang implementation, the physician closes up shop for up to a week, resulting in a loss of revenue. During that week, the physician team is subjected to intensive system training on the EMR software, and the "new way" of doing things is explained for all to understand. After that time, the office reopens and the new system should be up and running with everyone on board and ready to go.

Anderson blames the vendors for the high EMR failure rate: "With 73% of the failures out there, they found that the majority of the time, it was because of the type of implementation. The vendors are coming in and trying to do everything at once, versus trying to do a little bit each week. Instead of taking 12 weeks to train somebody, they're trying to get it done in one week. It just doesn't work."

The problem is that most mere mortals take longer than a few days of instruction to fully understand and feel comfortable with anything new - especially as significant as a change in their daily duties and office culture. Being fire hosed with information, without having enough time to absorb critical details and system nuances, results in staff feeling stupid, overwhelmed and then abandoned by the trainer and vendor provider. It's the stuff that EMR disasters are made of.

Tip: Having an incremental approach to your EMR startup is the number one factor to protect you from failure. "Incremental implementation seems to the main reason things are working for the practices successfully using EMR," says Anderson. "An incremental approach toward implementation has proven to be 95% effective versus the 27% effectiveness of this Big Bang approach. It's the most influential factor on failures.

"If the product works well, then it's all about the implementation approach…. A 95% success rate with incremental versus a 27% success rate with the all-at-once approach - there's a massive difference there. That's almost a four-fold increase in success. To me, incremental implementation is a make or break deal."

Tate works with medical practices across the globe and shares Anderson's view that an incremental approach to implementation is critical to success. "EMR is such a large cultural and emotional change for a practice, so it's important to have an incremental implementation. A Big Bang approach is just overwhelming and it often causes a failure of them to adopt the system. They just have to implement too many things all at once. It overloads them."

Because using an EMR may take time to get used to, Tate recommends starting with functionality first. He recommends starting with electronic labs and ePrescriptions first, so people can see the benefit right away. Once they're comfortable with the system, they can more easily be introduced to the more advanced functions. Within 6 months to a year, the EMR system can in implemented smoothly. Tate insists that a gradual, incremental approach is the best way to ensure success.

"They've heard the horror stories," says Tate. "Let me explain it this way. The day my wife gave birth was not a harmonious day at all. But you get something fantastic out of it. Introducing EMR to a practice is like a birth. There are birth pains involved. Part of the way to lessen those pains is to have a EMR vendor who can sit down with you and discuss what the major issues are, such as converting the papers over to the system, setting up charts for the first time, what features you're going to bring on board the first day, and what others you'll bring online later once things settle down. There's a process and the user should be educated in advance on what's going to happen, when it's going to happen. You need to have an actual implementation process over time, rather than showing up in the middle of a hurricane.

"Very early on, there needs to be excellent communication between the vendor and the physician practice well before things go live. It's important to set goals and expectations in advance. Before you sit and have that conversation, everyone is freaked out and nervous. Once you set those goals and have the conversation, everyone relaxes. They're at ease because they see there's a plan in place."

Incremental implementation is the single most important factor in EMR success. Above all, when selecting an EMR for your practice, be sure you're working with a vendor who offers an incremental approach to EMR system implementation. Of the more than 400 vendors out there, choose one that offers a personal approach, to partner with your practice and help you through the process so you come out ahead. It's the essential element to ensure EMR success.

SOURCES for BRIEF

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Mr. Anderson is one of the nation's premier IT research futurists dedicated to health care. He is one of the leading national speakers on healthcare and physician practices and has spoken at more than 350 conferences and meetings since 2000. He has spent the last 30+ years focusing on Healthcare – not just technology questions, but strategic, policy, and organizational considerations. He tracks industry trends, conducts member surveys and case studies, assesses best practices, and performs benchmarking studies. He is a Fellow with HIMSS. www.ACGroup.com

Jim Tate

Mr. Tate and his associates at EMR Advocate bring a unique combination of skills to the eHealth field. His direct experience encompasses both clinical and technological environments. He is an experienced project manager in the implementation of both EHR and Practice Management systems and has led numerous implementations in the United States, as well as China. Jim has presented at numerous national HIT conferences, including TEPR and HIMSS. www.EMRAdvocate.com

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StreamlineMD has been in the EMR business since 2005. Their team includes former surgical nurses, hospital administrators, and medical office experts who are passionate about the success of each client they serve. Their help-desk is based in the United States, manned by system experts. They offer on-site support, incremental implementation, personal training for new employees, automatic technical updates, and a highly service-oriented approach to ensure your EMR implementation is a success.

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