

Measurable Benefits Achieved Early in EMR Implementation — and Growing Quickly

Prepared by First Consulting Group for NextGen Healthcare

OGDEN CLINIC



Ogden Clinic — a multi-specialty group practice with six locations in Ogden, Utah — is one of the largest such clinics in the state. Established in 1950, the organization now counts 31 physicians and 23 mid-level practitioners among its staff of 250 employees. Ogden Clinic serves a

catchment area of over 250,000 residents, offering primary care services, an urgent care program, 18 different medical and surgical specialty services, and extensive diagnostic testing and imaging. The organization experiences high levels of patient satisfaction, with more than 97% of its patients indicating they would refer a friend or family member to the clinic. Ogden Clinic was also selected by the Microsoft Healthcare User's Group (MS-HUG) as the Microsoft Clinic of the Year for 2005. For more information, go to www.ogdenclinic.com

Through its use of a comprehensive electronic medical record (EMR) solution across its six sites, Ogden Clinic expects to realize quantifiable savings of \$1.3 million per year.

A history of the EMR initiative.

Prior to installing an EMR system, Ogden Clinic was not unlike most ambulatory group practices. With multiple locations each housing its own separate paper-based

medical records, timely access to patient information was a constant challenge. Given the amount of time and money the organization spent faxing and transporting records back and forth, installing an EMR system seemed like the logical solution — and reducing chart and transcription expenses along the way became a key objective of the initiative. In addition, the organization sought to improve the quality of the care it delivered through improved health maintenance and disease management programs.

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The organization spent the better part of eight years considering and planning for the

purchase of an EMR, investigating over 50 vendors in the process. The organization sought a robust system that was easy for its physicians to use and which offered both the basic and the advanced EMR capabilities that would generate measurable benefits — including point-of-care documentation with coding assistance; order management with decision support alerts for laboratory, X-ray, and medications; closed-loop results reporting with task management; and health maintenance support. Ogden Clinic selected NextGen Healthcare's integrated electronic medical record (NextGen® EMR) and enterprise practice management (NextGen® EPM) systems.

Core processes improve — and the savings begin.

Even early in its implementation, Ogden Clinic began experiencing significant workflow improvements throughout its practices — the result of which has led to actual savings through staff reductions. For example:

- The patient check-in process is now completed in half the time, and several reporting tasks associated with the receptionist function have been reduced by half or eliminated altogether. As a result, a full-time receptionist position has been eliminated, representing savings of \$33,000 per year.

- Using point-of-care documentation templates has allowed Ogden Clinic to eliminate 95 percent of its transcription use, representing an annual savings of \$96,000.
- Scanning and electronic storage of outside documents plus online referrals and consultation notes have reduced the volume of paper the practice now manages and facilitate more effective communication among physicians in the practice.
- Electronic ordering and results management have been greatly streamlined — with an electronic interface to the laboratory information system, an EKG interface, and e-prescribing capabilities saving valuable physician and support staff time.
- With health maintenance reminders linked to its disease management programs and a robust set of online patient education materials, Ogden Clinic can automatically generate patient recall reminders on a weekly basis, alert physicians when patient interventions are overdue, and provide comprehensive clinical information tailored to each patient's condition. (The templates for documenting patient telephone encounters are also linked to the system's health maintenance reminders, alerting nurses to overdue indicators.) As a result, the organization has recorded an annual increase in revenue of \$72,000 attributable to the additional health maintenance visits it now generates.
- Analysis and reporting of physician productivity, creation of month-end reports, and comparison of patient outcomes against national standards have all been made easier through the electronic capture of patient data and easy-to-use reporting tools available in the application.

Twenty-four hours after a national drug recall, Ogden Clinic was able to generate a list of all its patients on that medication and send them personalized letters with instructions, saving numerous telephone calls and staff time.

Through all of these changes and a new, paperless workflow, individual physician productivity has equaled or exceeded pre-EMR levels.

As soon as several days after physicians began using the system, they were back to their previous patient volumes, and those physicians using the system the longest are now seeing more patients per day than they were previously. Finally, as a result of improved data capture for coding and billing, Ogden Clinic physicians have improved their per-visit revenue by an average of \$4 — representing over \$450,000 annually to the practice.

The physician perspective.

Physicians and staff alike report significant improvements in their ability to care for patients and in their overall job satisfaction.

"Within the first two months, I was saving 30 minutes per day and getting home earlier — which my wife appreciates. I am also able to document a more thorough, higher quality note."

- Kelly Amann, D.O., Ogden Clinic

- **Employee training** has been reduced from four days to one-and-a-half per employee, resulting in a shorter learning curve for new hires and an associated increase in their productivity.
- **Staff have become more efficient and productive** due to the time savings for a number of key roles in the clinic — including laboratory staff, receptionists, coding staff, and medical assistants.
- Within two weeks of go-live, physicians reported that the system is as fast as or faster than their previous paper-based model. After two months, **about half of the practice's physicians report that the EMR saves them about a half-hour each day.**
- With secure access to the EMR system from their homes, on-call physicians can now access patients' histories and **manage care remotely**; a number of emergency department visits have been avoided in this way.

Survey Results: How Patients Feel About the EMR

In a survey of Ogden Clinic patients, most of them (two-thirds) were aware of the clinic's use of an EMR. Of those patients who are aware of the EMR:

- A majority believes that the EMR has improved the quality of their care.
- A greater majority feels that the EMR has helped make the clinic more efficient at responding to their needs.
- In general, highly satisfied patients (i.e., those rating the overall satisfaction of their care at Ogden Clinic as "excellent") are more likely to feel that the EMR has improved the quality of their care and makes the clinic more efficient.

Survey was designed by FCG and distributed by Ogden Clinic to patients seen between January 27 and February 3. Ogden Clinic administrators collected 213 survey responses which were sent directly to FCG for analysis.

The patient perspective.

Ogden Clinic's patients, too, have noted the benefits of an EMR. Over the course of a week during the winter of 2005, patients were surveyed regarding their perceptions of the clinic's use of an EMR. Two-thirds of responding patients are aware of the clinic's use of the EMR, and of these patients, a majority feels that its use has improved the quality of their care and helps make the clinic more efficient in responding to their needs.

- Ogden Clinic's patients have positively remarked about the new ways in which physicians can interact with them. The practice's use of wireless tablet devices allows physicians to share test result trends with patients on-the-spot, thereby gaining better patient buy-in to their own care plans. Parents have similarly appreciated the ability to view pediatric growth charts for their children.
- Turnaround times for test results have been noticeably improved by at least one-to-two days, alleviating unnecessary delays — and the anxiety associated with waiting.

- Pharmacy delays have also been reduced when physicians transmit patients' prescriptions directly to the pharmacy, and their medications are ready-and-waiting when patients arrive.
- Not only have the online patient educational materials provided improved patient service, but patients have been pleased with the customized care plans that include instructions and a list of current medications they receive at the end of the visit.

The bottom line: real benefits, real savings.

Right from the start, Ogden Clinic's executive director identified and began tracking all of the areas in which the organization expected to realize benefits. Early on, some of the savings represented an increase in staff productivity and a decrease in the amount of time they spent on key tasks. The cumulative benefits have translated into real savings through an increase in revenue, the reduction or elimination of certain expenses, and the reduction or reallocation of staff positions. The savings to date include:

- Increased revenue from additional health maintenance visits (representing \$72,000 per year);
- Increased revenue due to more accurate and complete visit documentation (representing \$4 per visit on average or \$462,000 per year for the clinic);
- Elimination of a full-time receptionist position through a more streamlined check-in process and the reduction of certain manual administrative duties (representing \$33,000 per year);
- Elimination of one-and-a-half positions in the business office through immediate access to medical records and associated process efficiencies (representing \$54,000 per year);
- Decrease in paper and other costs related to medical record charts, forms, and labels (representing \$68,000 per year); and
- Elimination of 95 percent of the practice's transcription costs (representing \$96,000 per year).

The practice's largest source of savings has been through the reduction of medical records staff required to support the clinic. Of the 23 medical record positions that Ogden Clinic maintained before the EMR was implemented, the practice expects to require only five of them — primarily for scanning paper documents into the record and other practice support positions. The medical record staff reductions represent \$160,000 per year in actual savings to date and are expected to grow to \$400,000 once all

physicians are fully using the system. Ogden Clinic has also eliminated \$36,000 in annual costs associated with their previous practice management system. The annual savings above are projected to exceed \$1,300,000 once all physicians are fully using the system. Calculated as a percentage of total revenue, these projected savings represent 5% of Ogden Clinic's bottom line. In the end, the NextGen® EMR will have paid for itself in 24 months.

Tally of Annualized EMR Benefits

The following list reflects the actual savings and additional revenue achieved by Ogden Clinic by February 2005, annualized.

Benefit Description	Value of Benefit (Annualized)
Increased health maintenance revenue	\$ 72,000
Increased revenue per visit (\$4 per visit on average)	\$ 462,000
Elimination of 1.0 FTE receptionist position	\$ 32,198
Elimination of 1.5 FTEs in business office	\$ 53,664
Decrease in transcription costs (clinic projects \$150,000 savings when fully implemented)	\$ 96,000
Elimination of medical record and other supply costs	\$ 67,638
Decrease in medical records staff (7 FTEs so far; expect 18 FTEs when fully implemented)	\$ 160,160
Elimination of practice management support costs for previous vendor	\$ 36,000
Total Savings	\$ 979,660



The data and information comprising this case study account were furnished to First Consulting Group by David Kane, Executive Director, and Mark Ellis, Associate Director of Information Technology, Ogden Clinic. This case study report was prepared by First Consulting Group for NextGen Healthcare. ©2005.