

CIO Roundtable Hot Issues Facing Hospitals in 2008

Picis sponsored a roundtable event where forward-thinking CIOs discussed critical issues facing hospitals in 2008 and beyond. The panelists — each representing a Picis customer from different geographic areas of North America — addressed the challenges their institutions face and speculated on what the future will hold for CIOs and hospitals everywhere.

Most pressing issues facing hospital CIOs today and over the next 3-5 years

Both operational and clinical issues were described by the CIOs as those they believe will have the greatest impact for 2008 and beyond. These include:

- Delivering the continuous uptime needed to meet the demands of a 24/7 hospital world
- Strengthening the infrastructure to support future systems, including increasing the security of wide area networks
- Implementing technology to assist in reducing medical errors
- Meeting the growing demand of patients and consumers to deliver greater value
- Providing a higher level of automation to the caregiver

“On the planning or future project side, the most pressing issue I have is ... delivering a higher level of automation for doctors, nurses, nurse practitioners, physician assistants, respiratory therapist, etc. so that the patient information is available wherever that patient is, by whoever needs that information — and computers make that happen.”

Richard McKnight, Novant Health

[To hear podcast segment, “Pressing Issues and Priorities” click here.](#)

Moderator:



Dave Garets
president and CEO
HIMSS Analytics

Panelists:



Richard McKnight
senior vice president and CIO
Novant Health
Winston-Salem, NC



Joseph Sullivan
senior vice president and CIO
Saint Barnabas Health Care
System
Toms River, NJ



William Spooner
senior vice president and CIO
Sharp HealthCare
San Diego, CA



Judy Middleton
CIO,
William Osler Health Centre
Ontario, Canada



2008 IT budgets: Trends

The panelists were asked how their IT budgets compared to previous years. All participants reported that their 2008 IT budget was greater than 2007, although the circumstances were very different:

- One CIO regularly sees 5-10% annual budget increases and another reported that his institution is in a growth mode and his budget has grown in each of the past three years
- Two CEOs had seen their annual budget remain flat or decrease for the past several years, but this year experienced an increase – one due to the opening of a new facility and the other because of the implementation of an enterprise-wide clinical information system

All the CIOs reported that they are able to spend most or all of their annual operational budgets.

[To hear podcast segment, “Pressing Issues and Priorities” click here.](#)

Quality initiatives: Technology and preventable medical errors

Effective October 2008, Medicare will no longer pay the extra costs of treating a specific group of preventable errors, injuries and infections that occur in hospitals. The panel was asked if these new CMS reimbursement requirements are impacting their technology decisions in 2008.

The CIOs said that, while the legislation got their attention, most were already focusing on the adoption of technology that will assist them in reducing medical errors. For example, systems that allow caregivers to work as an interdisciplinary team and truly manage the care of the patient as they go through the continuum of health care in medical centers. The types of systems that they are installing or plan to install include:

- Medication reconciliation software
- Medication administration systems

- Pharmacy and clinical systems that flag conditions that could have brought about medical errors
- Event tracking systems (“to track and report bad events”)
- Applications to track infection-type events

Our CIOs also reported that they were spending more on quality initiatives including care management, case management and risk management systems.

“Any technology that we can put in the hands of our caregivers that will assist in preventing medical errors is really something that we are focused on.”

Joseph Sullivan, Saint Barnabas Health Care System

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Linking clinical and financial IT systems: How important?

All of the hospital CIOs saw the importance of more closely linking clinical IT with financial IT systems given changes in funding and reimbursements. Comments included:

- Revenue cycle systems are going to have to change to meet emerging requirements on ICD-10
- As patients adopt a more savvy consumer attitude towards hospital services, connecting revenues with the patient and the payors helps provide cost estimates before admission
- One facility has had a decision support system in place for several years that brings clinical and patient accounting information together. This enables them to track costs associated with procedures and identify outliers so they can provide the greatest quality care at the best price
- To meet California statewide pay-for-performance programs for medical groups, Sharp HealthCare invests the equivalent of four-to-five FTEs to capture the growing number of performance indicators needed to attain payouts

“In the near future, reimbursement will link more closely to clinical indicators and conceptually it may make sense that your revenue cycle system ought to be tightly integrated with your clinical system.”

William Spooner, Sharp HealthCare

[To hear podcast segment, “Health IT’s Impact on Quality, Revenue, Performance,” click here.](#)

► Keeping score: Clinical scorecard use

More and more institutions are using clinical scorecards to track and analyze clinical performance. The roundtable results:

- All of the CIOs use clinical scorecards to match their performance against targets
- Most scorecards are reviewed by the CEO on a regular basis
- Sites with multiple locations use scorecards for comparative performance between facilities
- The Ministry of Health (in Ontario) now requires information linking performance to funding, and physicians themselves have to submit data. Scorecards are used to collect and benchmark these indicators.

“Pay-for-performance programs bring substantial dollars into physicians’ pockets if they are able to demonstrate performance according to a number of indicators. We are expanding our various data captures of pay-for-performance indicators. This is a significant IT event with big visibility because of the dollars attached to it.”

William Spooner, Sharp HealthCare

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Clinical IT: Quantifying return on investment (ROI)

The CIOs all agreed that it was difficult to measure hard-dollar ROI on clinical IT systems. While clinical benefits were always the driving force for system justification, the panelists felt it was possible to identify value where productivity gains and cost controls are likely. Some examples:

- Cost avoidance when dealing with increasing acuity of care and staff shortages
- Clinical information system implementation run as a quality program, not an ROI program
- While a hard-calculation ROI on clinical systems is difficult, things like seeing more patients in the ED and increasing the efficiency of the physician and the nurse at the bedside are patient benefits that translate into organizational benefits

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“Anytime, anywhere” and interoperability

The panel discussed how their institutions were leveraging more “anytime, anywhere” methods of application delivery to become more mobile and agile.

- Physician portals were in use by most participants
- Several sites were investigating patient portals; one hospital is developing a funding case for a patient portal that would offer e-mail to physicians, appointment requests, test results online, etc.
- Other initiatives under investigation: online appointment scheduling and a software-as-service human resource system

Panelists were in agreement on interoperability standards:

- Interoperability standards are very important because integrated packages from large software vendors are not the answer; in the real world mixed-vendor environments are the reality

- To date, most vendors have not stepped up to meet interoperability standards so CIOs are forced to be their own integrators

- Since a single contract does not create enough negotiating power, panelists felt that hospitals must team together to pressure vendors to adopt standards

“One issue in the next 3-5 years is continued demonstration of the value of our systems. A half productive system does not bring the value that we intend to know. I think there will be increasing pressure for that and it is something that we ought to take as a personal challenge.”

William Spooner, Sharp HealthCare

“We have a clinical desktop that integrates all our disparate third-party systems into one view and with Web access. This has been extremely positive from our perspective.”

Judy Middleton, William Osler Health Centre

[To hear podcast segment, “The Future: Outsourcing & Interoperability,” click here.](#)



► **CIOs: A changing role**

All participants agree that the role of the CIO is expanding as CIOs are becoming members of the executive management team. Examples given include:

- As a member of the executive team, must apply technology to achieve the business goals
- More engaged in change management and patient care process and workflow design
- More of an advocate for better patient care and improved clinical operations
- Responsibilities now go beyond the traditional definition and can now include entire procurement function, responsibility for the lab operation etc.
- Successful CIOs now have to be “really terrific” at relationship building and excellent communicators (no “techno babble”)

“We are on the management team. We are expected to be part of the envisioning process. We are expected to be in charge of designing our strategy to be in line with the strategy of corporate and execute according to that.”

Richard McKnight, Novant Health

[To hear podcast, “The Future: Outsourcing & Interoperability,” click here.](#)

Outsourcing: Appropriate use in healthcare today

The panelists felt that while outsourcing was beneficial, you had to carefully pick and choose where it was an effective IT strategy. It was believed to be especially beneficial in cases where you didn’t have, or couldn’t afford, the expertise internally, or in select clinical and IT applications where outsourcing has a proven track record.

Outsourced applications and services mentioned:

- Transcription
- Coding
- Radiology reading (overnight)
- Scanning of patient records
- General IT services that exist in other industries: operations, server maintenance, project management, imaging of PCs
- System implementation

“Any technology that we can put in the hands of our caregivers that will assist in preventing medical errors is really something that we are focused on.”

Joseph Sullivan, Saint Barnabas Health Care System

“I really recommend augmenting your team for a short time to outsourced implementation. This was extremely positive in terms of meeting our timeline, impact on staff/clinicians and having the vendor’s expertise, which I found very valuable.”

Judy Middleton, William Osler Health Centre

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