Maximize Your MEDITECH Investment:

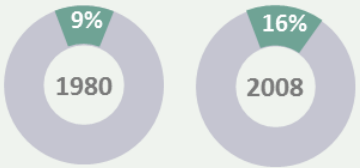
How IBM and Inland Northwest Health Services (INHS) Deliver Better Results for Healthcare Providers

Common Struggles for Healthcare Providers

There's no doubt about it: healthcare providers now face some of their most significant challenges ever. These challenges arise from internal and external pressures, and encompass both the financial and technical sides of healthcare.

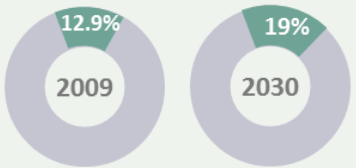
Healthcare providers everywhere continue to feel pressure to contain rising healthcare costs. According to the Kaiser Family Foundation, the U.S. has one of the world's highest growth rates in healthcare spending—but still doesn't achieve better outcomes in several of the most important health measures.

Nation's GDP devoted to healthcare spending[1]



Meanwhile, on the patient care side, healthcare providers must deal with an aging patient base that will likely require more—and different—medical care in the decades to come.

People age 65 or older[2]



All of this can also have a devastating effect on the most important metric: patient outcomes. When caregivers don't feel empowered, but rather hindered, by technology, their productivity and effectiveness can begin to decline. And the blame will fall squarely upon CFOs and other healthcare executives.

1 Kaiser Family Foundation. "Snapshots: Health Care Spending in the United States & Selected OECD Countries." April 12, 2011.
2 Administration on Aging. "Aging Statistics." Retrieved July 31, 2013. www.aoa.gov/Aging_Statistics/

Can Technology Keep Pace with the Changing Face of Healthcare?

Healthcare operations personnel and CFOs aren't the only ones under the gun. CIOs are also scrambling to help their healthcare provider organizations provide better care at a lower cost. In addition, the typical hospital CIO is challenged with aligning IT to business and clinical strategy.

For example, many IT leaders in healthcare provider organizations are under pressure to keep their technology running at the current speed of business. But if they're using a non-current version of MEDITECH, and supporting that software with older hardware, they may find that they're unable to help their organizations meet the most stringent business challenges.

IT leaders in this situation typically struggle with:

- Meeting compliance requirements for Meaningful Use and ICD-10
- Lack of a coherent disaster recovery plan
- Inability to ensure acceptable recovery point objective (RPO) and recovery time objective (RTO) performance in the event of an outage
- Needlessly complex, difficult-to-maintain architecture
- Fragmented, inadequate data storage volumes
- Inability to meet service level agreements consistently

Challenges Related to Recent Government Regulations

As the sweeping changes of multiple Government Regulations go into effect, healthcare providers face the challenge of making sure their IT systems can tackle the new information demands that lie ahead.

- The 1996 Health Insurance Portability and Accountability Act (HIPAA) laid down specific instructions for storing and securing patient data. And as hospitals complete the shift from paper charts to electronic patient records, the data storage challenge will only loom larger.
- As the sweeping changes of the 2010 Affordable Care Act go into effect, healthcare providers face the challenge of making sure their IT systems can tackle the new information demands that lie ahead
- Many organizations do not have a central, managed storage and access point for processes and systems that need to consume ICD-9 or ICD-10 codes, mappings, and translations (GEMS, reimbursement, overrides and any other desired mappings or hierarchies).
- Lack of implementation of all phases of Meaningful Use can result in severely impacted payment incentives

Even in the face of these challenges, it's not uncommon to see hospital IT architectures that include software from various vendors and hardware from a few different manufacturers, with just a handful of IT employees working to maintain them and patch together a backup and storage system.

But when application response times begin to lag by even several milliseconds, physicians and other caregivers will begin to wonder, "Why is our hospital system so slow today?"

“Why Don’t They Just Fix It?”

To a layperson, all of these challenges may beg the question, “Why can’t the hospital just fix and upgrade its systems?” But because healthcare IT leaders deal with these challenges every day, they know it’s not that simple.

For one thing, IT staffs and resources in the healthcare industry are increasingly stretched thin. In a recent SunGard survey[3]

81% Healthcare IT professionals identified staffing issues as their top concern.

66% Respondents said they manage their production environments entirely with in-house staff.

46% Healthcare IT professionals reported that rising costs and lean budgets presented a challenge.

75% Participants said they planned to deploy new applications within the next 12 to 18 months.

3 SunGard Availability Services. “Healthcare: 5 Challenges that Could Put Your IT Recovery in the ER.” March 14, 2013.

The Severe Consequences

Unable to upgrade their systems due to financial and personnel limitations, many healthcare IT leaders face several severe consequences:

Project cost overruns. Lean IT operations often result in a lack of proper planning for major implementations—and that's when costs can get out of hand. Joint research by McKinsey and the University of Oxford found that projects with initial budgets of $15 million or more ran 45% over budget on average. These projects also delivered 56% less value than initially projected.[4]

Lack of preparedness for new regulations. When headcount is small, it's difficult to keep up with the avalanche of paperwork associated with new healthcare regulations. The cost of a violation can be devastating. One recent Gartner presentation reported that HIPAA penalties are becoming more severe, routinely totaling millions of dollars. In fact, Cignet was recently fined $4.3 million for denying patients access to their medical records.[5]

An unhealthy bottom line. Data volumes continue to grow exponentially—and healthcare IT leaders are under more pressure than ever to manage this data in a cost-effective manner. As one recent Healthcare IT News article explains, healthcare organizations need electronic health record systems to help them:

- See more patients
- Reduce no-shows by sending appointment reminders
- Boost efficiency and streamline claims processing
- Minimize hardware and IT costs
- Create Meaningful Use, increase compliance, and improve reimbursements[6]

4 Bloch, Michael; Blumberg, Sven; and Laartz, Jürgen. "Delivering large-scale IT projects on time, on budget, and on value." McKinsey on Business Technology. Number 27, Fall 2012.
5 Blevins, Brandon. "Harsher penalties for HIPAA violations altering compliance efforts." TechTarget. June 11, 2013.
6 McNickle, Michelle. "5 simple ways to realize ROI from your EHR." Healthcare IT News. February 8, 2012.

The takeaway for healthcare executives is that this environment is making it more and more difficult for them to meet their strategic objectives.

Kirby Partners recently surveyed 350 C-level healthcare executives about their career plans.[7]

69% plan to transition into other roles (this group consists of 72% CIOs)

73% of current CIOs won't seek another CIO position in healthcare

In addition, poor executive performance can lead to a **downgrade in an organization's bond rating**.

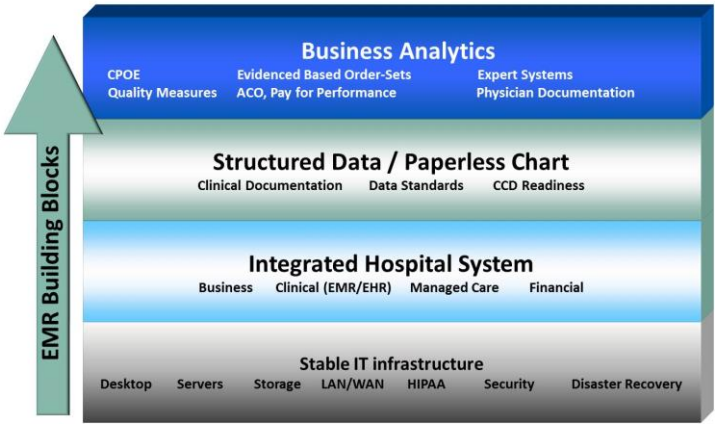
When Moody's Investors Service downgraded **$20 billion** of not-for-profit healthcare debt in 2012, it cited management and governance issues as a reason.[8]

7 Kirby, Judy. "Brain Drain: Industry survey points to major shortage of CIOs in coming years." Healthcare IT News. September 14, 2012.
8 Corey, Michael. "High Turnover of Hospital CEOs: A New Risk Factor for Health Systems and Bond Investors." PRWeb.com. July 11, 2013.

The INHS and IBM Solution

Depending on their needs, IBM and INHS can augment the existing IT teams of healthcare providers by working with them to implement more reliable systems within the firewall, or can offer managed services that enable a holistic, enterprise-wide approach to healthcare technology. In either scenario, IBM and INHS provide uncompromising services and solutions that enable healthcare providers to:

- Meet the stringent demands they face now and in the future.
- Improve their operations and processes by providing better tools for their employees.
- Alleviate internal resource issues by outsourcing strategically.
- Focus on what's most important: patient outcomes.



Why IBM-INHS for MEDITECH Facilities

For any healthcare facility that runs MEDITECH, there are many good reasons to choose IBM and INHS. The combination of IBM's hardware and INHS' fully certified MEDITECH hosting and integration services can deliver the results healthcare providers need.

INHS Services

As noted, INHS is a fully certified MEDITECH hosting and integration services provider and a new services alternative for many hospitals running MEDITECH. INHS is a healthcare IT solutions company that implements advanced clinical and financial systems for hospitals and physician practices nationwide. They are MEDITECH's largest customer, with an infrastructure powered by IBM.

As a hospital, INHS has a deep understanding of hospital operations, clinical adoption, and patient outcomes. As an IT center, INHS can take a comprehensive approach that includes clinical strategy, data normalization, and IT infrastructure.

As implementation specialists, INHS has an implementation success rate of 100%, with a focus on system workflow and usage. Hospitals that trust INHS with their IBM implementations are consistently among MEDITECH's highest-level system users as measured by meaningful use, HIMSS analytics, and the Health Care's Most Wired Awards. The company supports 34 hosted HIT systems and 47,000 hospital users with centralized security.

For MEDITECH facilities that want to achieve the full benefits of IBM server and storage solutions, INHS accelerates time to value by providing the most comprehensive MEDITECH system services available in the marketplace. The company deploys a team of 275 IT professionals, and offers a 24/7/365 helpdesk to meet client needs.

Based on this knowledge, INHS provides a full spectrum of technical services, including:

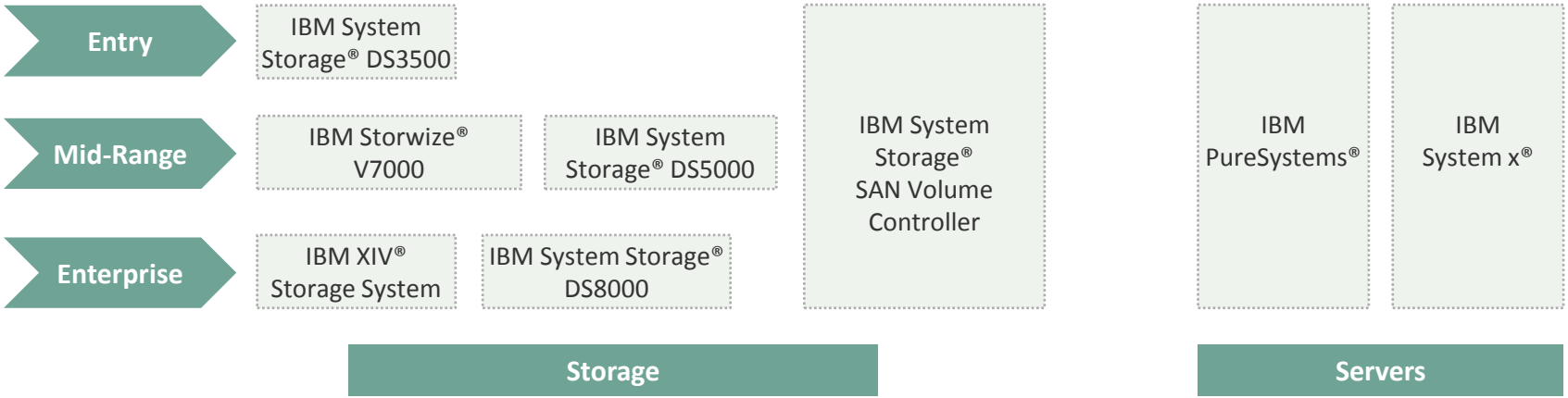
- Clinical workflow optimization.
- Application implementation and support.
- Full infrastructure implementation and support.

According to INHS's internal estimates, the organization's services can enable healthcare providers to:

- Increase their revenue by up to 3-5%.
- Improve operational performance by reducing their costs by 10%.
- Reduce their time of operations, compliance, and implementation by 50%.

IBM Certified MEDITECH Solutions

Over the past 10 years, a wide range of IBM storage and server products have been certified for use with the MEDITECH platform. The list includes:



IBM Server & Storage Solutions

IBM PureSystems and IBM System x are reliable, high-availability servers for MEDITECH users.

IBM PureSystems is a new category of solutions that combines the flexibility of general-purpose systems, the elasticity of cloud computing, and the simplicity of an appliance that is workload optimized.

As a result, healthcare providing organizations can:

- Simplify system deployment, management, and maintenance .
- Achieve greater system performance, scalability, and efficiency—through deep integration by design.
- Accelerate the benefits of cloud computing.
- Integrate and automate best practices through patterns of expertise—delivered from IBM and its solution partners.

The IBM Storwize family of storage solutions enables healthcare providers to make better use of their resources while improving the efficiency of their infrastructure.

- Buy only as much storage as required and scale as needed
- Store up to 5 times the data through Real-time Compression
- Maximize performance and lower energy consumption with IBM FlashSystem®
- Lower TCO by virtualizing existing storage
- Integrated capabilities move data to the most cost effective media
- Increase efficiency by utilizing storage within IBM PureSystems
- Industry leading ease of use

Edison's Competitive Management Cost Study compared the complexity and ease-of-use of IBM Storwize V7000 and EMC VNX5500. The study showed that "administering IBM Storwize V7000 system is 34% less time-consuming in weighted workday savings and 31% less complex than managing an EMC VNX5500."[9] The study also found that "Monetizing these efficiencies can result in cost savings of more than $25,000 per year."[10]

9 Edison Group. "Competitive Management Cost Study: IBM Storwize V7000 vs. EMC VNX5500 Storage Systems." White paper. April 2012.
10 Edison Group.
IBM FlashSystem is a trademark of International Business Machines Corporation, registered in many jurisdictions worldwide.

Aspiring Best-Run Hospitals: Learn New Ways of Meeting Business Objectives

Tackle major business challenges with IBM solutions and INHS services. Our healthcare industry experts are eager to speak with healthcare provider organizations about their operational and technical needs.

Organizations can contact us to find out how they can:

- ✓ **Get more out of their MEDITECH implementations.**
- ✓ **Align clinical strategy with IT strategy.**
- ✓ **Enhance the performance and uptime of clinical systems.**
- ✓ **Restore executive leadership's confidence in the IT team.**
- ✓ **Meet compliance requirements for Meaningful Use and ICD-10.**

Larry Baum

IBM Partner Executive

Phone 561-702-6265

Email labaum@us.ibm.com

Mike Smyly

Chief Business Development Officer

Phone 509-232-8240

Email smylym@inhs.org

Hina Shah

ISV Business Development Executive

Phone 512-422-9222

Email hina@us.ibm.com

Chad Skidmore

Director Network Services

Phone 509-232-8221

Email skidmoc@inhs.org

Click to Contact INHS and Learn More Today

Stay informed by subscribing to the IBM IdeaWatch Health & Pharma newsletter at http://www-148.ibm.com/docs/subscriptions/hcpharma.html