



HIT Think EHR vendors raise provider expectations for other IT vendors

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The passage of the HITECH Act in 2009 led to the deployment of thousands of electronic medical record systems throughout the U.S. in both acute and ambulatory care settings.

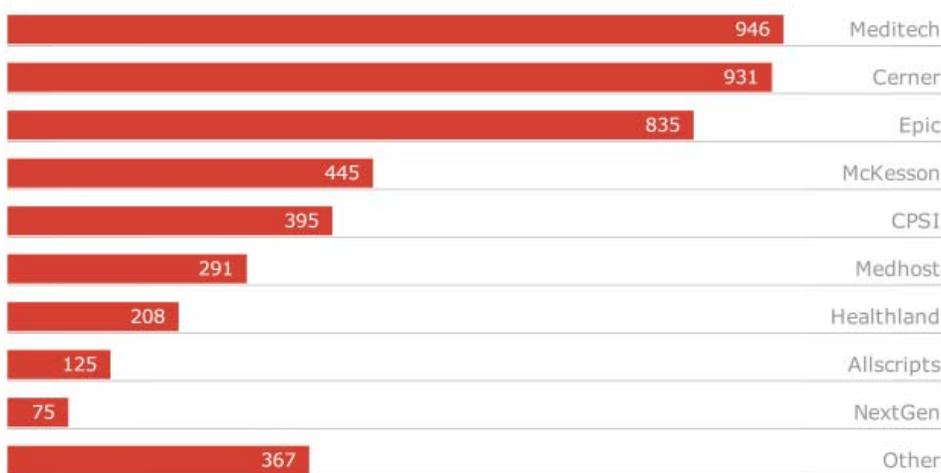
In an effort to insure that value was derived from this investment of federal funds, the Office of the National Coordinator for Healthcare Information Technology (ONC) worked with academics, providers and industry to set rules for what constitutes meaningful use of the technology.

In spite of the best efforts of all involved, the industry is still struggling with challenges of ease of use, decreased clinician productivity, and unrealized clinical and financial benefits.

Before provider organizations became consumed with the implementation of EMRs a few years ago, their main exposure to information technology was the tools they used to manage their back-office systems. These typical enterprise resource planning (ERP) suites included financial systems, human capital management (such as human resources) and supply chain management.

Big players in the market

EHR vendors ranked by number of hospitals in the MU program



Source: ONC; primary EHR vendors listed by hospitals, March 2015

Initially developed in the 1990s for other industries and deployed extensively in healthcare in the decade to follow, these systems facilitated the efficient functioning of provider organizations with little if any direct impact on patient care. That responsibility fell to the EMR systems that followed soon afterwards.

The rapid deployment of EMR systems into provider organizations created problems for ERP vendors. One problem was that EMRs slowed down the purchase of ERP suites during the period of EMR deployment, as these organizations focused on and budgeted for clinical systems.

In addition, a few EMR vendors reset expectations among organizations on how large IT systems get implemented and supported.

Of the major EMR vendors who helped force this reset, close examination shows that Epic led the movement toward higher levels of product support, maintenance, incremental advancement of functionality, and dissemination of best practices, with other EMR vendors contributing in their own unique ways.

ERP vendors now struggle to match these higher expectations. As ERP products become commoditized, these vendors find it difficult to set prices high enough to maintain product margins while also delivering service levels comparable to that provided by the leading EMR vendors.

Historically, armies of implementation consultants worked with clients to customize ERP systems around the client's business. This generated revenue for both the ERP vendor and their internal or partner consulting entities. It also led to the need for expensive updates and upgrades, because most organizations wanted their own one-of-a-kind customization. Implementations generally took years to complete with frequent slipping of go-live dates. All in all, this was an inefficient and disruptive approach to deploying software.

In contrast, the leading EMR vendors currently offer clients best-practice implementations with various incentives to encourage the clients to reject extensive customizations and accept proven methodologies. Epic was one of the leaders in developing this approach, positioning itself as a premium brand vendor that matched or exceeded client expectations. In Epic's case, the approach enabled it to charge higher prices for its systems, while also gaining the perception that it is a leader in the market.

As the healthcare industry looks to future changes driven by new HIT technologies that can help deliver improved clinician workflow and outcomes, both EMR and ERP vendors must now accept the higher service expectations that market leaders such as Epic have set among provider organizations.

Although a challenge for all types of HIT vendors, these higher standards help the entire HIT industry become better at serving provider organizations and, in turn, their patients.



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