

# Inside Healthcare Computing

*Trends, user reviews, and intelligence on health care information systems*



## Hospital Weighs Costs, Benefits of Remote Hosting

reprinted with permission of the publisher from the March 8, 2010 issue

Remote vs. onsite hosting is a choice many CIOs face these days. For one hospital which factored in cost, staffing, risk management, and disaster recovery, opting for remote hosting just made sense.

“When we looked at all those factors, it was almost a no-brainer,” says Jim Meister, director of information systems at Citrus Memorial Health System, a 198-bed community hospital in Inverness, FL. “It made sense to outsource it because in doing so, we’ve eliminated a lot of our future risk.”

Meister says that when his hospital began looking for an enterprise solution, he had not decided beforehand to go with remote hosting. “We went into it with open eyes and open minds. We were really focused on finding the most cost effective and favorable solution for our organization.”

Prior to even starting the product evaluation process, Meister did a seven year total cost of ownership (TCO) analysis, looking carefully at both direct and indirect costs. Several factors, including Citrus’s location on the West Coast of Florida where hurricanes pose a significant threat, the limited availability of skilled technical professionals in the area, and the cost of hardware and maintenance, went into the decision. “When we got down to the bottom line, we found that cost of remote hosting was pretty close to what it would cost to do it in-house with none of the headaches involved.”

Over the course of 18 months, Citrus’s 13-person steering committee, which included administrators and physicians, looked at several solutions and eventually selected McKesson’s Paragon hospital information system. “We wanted to expand our IT strategy with a comprehensive, clinically-focused, enterprise-wide system that had maximum interoperability and offered better total cost of ownership,” says Meister. McKesson will remotely host the solution for the hospital.

Paragon will be the foundation for Citrus’s use of McKesson solutions for document management and medical imaging and will integrate financial and clinical solutions on a single platform. During the course of the next 18 months, Citrus will be implementing CPOE and connecting with physicians in its outpatient clinics using McKesson’s Practice Partner ambulatory EHR.

To help facilitate its physician practices’ move to Paragon, the hospital created a eight-member Physician Advisory Council. “Those physicians know that I expect them to be ambassadors to their practices and to help in the effort to bring the application on board,” says Meister.

*(continued on next page)*

This article is excerpted from Inside Healthcare Computing, and is (c) Copyright Algonquin Professional Publishing, LLC, P.O. Box 818, North East, MD 21901 USA, (443) 206-4584 <http://www.insidehealth.com/>. E-mail: [custservice@insidehealth.com](mailto:custservice@insidehealth.com). It may not be reproduced, distributed, or altered from its original form without the express permission of the publisher.

Meister admits that so far, he hasn't met much resistance from physicians, although he anticipates that might change as the process moves forward. "Now that it's the time when the rubber meets the road, I think that we'll see more concerns from physicians. We've got a third of the physicians that I've talked to who are really excited about the product and can't wait to get it going because they see how it's going to help their practice. But on the other end, I know there will be some issues with the other physicians."

In anticipation of those issues, Meister plans to spend a lot of one-on-one time with the practices, listening to their concerns and collaboratively developing strategies to overcome them. "A lot of what we'll be doing is communicating the value of what they're going to be able to achieve with this new system. We do have a leg up because we're already using McKesson's document imaging solution so they're used to doing things electronically. We're excited to be able to help them move to the next level."

During the process, Meister says he's learned some valuable lessons. "Early on, I looked very carefully at the total cost of ownership of the system over the next seven years. In my experience, that's something CIOs don't always factor into the decision equation. We also set goals and made sure the system we chose could help us meet those goals."

Meister says that he's been fortunate in that Citrus's chief nursing officer is very committed to the project. "She's very interested in using technology to improve care. This hospital is unique in that I didn't have to sell the system to the nursing group. They were actually pushing me, which is a great position to be in."

Finally, Meister says that in making any kind of change within an organization, it's important that a CIO understand how the organization works and what its goals are before proceeding with a technology implementation. "The politics in an organization really dictate the strategy that a CIO should use to get things accomplished. You really need to be strategically focused, understand the business, and understand what's driving the business before you can successfully make changes."

"We wanted to find a solution that met the needs of our user community and we feel we've done that. Now our job as an IT department is to figure out the processes to make it work in our environment," he adds. "That's one of the philosophies we relied upon when we opted for remote hosting. My users don't care how or where the information is processed. They just want a solution that takes care of their needs. It's my department's job to deliver that solution to them." ■