In the early days of EHRs, choosing a product was like shopping for a car. You could break the decision into specific categories: minivan vs. sports car, luxury vs. economy. Within each category, you had a pretty good idea what you were getting for your money. It was a matter of looking at your practice and deciding whether the added features justified a higher price.

Today that purchase is more complicated. The literature abounds with advice about EHR best practices, but when it comes to practical guidelines for sifting options and making decisions, you are on your own.

There is a reason for this: The EHR market is evolving. What is true about a product or class of products today may not be true five years or even five months from now. To make an informed EHR purchase, it is important to understand the underlying forces shaping the market and where they are likely to lead. Let’s examine two of the biggest trends now realigning the EHR marketplace: consolidation and Web-based EHR products.

A shrinking market

There are dozens of EHR products available with new ones popping up all the time. The next few years will likely see a lot of consolidation, with larger EHR companies buying smaller ones to incorporate their “best-of-breed” features or simply to capture market share. This scenario has played out in the dental industry: A few years ago, there were dozens of digital records products on the market. Today there is a handful.

The most important thing to understand about consolidation is that, in most cases, larger companies eventually terminate or “sunset” products from a company they have bought. If that happens to an EHR you are using, there would be no further development or improvement of it. The larger company may continue to support your EHR for a few years, but the quality of that support often suffers. After all, there is a big difference between a support organization trained to know your specific product inside out and one that is supporting multiple EHR solutions.

A company purchasing your EHR solution will also likely try to persuade you to switch to its primary product and may even offer incentives. Keep in mind, though, that the cost and time investment needed to make that transition could be significant — including purchasing new software, integration, training and downtime during installation — and often is as much as implementing a brand new EHR.

If these kinds of problems top your list of concerns, then stability should be a key characteristic of any EHR company you are considering. That doesn’t necessarily mean you can only choose from the largest, most established players. But, if you are considering a newer product, due diligence is required to verify strong financials, solid backing and a strong business model.

To the cloud ...

Perhaps the biggest shift in the EHR market in recent years has been the emergence of innovative Web-based EHR products that use new programming languages and are designed to work over the Internet. Web-based applications typically can be designed, deployed and updated more quickly and inexpensively than traditional...
applications. Because of these advantages, quite a few Web-based EHR solutions have come to market. In fact, the model is offering full-scale feature sets at lower price points than traditional EHRs.

Expect the competition between Web-based EHR startups and the larger established players to heat up. This may prove to be the key competitive battleground in the EHR marketplace, which is good news if you are considering an EHR purchase because the lower entry costs of Web-based products are driving lower prices. If you are contemplating the Web-based route, there are important potential advantages and disadvantages to consider.

In addition to generally lower costs, many users have found that Web-based EHR companies provide good support. Providing the product through an online portal means that all customers use the most updated version of the software. Along the same lines, you can expect a Web-based EHR product to be updated more frequently because these companies can develop and roll out changes quickly.

On the other side of the equation, you may not have as much flexibility or customization with a Web-based product. You will also have to adjust to the fact that your EHR is Internet-based, which means you will need a robust Internet connection and may need a backup connection. It also means your patient data may not be stored in your office. There are some pluses to this, but it also introduces potential problems: What happens if a physician leaves the practice? How will the data be moved or split up? How will you get to your patient data if the company goes out of business or goes bankrupt?

Making the right call

As a physician or practice manager, you can't predict the future, but you can't tread water either. Provider reimbursement is moving toward the EHR model, and in the near future, practices will be penalized if they cannot transact business digitally. Digital records are a core requirement for participating in emerging health information exchanges.

So how should you factor the changing landscape of the EHR marketplace into your decision? Keep these three guidelines in mind:

- You are buying a company, not a product. An EHR is much more than a piece of software. When you make your choice, you are inviting a new partner into your practice — a partner that will play a significant role in the most minute details of your business operations. The smaller or newer the EHR product, the more legwork you will need to do. Find out how many customers the company has and contact some to ask about their experience. For a recent startup, you will want to find out who is funding the EHR company, and what its background and reputation is in the medical field and beyond.
- Don't fall for the cool factor. It is easy to be dazzled by a new feature or capability that seems especially compelling. But you are better off making a decision based on 90 percent of the processes you will use every day than on neat features you might use 10 percent of the time.
- Embrace change. Your EHR product will never be a static solution. Expecting that the software you purchase today will be the same a few years from now — or that your business or requirements will be — is unrealistic. Pick a solution that continues to evolve with your practice, with technology and with the industry.

While it is natural to be hesitant about taking the plunge, soon you simply will not be able to operate in the business world of medical practice without an EHR. Not making a decision soon will actually harm your practice. If you understand the underlying forces in the marketplace, you are more likely to make the right call.

join the discussion: What are your secrets to EHR success? Tell us at mgma.com/connexioncommunity or connexion@mgma.com.

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