Realizing Clinical Benefits from EHR Investments

A White Paper

September 2016

Impact Advisors LLC
400 E. Diehl Road
Suite 190
Naperville IL 60563
1-800-680-7570
Introduction

While most health systems have now implemented an electronic health record (EHR), a large percentage of organizations have failed to realize the expected benefits from EHR implementation. A late 2015 CHIME survey of health system CIOs indicated that 60 percent of health systems surveyed had not realized positive benefits from their EHR implementation and 70 percent have made realizing expected benefits from the EHR a top strategic priority for this year.

EHRs, in some cases second only to facilities, have been health systems’ single largest capital investment over the past decade. With the acceleration of transition to value-based payment, systems can’t continue to operate in the same ways they once did. Healthcare organizations must begin to leverage process improvement and realize benefits from technology investments in order to survive in this new paradigm of value-based care.

Why Health Systems Have Failed to Reap Benefits

With large, enterprise EHR implementations for so long being touted as the panacea for improving efficiency and quality of care, why is it that so many health systems have failed to realize these benefits after spending many millions of dollars implementing EHRs?

The answer largely begins in the implementation planning period. Although EHR vendors help clients select KPIs as part of the implementation process, there has often been little done to establish a formal benefits realization program as a part of EHR implementation. In some cases, organizations have simply selected KPIs that reflect measures already monitored by the health system. Often, there is little insight into selecting KPIs that make a measurable difference in health system performance, particularly related to what that performance needs to be to be successful three years down the road.

For some organizations, EHR implementation took place long enough ago that operational teams weren’t thinking about value-based payment systems and how they would need to use EHRs to enable improvement in processes to facilitate improved value. Now facing extensive optimization requests, many health systems do not have a formal benefits realization program in place or have the appropriate governance in place to decide which projects to tackle.

Indeed, some of the lack of benefits realization is related specifically to implementation strategies. More and more large EHR vendors are recommending that clients implement a “foundation,” or generic, version of the EHR and then work on “optimization” later. This strategy is presented as a way to increase the speed of implementation and decrease costs. Although the approach might decrease implementation costs, it might also generate serious consequences related to benefits realization. First, in a rush to get to implementation, little time and few resources are allocated to investigating or optimizing existing workflows and the related build necessary to enable optimized workflows. It is these processes that are critical to ultimately improving outcomes and
KPI performance. Success in realizing benefits is further hindered by the inevitable contraction of resources post-implementation to do “optimization.”

Many organizations have tried to commit resources to optimizing workflows and using technology to enable the workflows as a part of implementation; however, they have still failed to achieve expected benefits a year past implementation. The issue here is that benefits take time to realize, in some cases years. So if work on benefits realization ceases when implementation is complete, or final measurements are taken a year after go-live to determine if ROI has been achieved from EHR implementation, the result is often significant disappointment.

What Are Benefits and What Does It Take to Achieve Them?

What is missing in all of these scenarios is a clear understanding of what benefits are and what is required to achieve those benefits. Clearly, EHRs, as technology enablers, hold great promise for improving efficiency and quality. But that promise can only become a reality with significant planning, collaborative relationships between IT and operations, hard work, continuous process improvement and persistent measurement.

When planning to achieve benefits, it is critical to understand several fundamental principles about benefits realization:

- **Benefits are net positive changes in outcomes.** A benefits realization program should aim to deliver a number of outcomes identified as benefits to the organization. Ideally these benefits are aligned with the health system’s strategic plan. Impact Advisors’ definition of clinical optimization is “outcomes-based improvement to meet a defined set of objectives.” Clinical optimization is required to achieve desired improvements or outcomes, and outcomes are required to achieve benefits.

- **Benefits do not just happen.** Benefits realization is beyond project management. It requires active monitoring of the delivery of projects, the effectiveness of change and the achievement of outcomes. Benefits do not automatically appear when a new technology is implemented. IT is an enabler of operational or business benefits. EHR implementation by itself is insufficient to deliver business benefits. Technology enables positive changes to the way people work. It is those positive changes that ultimately lead to benefits realization.

- **Benefits realization requires executive support.** In order to achieve benefits, executives must fully support the benefits realization program and give benefit owners both the authority and accountability to achieve results. A corollary to this is that benefits processes must be linked with program governance.

- **Benefits from technology happen over the long term.** Benefits are achieved over a long period of time as people learn to use new technology and health systems integrate it into business processes. The benefits lifecycle extends past traditional project lifecycles like EHR implementation, often for a lengthy period, and must be managed as such.

- **Benefits realization is a continuous process.** Benefits realization does have a defined start, but it doesn’t have a defined stop. It is a continuous process of
envisioning outcomes, identifying key determinants of those outcomes, defining a path to achieve the outcomes, implementing, checking results and making dynamic adjustments to ultimately achieve the desired operational outcomes.

- **Benefits require change.** Benefits cannot be delivered without change. Changes might be required in the processes people use to complete tasks, in the tools used to support those processes, in communication or in a host of other areas. Perhaps nothing threatens people more than change, and, because of that, no part of benefits realization is more difficult than managing this change. A formal and robust change management program, therefore, is a fundamental requirement of benefits realization.

## Setting Up a Clinical Benefits Management Program

Organizations that demonstrate substantial savings and value from their EHRs leverage a benefits-driven method for implementation and beyond. Those organizations implement a process that proactively identifies desired benefits that align with the organization’s strategic plan, plans for their realization, and tracks achievement versus the plan.

Benefits are more likely to be realized when they can be quantified. While this is the norm for financial or revenue cycle benefits, quantifying clinical benefits can be a challenge. Many clinical benefits have traditionally been classified as “intangible” or “soft” benefits without specific ability to measure or quantify those benefits. But, to be successful in achieving clinical benefits, improvement must be measurable and quantifiable. While there are not universally accepted models for calculating many clinical benefits, we utilize industry best practices, existing organizational methods, and other tools to assign value and measure the benefit.

Organizations implementing an EHR or developing a benefits realization program post-implementation should not attempt to identify and track every potential benefit but should focus on identifying and managing the key benefits—those that support the current and future strategic needs of the organization.

Impact Advisors has both deep experience as well as a repository of effective tools and methods to guide organizations through the benefits selection process. We have identified a number of areas for clinical optimization based on industry best practices, as evidenced by HIMSS Davies awards and Leapfrog, ACO requirements, governmental incentive and penalty programs and Joint Commission requirements. These high-value areas for improvement fall into six categories:

- Improve Revenue
- Improve Quality/Safety
- Improve Patient Experience
- Improve Provider Experience
- Prepare for Value-Based Payment
- Reduce Costs

By focusing on these areas, health systems can ensure the highest return on investment in capital-intensive technology investments like EHRs.
Elements of a Successful Clinical Benefits Management Program

So, what does a formal clinical benefits management program involve? There are essentially five steps in a successful program, beginning with benefits identification, moving through planning for realizing those benefits, implementing the necessary changes to deliver benefits, and developing a sustainment plan for benefits that can be transitioned to operational ownership and accountability once benefits are achieved.

**Benefits Identification**

Identifying benefits that align with the organizational strategic plan is the first step. On the surface this sounds simple. In reality, though, this can be one of the most difficult parts of the program. Surrounded by a plethora of potential key performance indicators, leaders can be left scratching their heads about how to proceed.

The key to identifying appropriate benefits is having a keen understanding of what it is going to take for the organization to be successful in the next three to five years and beyond. This requires an intimate understanding of the strategic plan, and for that reason it is critical that senior leadership be involved in the process of selecting benefits. The other key to appropriate benefits selection is focusing your efforts. There could be many potential benefit targets that will support the strategic plan, but expanding to more than 15-20 focus areas will dilute efforts and decrease the likelihood of significant success in realizing benefits.

Once benefit focus areas are established, baseline performance and targets must be established. This requires development of a specific way to measure performance and development of clear expectations about the timeframe in which benefits should be achieved as well as when performance should be measured. The time required to achieve benefits in each focus area might vary widely. Setting expectations up front prevents premature discontinuation of measurement or writing off a target as unachievable.
Finally, in this stage organizations should define the process they will use for tracking progress and plan for organizational communication. Along with change management, a robust communication strategy is fundamental to the success of a benefits realization program. Benefits realization goals should be transparent to all stakeholders, and there should be specific communication about accountability for achievement of those goals, both current and future.

Benefits Analysis and Planning

Having identified benefits focus areas and baseline performance and targets, the next step is to develop a project plan for each focus area. This collection of projects becomes what is managed under the Benefits Management Program.

Essential to the project planning process for each focus area is an understanding of the key elements that contribute to outcomes. This is where the project team will need to focus time in the project for the purposes of process redesign and identification of potential areas for technology enablement of processes. Opinions will be many and thus developing governance for decision-making is a critical component of this step.

Benefits Delivery

The Benefits Delivery step is the most familiar, as it involves EHR or other technology tool build, testing and training of both new workflows and the technology itself. The most challenging component of this step is managing resistance as teams begin to feel threatened by significant, impending changes to their daily routines.

In this step, a benefits dashboard should be monitored and maintained to measure incremental change. Based on performance vs. expected and target, a plan-do-check-adjust cycle is used to make adjustments to current processes and build until expected targets are achieved.

Benefits Transition and Sustainment

Once expected benefits are achieved, accountability for sustainment needs to be transitioned away from the benefits management team and to operations for long-term management. A plan should be put in place to continue to monitor benefits performance over time to ensure continued success.

The Bottom Line

Benefits don’t just happen. Realizing clinical benefits from EHR implementation or optimization requires careful planning and expert delivery. It requires executive engagement and robust change management. Most of all, it requires an understanding that achieving benefits is a long-term, continuous process that must be measured, monitored and fostered in order to achieve success. Following a proven benefits realization model provides organizations a pathway to success.
About Impact Advisors

Impact Advisors provides high-value strategy and implementation services to help healthcare clients drive clinical and operational performance excellence through the use of technology. We partner with industry-leading organizations to identify and implement improvements in quality, safety and value. Our Associates are experienced professionals with deep domain expertise and a commitment to delivering results.

Impact Advisors has helped many clients address their clinical optimization and benefits realization needs by drawing upon years of experience. Our methodology provides an efficient and comprehensive approach to clinical benefits realization.

Activities typically performed as part of our clinical optimization methodology include:

- **Assessment**
  - Optimization Opportunity Assessment and Selection of High Value Optimization Targets
- **Planning**
  - Benefits Realization Framework Development
  - Optimization Roadmap
- **Governance**
  - Governance/Leadership for Optimization
  - Optimization Prioritization Matrix Development
- **Optimization Delivery**
  - Current State and Future State Workflow Mapping
  - Opportunity Prioritization
  - KPI Development
  - EHR Recommendations or Build
  - Change Management
  - Communications Strategy
  - Testing Strategy
  - Training Strategy
  - Implementation
  - Performance Monitoring
  - Sustainment Plan

To learn more about Impact Advisors' approach to clinical optimization contact: tonya.edwards@impact-advisors.com or (864) 430-6227

For more information visit: www.impact-advisors.com

Follow us on Facebook and LinkedIn