# Investing in an EHR: Leadership Considerations

Guidebook for Leaders of Behavioral Health
and Human Services Organizations

**Streamline**
HEALTHCARE

# Beyond the Tech Requirements: Assess the EHR's Impact on the Organization Holistically

An Electronic Health Record (EHR) platform is a significant investment for Behavioral Health and Human Services organizations. To fully assess the impact of choosing a new EHR, Leadership needs to go beyond the technical requirements and analyze its impact on the organization holistically, including the total cost of ownership, primary and additional organizational benefits, and risk factors.

This guidebook offers Leaders top-line insights on these areas drawn from Streamline's 20 years of experience providing the SmartCare™ EHR platform to Behavioral Health and Human Services organizations.

# Part 1 | EHR ROI: Total Costs and Benefits

Much of the available advice on analyzing any software purchase focuses on Return On Investment (ROI). The basic ROI calculation is pretty straightforward: (Financial Benefits - Total Costs) / Total Costs. For larger, more complex Behavioral Health and Human Services organizations, calculating the ROI is far more complicated.

Because EHRs are core to almost every aspect of the organization's operations, quantifying and modeling the financial impact of all potential benefits is too complex and time consuming to accomplish without expensive consulting resources. Leadership can, however, model the total costs of investing in an EHR and develop a strong qualitative understanding of the benefits that the EHR can produce for the organization.

## Total Cost of Ownership

Enterprise EHRs represent large, multi-year investments for Behavioral Health and Human Services organizations.

Leadership should look at the total cost of the investment over the term of the contract. And they should view the costs as just that—an investment. In many cases, saving money on implementation and training costs isn't "saving"

at all—it's under-investing in important aspects of EHR success.[1]

The following are some important considerations:

- Take a Total Cost of Ownership (TCO) approach and look at all fees (implementation, training, licenses, etc.) paid over the term of the contract.

- Consider the ongoing operating costs, including the costs of administering and training users on multiple systems and external applications that some EHRs require.

- If applicable, look carefully at the costs of a SaaS/Cloud EHR vs one that's hosted, including the potentially higher costs of upgrades for hosted solutions.

- Finally, although it sounds simplistic, consider the costs of the current EHR. When looking at the costs of a new EHR, organizations sometimes forget that they are not starting at zero. If they are considering EHR options, it is because the organization is already paying for an EHR that no longer meets their needs.

## Total Organizational Benefits

When considering EHRs, Leadership should go beyond simply comparing technical specs and look at the benefits an EHR provides in terms of the impact on the organization and the business.

- Rate the ease of using the EHRs under consideration. The easier an EHR is to use, the more satisfied and engaged users will be, leading to higher employee morale and reduced turnover.

- Consider the functionality. The more robust an EHR's functionality, the greater the ability of users to spend less time navigating through the system and more time on better serving clients.

- Combine ease of use and functionality ratings to estimate how much more productive work users can accomplish in the same timeframe compared to other EHRs.

- Assess the adequacy of the EHR reporting. Reporting should go far beyond summarizing data; it should provide information and insights that help everyone in the organization make better decisions.

- Consider the EHR's extensibility—its capacity to accommodate new capabilities and functionality as the organization and the services it provides evolve.

# Part 2 | Risk Factors and Multipliers

In addition to ROI, Behavioral Health and Human Services leaders need to consider Risk Factors and Multipliers related to their EHR.

## Risk Factors

Risk factors for an EHR platform include reliability, security, and limitations on needed functionality.

**System downtime**. Even infrequent downtimes can have a big impact on business.[2]

Streamline, for example, hosts SmartCare™ on the Microsoft Azure cloud, which has a nationwide footprint and high degree of availability, redundancy, and disaster recovery—all backed by the world-class strength of Microsoft. Streamline's Service Level. Agreement (SLA) availability for SmartCare™ on Azure is 99.9%.

| Availability Time | Downtime Per Week | Downtime Per Year |
|---|---|---|
| 95% | 8.42 Hours | 18.25 Days |
| 99% | 1.68 Hours | 3.65 Days |
| 99.9% | 10.1 Minutes | 8.6 Hours |

**Security**. In 2021, there were over 2,932 large publicly disclosed data breaches in the US— and who knows how many that weren't disclosed. Health care had the most breaches of any industry.[3] While security is based on an organization's IT architecture, policies and procedures, the EHR platform it operates on can be a factor as well. Azure's platform and data centers were created using some of the most rigorous security and compliance standards in the world.

**Limitations on actual functionality**. This includes risks associated with what the EHR "can" do and what it will do when implemented in the timeframe specified. Many organizations have been unpleasantly surprised to find how much initial functionality they had to sacrifice to get the promised quick implementation.

**Hosting architecture**. Another functionality risk that is often overlooked is the hosting

architecture: single tenant vs multi-tenant. Leadership should rely on their IT team for the technical details of this, but a useful analogy is buying a single family home vs a condo.

Single tenant architecture is like a single family home; it can be more expensive at first, but it gives you complete control over your property. With multi-tenant architecture, you share your environment with other tenants, which limits the flexibility to configure and upgrade your software and can increase security and downtime risks.

## Multipliers

According CIO magazine,[4] multipliers are anything that multiplies the value of the benefits software provides the organization. Look for core benefits, parallel benefits, related benefits, and similar benefits.

**Ease of Use**. For example, EHR ease of use can have a benefit of increased employee satisfaction and added value from reduced turnover at a time when Behavioral Health providers are facing significant staffing shortages.

**Productivity**. An EHR that can deliver a 2% increase in productivity might not seem like a big deal. But think about the added value for an organization with 200 users.

A 2% increase in productivity is roughly equivalent to adding the productivity of 4 users. That can translate into $250,000-plus in lower wage expense per year. More importantly, it can help mitigate staffing shortages by enabling the organization to provide the same level of service with fewer people.

**Robustness and Adaptability**. The Behavioral Health and Human Service market is changing dramatically, from the growth of CCBHCs to increased competition from well-

funded new market entrants. The long-term value of an EHR that is robust enough to adapt to an organization's evolving needs— versus one that's just adequate for today— may be that it enables the organization to survive and thrive in the rapidly evolving Behavioral Health and Human Services environment.

## Conclusion

By looking at the Total Costs of Ownership as well as the Total Organizational Benefits, Leadership can more fully assess the impact of choosing a new EHR for their Behavioral Health and Human Services organization. In the absence of complex analysis needed for a true ROI, benchmarks for IT spend can help quantify what a reasonable spend is.

There are numerous benchmarks available for IT spend as a percent of an organization's revenue. In general, the percentage is higher in industries like financial services and health care, where technology is core to an organization's success or failure. The table at the right illustrates the range of average annual IT spend as a percent of revenue for health care organizations and dollar amount for an organization with $20 million in annual revenue.

EHR's are core to almost every aspect of a Behavioral Health and Human Services organization's operations today, and they will become even more so as the industry evolves and organizations deal with threats from staffing shortages and increased competition as well as opportunities presented by increased government funding and new service models like CCBHCs. Leaders should view their EHR purchase holistically for what it truly is: an investment in the organization's future.

| Organization Revenue | Average Spend % | Annual IT Spend |
|---|---|---|
| $20,000,000 | 3% | $600,000 |
| | 4.5% | $900,000 |
| | 5.9% | $1,180,000 |

# Endnotes

1. https://www.softwareadvice.com/resources/software-implementation-plan/

2. https://azure.microsoft.com/mediahandler/files/resourcefiles/resilience-in-azure-whitepaper/Resiliencywhitepaper.pdf

3. https://www.securitymagazine.com/articles/97046-over-22-billion-records-exposed-in-
4. 2021#:~:text=There%20were%204%2C145%20publicly%20disclosed,additional%20incidents%20continue%20to%20surface

5. https://www.cio.com/article/244792/why-you-should-always-estimate-roi-before-buying-enterprise-software.html

Since 2003, Streamline has focused exclusively on the Behavioral Health and Human Services market. The company is a trusted partner in building innovative technology solutions that empower people to improve the quality of life for those in need.

Streamline's SmartCare™ sets a new standard for Behavioral Health and Human Services Electronic Health Record (EHR) platforms. Developed specifically for this market, its enterprise, cloud-based, single-platform, and intelligent technology is ideal for multi-faceted organizations who provide multiple types of services. Smartcare™ enables a more comprehensive, seamless approach to operations, care, and analytics. Learn more at streamlinehealthcare.com