

# 3 KEYS

## to Selecting Practice Management Software

By Dr. Ajit Kumar

Here's how to get the most from your information management options.

In the early 1980s, when the first mainstream practice management (PM) systems hit the market, the PC had just arrived. For years, physician offices were happy with text-only interfaces, basic features, and limited processing power. With the introduction of Windows, medical practices gradually moved into the GUI (graphical user interface) era. As broadband Internet access spread in the late 1990s, the resulting wave of connectivity catalyzed the marketplace and added yet another layer of features.

Today, PM technology appears to be in the midst of another phase: the addition of electronic medical records (EMR) systems. But before getting carried away, practice managers should be sure they're ready. After considering the facts, many will decide that they're ready to embrace an EMR system as a way to further streamline their work and enhance quality.

Some practices are using outdated or unreliable PM systems that lack the reporting tools that are necessary, whereas others are just barely getting along with outmoded systems. These groups should beware of vendors and consultants emphasizing EMR as the next big thing.

Prior to investing time or effort on the subject of EMR, practice managers and physicians should establish a solid PM systems foundation to ensure that core scheduling, registration, billing, reporting, and other capabilities are sound. For some practices, that means a complete overhaul of their existing PM system. For others, it may mean an upgrade from an outdated system. And, a common denominator for

many will be simply to identify a software vendor who will provide responsive, reliable service and support.

### EVALUATING PM SYSTEMS

Almost all recently implemented PM systems are Windows-based and for good reason. A Windows-based system will offer the best combination of price and performance while minimizing any investments required for hardware upgrades.

Each organization must make its own decision about client-server versus application service provider (ASP) technology. Client-server systems tend to be fully contained inside the practice, with all "client" workstations connected, via an on-site network, to the "server," which runs the actual application. Client-server systems offer better system response times, a performance advantage that translates into a more positive user experience. And although maintaining an internal network may require a server, the organization enjoys total control over availability, maintenance, security, and more.

ASP products have the advantage of relative simplicity. With ASP, you access the PM system through terminal services or Citrix. The application software and your database typically reside with the vendor. While upgrades and data backup are automatic, you're completely reliant on your Internet connection. If it goes down, so does your office productivity. Some ASP vendors will market themselves as a lower-cost option with no initial, overhead expense. Be sure to calculate *all* costs

over the long term to make an accurate comparison to client-server.

Regardless of technology, evaluating your prospective vendor's track record is critical. How long has the company been around? Has the software been under development by the same team? How financially stable is the firm?

As with any significant technology investment, check at least four or five references. Ask them about the vendor's past performance. Have they kept up with technology changes over the years? Has it been a good value?

Of course, part of the search process must focus on customer service and technical support. Your peers are the best source here too. Organizations such as KLAS Enterprises ([www.klasenterprises.com](http://www.klasenterprises.com)) offer user-driven software rankings by software type and organization type.

Systems come in all price ranges, with some costing ten times more than others. Most practices need a moderately priced system. On the one hand, some systems claim to cost as little as \$1,000. But you get what you pay for—even after considering the hidden costs. On the other hand, some very expensive systems may offer only a few additional, obscure features.

#### **SETTING EXPECTATIONS FOR IMPLEMENTATION**

PM systems are a mature technology, and implementations or conversions should be straightforward. What should a practice expect during implementation? Although some can make the transition over a weekend, reaching full speed may require two weeks or a month. After this, users quickly become comfortable and the practice begins to see some financial benefits and productivity enhancements.

For larger practices, these transitions can be more involved. Managers must understand the practice's objectives and work with the vendor on an implementation plan. In a conversion, for example, one practice may want to transfer only patient appointments. Another practice, perhaps, depending on the needs of that specialty, may want to convert schedules, registration data, charges, prescriptions, and everything else. Transferring a decade or more of patient and financial information is a more intensive process.


#### **MAKING THE MOST OF YOUR PM SYSTEM**

Healthcare IT is a competitive market, and that's a good thing for medical practices. Vendors try to differentiate themselves by offering sophisticated documentation, frequent training sessions, online Webinars, annual and regional user conferences, and other tools designed to improve their customers' operations.

Practices should use these resources to the fullest. By doing so, most organizations may find that a PM system pays for itself in less than a year.

As an example, consider reporting. Your staff members can explore and learn about operational and financial reporting options at their own pace. By reviewing financial histories, monitoring reimbursement trends, or measuring provider productivity, for instance, practices can learn and improve.

It's especially important that your PM system incorporate advanced billing, claims, and accounts receivable management features. You should be able to manage insurance payment profiles, transmit claims electronically, view the status of claims, and post payments automatically. Similarly, electronic verification of patient insurance coverage in realtime is a tremendous advantage.

These financial functions are critical not just for the immediate impact they'll have on patient care or operations. Perhaps ironically, they're also vital because they'll help put your practice on a sound financial footing from which to draw the capital necessary to make other investments—investments in medical equipment, additional clinical staff, or maybe even an EMR system. 

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