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## don't underestimate the people costs of EHR

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Most healthcare organizations across the country are considering selecting, negotiating, or implementing an electronic health record, or are in some phase of a major EHR commitment.

There are many additional costs to EHRs, besides the software and hardware, that are not necessarily obvious. As budgets are prepared and funds are being allocated for a significant initiative such as implementing integrated clinical systems and an EHR, it is important not to underestimate the manpower requirements and associated costs.

Plans for change management, process and workflow improvement, comprehensive training, user support, and system ownership are all critically important to EHR success and require funding, but without the right people and the right team, the initiative can wander—and may very well fail. In an effort to be cost conscious—or perhaps because of their naiveté—many early adopters of EHRs and integrated clinical systems completely underestimated the “people part.”

### **Don't Forget Staffing**

Hospital boards approved millions of dollars for software, hardware, and consultants, but frequently the new positions required to build an effective team were not budgeted for or approved. Implementations started with a bang without having the right people in place. As boards and senior leaders realized some of the major holes in staffing, the race was on to get approval, hire on the fly, and fill the holes with expensive consultants and vendor staff as everyone struggled to make these systems work. Costs escalated. Often these projects had to be put on hold until the team could be built.

Fortunately, these horror stories have made the rounds, and it appears that much more thought is being given to preplanning the people part of the equation. The team recruitment, both internally and externally, needs to begin well before the

implementation is planned to begin. Decisions regarding contracted resources are also a major part of the picture. A staffing plan needs to incorporate all of these resources, taking into account different phases over the life of the initiative.

These staffing plans must accurately describe the exact positions to be created and hired internally, those to be purchased, and the costs associated with both, including recruitment costs.

Many chief information officers have shared how critically important they feel it is for the major leadership positions of the EHR system to be filled by employees of the healthcare organization, either current or newly recruited. Knowledgeable consultants and vendors can be effective and helpful to the EHR effort, but the ownership and visible leadership ultimately

should reside within the healthcare organization itself. The costs associated with contractors from consulting firms and vendors are often two to three times that of internal employees.

Many newer roles for healthcare organizations appear to be emerging, driven by the need to help ensure the success of EHRs. These EHR initiatives can be extremely costly, particularly when you add in all of the "extra expenses." Financing is required for all of the components. Several positions are the result of lessons learned from earlier adopters, as well as the vendors and consulting firms working in this space. Organizations recognized that not having the right players and leadership was a shortsighted view for a critical, complex undertaking that needed to be addressed.

As a result, several senior positions have emerged that require unique skills. Having a physician or physicians who are passionate about the EHR and who are salaried and committed to the EHR and clinical systems is viewed as critical. Interested volunteer physicians are not sufficient. Titles may vary from chief medical information officer to medical director of information systems to director of medical informatics. Depending on the size of the healthcare organization, one or more individuals may take on this role.

An even newer senior position is the vice president or director of the EHR. Typically this position requires a nursing, health information management, or other clinical

background as well as significant project management experience implementing integrated clinical systems and the EHR. Specific vendor experience may or may not be required. This individual must work closely with the physician lead and the CIO. In addition to overseeing all of the details related to the EHR, part of his or her charge is to build credibility and trust with nursing and other clinical departments while the physician works more closely with the physician community.

There are two other, newer roles tied to the EHR. The director of the project or program management office is needed to bring more structure and oversight, including fiscal responsibility, to projects of this enormous magnitude. A training director to oversee a proactive team that will engage all users in a well-thought-out, creative, and flexible training program for the EHR is essential. In estimating the cost of these four key positions, don't forget the advertising, relocation, and search fees that may be present in the first year, in addition to salaries, bonuses, and benefits.

### **What's the Best Structure?**

Thoughts vary on which organizational structure is the most effective. Healthcare organizations continue to experiment with what makes the most sense for these new roles. In some cases, the CMIO and VP of EHR are peers reporting to the CIO. In others, the CMIO, CIO, and VP of EHR may be peers working collaboratively as a team. In this scenario, it appears to work most effectively if everyone reports to the same person. In addition to these four key roles,

numerous other positions at lower levels are needed to build the right teams.

If an EHR is on the horizon for your organization, begin realistically designing the new positions needed and budgeting appropriately to bring them on board. Human resources, IT, and finance all need to work collaboratively to ensure the estimates are on target. Hire and cement the team before jumping in with both feet, and allow these key leaders to be instrumental in the planning and design phase. This is an exciting time, with many opportunities to make the EHR a reality. The ROI for the EHR should be more than a financial one, but without preplanning and appropriate financing for the entire project, success will be questionable. ●

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