

Growth of ASPs in Medical Practices

Minnesota Physician Newspaper Article

September 2008 Issue

By Scott Warzecha, President, Netgain Technology

Metro OBGYN depended on the same practice management system since the mid 1980s, making few upgrades for fear that they would disrupt care. The clinic partners knew their hardware was outdated and accessing the information they needed was cumbersome and sometimes impossible. They could not even check email from all of their offices and they had to fax or carry medical records to multiple locations. They wanted round-the-clock access to patient records and enhanced operational efficiency and began looking at integrating an electronic medical record system into the practice.

Moving to a new computing model called an Application Service Provider (ASP) this year made that possible. Now, the clinic's providers can securely access patient records from their multiple offices, hospitals, or homes. All they need is an Internet connection. "I think our quality of care will go up because our physicians will have access to their data no matter if they are at home or one of our offices," said Deb Hastings, a project manager at Metro OBGYN. That's critical for these physicians who often are delivering babies at all hours.

A need for a fast, secure and reliable network has led a rising number of medical groups to forego the traditional in-house server system and outsource their technology needs through an ASP. More than half of all healthcare applications nationwide are expected to be remotely hosted by the end of this year.

An option for large and small

It is a computing revolution in healthcare that even the smallest clinics are joining. Eagan Valley Pediatrics, a small clinic with one physician and three nurse practitioners in Apple Valley, turned to an ASP in late 2005 as it integrated a new electronic medical records system and no longer wanted to carry the burden of backups. "It's a tremendous worry that we don't have to have," said Linda Dufort, clinic administrator.

With an ASP, another organization houses and maintains a medical group's software applications and hardware. Healthcare providers, then, access the applications and information remotely over an Internet connection and pay a fixed monthly fee. "It's the best thing that we have done," said Sharon Schultz, clinic manager of Sharpe, Dillon, Cockson & Associates, PA. "I love not worrying about our computers." The Edina-based clinic moved to the ASP model two years ago upon a recommendation from Solbrekk.

The growth of the ASP technology in medical practices has been driven mostly by cost and ease. An ASP securely stores information offsite in a HIPAA adherent data center, gives healthcare providers critical access to patient records from home or multiple offices and enables the rapid development of powerful web applications and services such as electronic medical records.

A variety of ASP models have surfaced over the past few years, but the most user friendly option is Windows-based and mirrors the user's desktops. HTML-based models are powered by a new dashboard that requires training and time for staff to learn another application.

Risk reduction

Increasing regulatory pressures, combined with affordability of ASPs, led to early acceptance and adoption of this technology in the healthcare industry. HIPAA and other government requirements have called healthcare providers to operate in a whole new reality to securely protect patient information and prepare for the worst-case scenarios.

For Eagan Valley Pediatrics, ensuring the secure handling, backup and storage of the clinic's private information became time consuming and overwhelming. Partnering with an ASP allowed the clinic to reduce its risk of a security breach, system failure or unforeseen disaster. "I just didn't want that responsibility to back up," Dufort said. "What if there was a fire? I felt we weren't set up for that. We felt we needed a company that did that 24-7."

Outsourcing provides medical practices with the backup, redundancy and disaster recovery plan they need to ensure their sensitive patient data is protected and available no matter the circumstances. ASPs manage the required daily backups and some take the added measure of securely transporting those backups off site each day gives medical groups even more security and value.

Staffing and support

IT professionals who can provide these services in house exist. But many medical practices have learned they are hard to find and expensive to keep. A dire shortage of IT professionals makes it challenging for medical practices to attract and retain talent to manage their in-house system, backup tapes and disaster recovery plans.

With ASPs, medical groups also receive a team of technology experts who specialize in secure data storage, asset recovery and ongoing support. Outsourcing gives clinics full back-end support such as software upgrades, server maintenance, daily data backups and security. "They know the regulations. That's their job," Schultz said. "It's very hard for us as clinic managers to keep up on absolutely everything. We trust (our ASP) to do that and they do a wonderful job."

Costs

In the past, the ASP came with a higher price tag and required users to pay by the click. Today, the service has become affordable for even the smallest of clinics. On the surface, the ASP model still may appear more expensive than an in-house system. But in the end, outsourcing minimizes both the up-front investment due to subscription-based pricing and the remote nature of application hosting should reduce ongoing maintenance costs.

With an in-house system, medical groups do not only dedicate staff time to creating and maintaining backups, but also often spend dollars on service calls, and repairing and replacing hardware. That does not include the loss of work time that firms often face when their system fails.

By partnering with an ASP, medical professionals can lower the total cost of ownership and better predict cash flow through a fixed monthly payment. It's not uncommon for medical groups to see a 25 percent decrease in total cost of ownership. "It has saved us a great deal on the bottom line," Schultz said.

Get what you expect

Although it's not right for all practices, ASPs have become a cost-effective, practical option for providers who want to ensure they're protecting their patients' information and leverage technology to improve their organization's efficiency. From scheduling appointments and securely storing data to providing remote access and connecting multiple offices, ASPs are changing the way clinics do business. By reducing risks and staffing challenges, outsourcing allows physician practices to focus on their core services and strategic objectives instead of worrying about their servers, computers and data storage.

ASP technology is expected to continue to transform the healthcare industry and allow clinics of all sizes to meet the traditional and emerging needs in operating an efficient operation and delivering high quality care.

Scott Warzecha is president of Netgain Technology, a national desktop hosting provider that specializes in serving the healthcare industry. Learn more at netgainhosting.com.

BREAKOUT: Why do you use an ASP?

Here's a look at why healthcare providers say they are contracting with ASPs, according to Porter & Associates' Healthcare Industry Report.

1. Timely and ease of software upgrades
2. Reduced cost of initial capital investment
3. Faster implementation and deployment of new software
4. Increased system redundancy and disaster recovery
5. Decreased total cost of ownership