



Level 5 Proposed Work Plan

Per your request, I have attached our detailed response to your request to provide your organization with experienced advisory and consultative services. AC Group, Inc. (ACG), formed in 1996, is a healthcare technology advisory and research firm designed to save participants precious time and resources in their technology decision-making. AC Group is one of the leading companies, specializing in the evaluation, selection, and ranking of vendors in the PMS/EMR/EHR healthcare marketplace. For the last three years, AC Group has produced an annual report on the Digital Medical Office and the use of Technology by physicians. This comprehensive report includes detailed reviews of the Mobile Healthcare, Document Imaging, and EMR marketplace. The report also includes the most comprehensive evaluation of vendor EMR functionality to date - more than 5,000 questions. This evaluation decision tool has been used by more than 5,000 physicians since 2002. Additionally, AC Group has conducted more than 100 PMS/EHR searches, selections, and contract negotiations for small physician offices to large IPA since 2003.

Hospitals, individual physicians, physician groups, PHOs and IPAs are actively searching for new technologies that will enable them to improve patient care, reduce costs and improve the overall "quality of life" for themselves and their families. One of the greatest challenges today is locating the "best" technology and software for the "best" price. With over 200 vendors selling ambulatory Electronic Medical Record (EMR) Systems and an additional 300+ selling other complementary applications and services, the technology marketplace is overwhelming to most healthcare organizations and physicians.

Our Founder and CEO is Mark R. Anderson. **Mr. Anderson** is one of the nation's premier IT research futurists dedicated to health care. He is one of the leading national speakers on healthcare, the EMR, and has spoken at more than 350 conferences and meetings since 2000. He has spent the last 33+ years focusing on Healthcare – not just technology questions, but strategic, policy, and organizational considerations. He tracks industry trends, conducts member surveys and case studies, assesses best practices, and performs benchmarking studies. He also assists physicians with business strategies, software needs assessment, product evaluations, product assessments, contract negotiations, and Mr. Anderson is available to help insure you have an effective installation.

Prior to joining AC Group, Inc., Mr. Anderson was the worldwide head and VP of healthcare for META Group, Inc., the Chief Information Officer (CIO) with West Tennessee Healthcare, the Corporate CIO for the Sisters of Charity of Nazareth Health System, the Corporate Internal IT Consultant with the Sisters of Providence (SOP) Hospitals, and the Executive Director for Management Services for Denver Health and Hospitals and Harris County Hospital District. His experience includes 17 years with multi-facility Health Care organizations, 15 years Administrative Executive Team experience, 6 years as a member of the Corporate Executive Team, and 9 years in healthcare turnaround consulting. Mr. Anderson also managed 32 separate physician practice during 1983 through 1989. Mr. Anderson received his BS in Business, is completing his MBA in Health Care Administration, and is a Fellow with HIMSS.

The following pages describe AC Group Inc. proposed steps designed to insure the effective selection and implementation of an Electronic Medical Record (EMR) including Digital and Document Image Management. The work plan is based on AC Group's level 5 advisory services.

Detailed Proposed Work Plan

1. **Identify Project Teams and Committees:** First, we must identify the EMR task force members. This may have already been conducted. During the initial conference call, we will be discussing project steps, tasks, time frames, scope and objectives, methodology and responsibilities. Finally, we will be identifying project committee organization, representation and responsibility.
2. **Schedule EMR Kick-Off Meeting:** Once we identify the project team members, we will need to schedule an EMR Kick-Off meeting with all members.
3. **Conduct EMR Kick-Off Meetings:** During the meeting, we will be discussing the project, time frames and team responsibilities. The meeting will include a highlight presentation of the history of EMRs along with a brief presentation of current and future EMR capabilities.
4. **Document Current Systems:** To help determine your technology needs, we will need to document your current operating conditions, statistics and policies. We will work with your team to collect current forms and will assist in documenting current patient documentation flow.
5. **Conduct Needs Assessment:** We will work with the committee to identify clinical and workflow needs by practice location. To facilitate discussions, we will use information gathered during the similar EMR needs assessments. Upon completion, you will have a document describing the perceived Patient Charting, Retrieval, and Management Reporting Systems needs for today and for the future.
6. **Schedule EMR Kick-Off Meeting:** Once we identify the project team members, we will need to schedule an EMR Kick-Off meeting with all members.
7. **Identify Top EMR Firms and Document their Qualifications:** We will review and analysis of the top 10 EMR vendors. A summary document will be prepared which describes vendor capabilities and functionality. Finally, the top EMR vendors will be identified based on current and projected capabilities.
8. **Present findings to EMR planning committee:** A project update meeting will be scheduled with the EMR Planning Committee. During the meeting, we will present a report outlining your current EMR perceived needs by location and/or clinical services, and information on the top 10 EMR vendors. At the completion of the meeting, we will identify additional requirements and will select the top three (3) to five (5) EMR vendors for further review.

9. **Develop Vendor Demonstration Scripts and Rating System:** Developing a narrative script for each vendor to follow can enhance the evaluation of vendor demonstrations. In this way, participants can hear and visually see how each software program meets your unique requirements. The proposed script would be based on the needs gathered during steps 4 and 5. Each vendor would be given the script and asked to demonstrate how their system meets or exceeds your needs. Too effectively and fairly rate each vendor; we will need to develop a rating system for each participant to complete.
10. **Email Demo Scripts to the top vendors:** ACG will E-mail a copy of the demonstration script to each of the vendors. ACG will provide insight to each vendor to insure effective demonstrations.
11. **Schedule Vendor Site Visits:** As easy as it sounds, scheduling vendors for on-site demonstrations will not be easy. Each vendor will be jockeying for the last available day. "Studies have shown that the last vendor always receives a higher rating than the first or second vendor - even though the applications may be the same".

Finally, it is hard for vendors to schedule site visits. First, they must work around our schedule, second around their schedule, and most importantly, around the site visit personnel schedules. In the past, we have spent weeks trying to schedule vendor site visits. However, with proper planning and control, site visits can be invaluable in identifying how the vendor responds to EMR concerns and implementation problems.

12. **Conduct Vendor Presentations and On-Site Demonstrations:** Step 12 requires the most on-site time. To insure effective demonstrations, we plan to attend every vendor presentation. In this way, we can assist participants in asking questions and control the vendor when they try to avoid difficult questions and scenarios. Finally, we will be able to control the flow of "Vapor-Ware" - a typical term used for vendors who describe software functionality that does not exist.
13. **Committees and Participants rate each Vendor's Presentation:** After each presentation, each participant will be asked to rate the vendors based on selected factors as developed in step number 8.
14. **Vendor rating summary and Proposed System Capability:** Once all of the vendor presentations are completed, we will need to summarize the ratings and rank the vendors based on performance, software capability and functionality, and estimated pricing.
15. **Present Summary to EMR Planning Committee and select top vendors:** Once the Vendor presentations are completed and the vendors ranked, it is once again time to review the findings. During the meeting, the EMR Planning Committee will be asked to recommend and select the top two (2) vendors for comparable size site visits.

- 16. **Contact top two to three Vendors for site visits:** ACG will contact each vendor and discuss site visit requirements.
- 17. **Schedule EMR Site Visits:** ACG will work with each vendor and the EMR committee to schedule the appropriate site visits.
- 18. **Prepare EMR Request for Quote:** Once we have selected the top two to three finalists (Step 14), we will also need to develop a document, which allows the vendor to finalize their cost proposal - based on vendor recommended options and hardware configurations. From experience, ACG has found that vendor estimated prices received during the RFQ process are usually very different from the price negotiated at the end of the process. In the beginning, we were comparing "Apples-to-Oranges".

Once we determine the required number of users, communication devices (Tableside, Radio Frequency, PC-Tablet, Mobile, and Desktop), and the software options preferred by your clinic, the vendor can tighten their costs. We will ask vendors to re-bid their system based on a tight and structured format. In this way, we can compare "apple-to-apple" pricing. Finally, we will ask the vendor to provide an updated implementation plan included proposed steps, time frames and a listing of the vendor's proposed implementation team qualifications and expertise.

- 19. **E-mail Request for Quote to Selected Vendors:** To insure adequate preparation time, we will need to send the request by the end of March.
- 20. **Conduct Site Visits:** Actual site visits is the second longest step of the EMR selection plan. Based on the number of finalist vendors and the location of the site visits, a four-hour site visit may require three calendar days. The problem with most site visits is that you "travel" more than you "visit". However, with proper planning, multi site visits could be conducted during the same week.
- 21. **Receive Responses to Request for Price Quote:** By the time we complete our site visits, the vendors should have completed the updated price quote.
- 22. **Evaluate Site Visit Ratings:** After each site visit, each participant will complete the "Site Visit" rating forms. ACG will compile and summarize the information.
- 23. **Summarized Price Quotes and Vendor Ratings:** Once we have completed the review of each vendor's response to the original RFQ, conducted and evaluated vendor demonstrations and site visits, and compiled price quotes, it is time to summarize the information into a useful document for vendor selection.

24. **Present Summary to EMR Planning Committee and select Finalist vendor:** Once the summary document is completed, it is time to review the findings. During the meeting, the EMR Planning Committee will be asked to recommend and select the top vendor for contract negotiations. A secondary vendor should also be selected in case vendor negotiations fall through.
25. **Develop Proposed Contract Addendum:** AC Group will review the final vendor's contracts and will provide you with a proposed addendum to each contract. Traditionally, the addendum includes between 20 and 60 proposed changes to the vendor's contract. Once approved by the client, AC Group will email the proposed changes to the appropriate vendors.
26. **Vendor Negotiations:** Probably the most tedious and important step of the entire process is contract negotiations. During contract negotiations, we should be able to increase installation assistance, improve the payment criteria, establish quantifiable goals and objectives and finally, we should be able to reduce the overall project costs by more than the fees paid to AC Group Inc.
27. **Prepare Final EMR Plan:** Once vendor negotiations are completed, we will prepare a summary document for presentation to the entire EMR Planning Committee and any Administrative committees.
28. **Present Summary to EMR Planning Committee:** ACG is prepared to make two formal EMR presentations - one for the EMR Planning Committee and one for your Administration approval committee.

Why select ACG:

We offer clients the advantage of the finest industry research available anywhere, as well as a resource equally valuable -- the collective hindsight of hundreds of companies whose IT experiences we have monitored and analyzed in detail. AC Group can increase the effectiveness of your healthcare IT programs by providing recommendations for improving your organization's ability to address industry trends, market drivers, and new competitive threats. ACG is qualified to deliver these services based on:

- Our knowledge of the healthcare IT marketplace enables us to accurately analyze that market, taking the competitive landscape and industry drivers into consideration.
- Our understanding of user buying dynamics via our ongoing syndicated research services with provider, payer, and vendor organizations. ACG leverages existing research and opinions formulated through extensive user interaction to provide timely analysis and real-world experiences.
- Our use of acknowledged healthcare IT industry experts gives us credibility in presenting our findings and recommendations to your senior management.
- ACG's staff experience working with and in Provider and Payer organizations for 30+ years. We are not just researchers, we are former executive members of multi IDN's, Physician Groups, and Payer organizations and thus, our staff represents the peers that you would be working with.
- Combined with our experience performing IT strategy engagements, ACG is well positioned and excited about assisting your organization on this initiative.

For the last three years, ACG has produced an annual report on the Digital Medical Office and the use of Technology by physicians. This comprehensive report includes detailed reviews of the Mobile Healthcare, Document Imaging, and EMR marketplace. The report also includes the most comprehensive evaluation of vendor EMR functionality to date - more than 5,000 questions. The founder, Mark Anderson, speaks all over the country and in Europe on the "Incremental Approach" towards physician office automation and encourages practices to move into the EMR marketplace "incrementally".



Level 5 Proposed Work Plan

Option 5 - Pricing (Effective January 1, 2007)

Number of Physicians	Less than 5 Physicians	5 to 24 Physicians	25 to 49 Physicians	50 to 99 Physicians	Over 100 Physicians
Costs	\$10,000	\$15,000	\$20,000	\$30,000	\$40,000

Payment Schedule

A down payment of **30%** is required along with the signed agreement, by the agreed upon effective date. An additional 30% is due after the completion of the Vendor Demonstrations (Step 12). An additional 30% is due once we submit proposed contract changes to the vendor (step 25). The **remaining balance** of 10% will be billed at the end of the project. **Checks are to be made payable to AC Group, Inc.** Travel expenses will be billed after they occur and will be due and payable within 15 days of receipt of invoice. If there are any questions concerning this agreement please contact AC Group at: (281) 413-5572 or by mail at:

AC Group, Inc.
118 Lyndsey Drive
Montgomery, TX 77316

Acceptance

On behalf of the AC Group, we look forward to assisting you and your community in the healthcare marketplace. Please indicate, by signing below and return by fax to **1-832-550-2338**.

Number of Providers: _____ Contract Amount: \$ _____ .00

Approved by Name: _____ Date: _____

Approved by Signature: _____

The project will be lead by Mr. Mark R. Anderson, CPHIMS, FHIMSS, CEO and Healthcare IT Futurist with AC Group, Inc. Mr. Anderson is one of the leading national speakers on technology in healthcare and has spoken at over 350 conferences and meetings since 2000. He has spent the last 32+ years focusing on Healthcare – not just technology questions, but strategic, policy, and organizational considerations. He is a widely-versed individual whose line and consulting responsibilities in more than 200 hospitals, 50 healthcare payer organizations, and 70 Physician/Clinics has provided him with a wealth of front-line experience. Mr. Anderson was also the CIO for a 2,300 physician, 500+ practice IPA located 90 miles north of NYC. He is also involved in one of the nine Agency for Healthcare Research and Quality (AHRQ) and e-healthcare initiative grants that have been awarded to local communities.

Please review the attached document, feel free to contact me if you have further questions. I can be reached at my Houston office (281) 413-5572 or by e-mail at mark.anderson@acgroup.org.

Respectively submitted:

Mark R. Anderson, FHIMSS, CPHIMS



Mark R. Anderson, CPHIMS, FHIMSS

CEO and Healthcare IT Futurist

AC Group, Inc.

e-mail: mark.anderson@acgroup.org

Mr. Anderson is one of the nation's premier IT research futurists dedicated to health care. He is one of the leading national speakers on healthcare and physician practices and has spoken at more than 350 conferences and meetings since 2000. He has spent the last 30+ years focusing on Healthcare – not just technology questions, but strategic, policy, and organizational considerations. He tracks industry trends, conducts member surveys and case studies, assesses best practices, and performs benchmarking studies.

Besides serving at the CEO of AC Group, Mr. Anderson served as the interim CIO for the Taconic IPA in 2004-05 (a 500 practice, 2,300+ physician IPA located in upper New York). Prior to joining AC Group, Inc. in February of 2000, Mr. Anderson was the worldwide head and VP of healthcare for META Group, Inc., the Chief Information Officer (CIO) with West Tennessee Healthcare, the Corporate CIO for the Sisters of Charity of Nazareth Health System, the Corporate Internal IT Consultant with the Sisters of Providence (SOP) Hospitals, and the Executive Director for Management Services for Denver Health and Hospitals and Harris County Hospital District.

His experience **includes 32+ years working with Healthcare organizations, 20+ years working with physician offices, 7 years in the development of physician-based MSOs**, 17 years with multi-facility Health Care organizations, 15 years Administrative Executive Team experience, 6 years as a member of the Corporate Executive Team, and 9 years in healthcare turnaround consulting. Mr. Anderson received his BS in Business, is completing his MBA in Health Care Administration, and is a Fellow with HIMSS. Additionally, he serves on numerous healthcare advisory positions and has developed programs including:

- ❖ Developer of the Six-levels of Healthcare IT for Hospitals and the Physician Office
- ❖ Researcher and producer of the 2002-2005 EMR Functional rating system
- ❖ Advisory Board and Content Chairman - Healthcare IT Outsourcing Summit, 2002, 2003, 2004, 2005
- ❖ Advisory Board and Content Chairman - Patient Safety and CPOE Summit, 2002, 2003, 2004, 2005
- ❖ Advisory Board and Content Chairman – Consumer Driven Healthcare Conference, 2003, 2004
- ❖ Advisory Board and CPOE Chairman - Reducing Medication Errors, 2003, 2004, 2005
- ❖ Advisory Board of TETHIC 2003, 2004, 2005
- ❖ Advisory Board of NMHCC 2000, 2001, 2002, 2003, 2004, 2005
- ❖ Advisory Board of TCBI Healthcare Conference 2000, 2001, 2002, 2003, 2004, 2005
- ❖ Advisory Board of TEPR and MRI, 2000, 2001, 2002, 2003, 2004, 2005
- ❖ Past President of Local HIMSS Boards – Houston, Tennessee, Southwest TX
- ❖ Editorial Board of Healthcare Informatics 2001, 2002, 2003, 2004, 2005
- ❖ Judge, MSHUG ISA, 1999-2005, TEPR Awards, 2001-2002, TETHIE 2003-05, HDSC 2003-05
- ❖ National HIMSS Chapters Committee 2001, 2002, 2003, 2004
- ❖ National HIMSS Fellows Committee 2001, 2002, 2004
- ❖ National HIMSS Programs Workgroup Committee 2001, 2002, 2003, 2004

More about AC Group:

AC Group, Inc. (ACG), formed in 1996, is a healthcare technology advisory and research firm designed to save participants precious time and resources in their technology decision-making. AC Group is one of the leading companies, specializing in the evaluation, selection, and ranking of vendors in the PMS/EMR/EHR healthcare marketplace. Twice per year, AC Group publishes a detailed report on vendor PMS/EHR functional, usability, and company viability. This evaluation decision tool has been used by more than 5,000 physicians since 2002. Additionally, AC Group has conducted more than 100 PMS/EHR searches, selections, and contract negotiations for small physician offices to large IPA since 2003.

More than 500 healthcare organizations worldwide have approached their most critical IT challenges with the help of trusted advisors from ACG. Since 1972, ACG advisors have been helping healthcare professionals make better strategic and tactical decisions. This unmatched combination of market research and real-world healthcare assessment gives clients the tools they need to eliminate wasteful technology spending, avoid the inefficiency of trial and error, and discover a superior alternative to "guess" decisions. For our healthcare physician clients, ACG provides independent advisory and consultative services designed to assist physicians in evaluating and selecting technology to enable the creation of the "The Digital Medical Office of the Future".