

Technology & Operational Audit

Over the past 5 years, more than 80,000 physicians have elected to purchase and install Electronic Health Record (EHR) applications in order to streamline their organization's clinical and operational processes. However, based on a recent survey, over 82% of the providers have not experienced the perceived clinical and operational benefits that they were promised. The survey also found that 73% of the providers were not using their EHR application for clinical charting on 80% of their patients even after 1 year. Finally the survey found that 16% of organizations have replaced the EHR within the last 18 months or have de-installed the application entirely. Therefore, we must ask the question, "Is the EHR really worth the cost?" The answer is "Yes", but only if you can insure an effective implementation.

With so many "perceived" EHR failures, what can a practice do to insure that their practice is operating at the highest level? The first step is to select a product that really meets your needs. Second, you need to make sure that the vendor provides a comprehensive program for "Clinical and Operational Transformation". Third, you need to conduct a "Technology and Operational Audit" 6 months after going live and at least annually after that.

Via AC Group's Technology and Operational Audit, we will review more than 60 operational processes to insure that your organization maximizes the value of your PMS and EHR applications. During the on-site operational and technical audit, we will review current documentation method(s), clinical and operational workflows, billing practices, patient and staff scheduling, patient follow-up methods, communication, messaging, EHR embracement, etc. Additionally, we will review outstanding issues with your software, hardware, and network vendors. We believe we can establish a base-line approach towards optimization and we will be able to provide your practice with guidelines for PMS and EHR improvements.

AC Group's "Technology and Operational Audit" includes a six-phase evaluation of your PMS and EHR operations. AC Group will identify best practices based on your policies and procedures, which if implemented, will improve the overall operation of your organization. Another goal of the audit is to reduce the number of client/vendor miscommunications that occur in 85% of all EHR implementations. We will assist in the "Change Management" process that must occur to insure effective use of the new systems. Finally, we will also assist your organization with the process of Clinical and Operational Transformation in order to reduce operational inefficiencies, improve financial gains, and to reduce the "change pain" factor.

AC Group's Technology & Operational Audit involves the following six stages:

- 1) **Pre-audit process:** The process normally begins with an introductory meeting to inform the organization's senior management that an audit will take place, to explain the process, and to gather background information. Following the introductory meeting, the AC Group will perform a preliminary gathering of information using various sources of information (for example, the practice pre-and post EHR coding mix, best practices, clinical use of the EHR, internal surveys, software vendor call responses, etc.) At the end of this stage, a binder is prepared and is used in the Technology and Operational assessment meeting with the staff.
- 2) **Technology and Operational assessment meeting with staff:** The Technology and Operational assessment meeting involves the key individuals within your practice. One objective of the assessment meeting is to obtain confirmation of major workflow issues and the major concerns of the staff. AC Group will also assist quantifying the importance of each concern (low, medium or high) for each operational or technical concern. This step is preferably completed during the meeting, but may be completed separately with each manager. The result is a Technology and Operational template designed to identify high-priority processes that need to be reviewed.



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- 3) **Identification of Issues and Best Practices:** AC Group will analyze workflow concerns and issues and will suggest best practices based on the software's capability and the business policies of the practice. We will use our knowledge of the practice's PMS and EHR software along with our extensive knowledge of best practices from other similar practices.
- 4) **Test Best Practice Processes:** Once we identify operational and technical best practices, we will work with your staff to insure that the proposed best practices will work within your organization. At the end of this stage, AC Group will document operational improvements and will estimate the operational, technical and clinical effect on the practice.
- 5) **Implement Best Practices:** Since just identifying potential operational improvements does not create value, we need to implement changes that have been proposed in order to improve operational efficiencies. AC Group will work with your staff to implement changes in workflow, policies and procedures.
- 6) **Final Report:** After the previous stages have been completed, AC Group will produce a report which highlights our findings, our conclusions, and list of recommendations that should be considered and implemented in the future. Many of these recommendations may require changes in the practice's software or changes in facility design. In other cases, proposed changes may require staffing reallocations or software additions that may need to be purchased in the future. For example, card scanners for capture of patient insurance cards or the development of a patient portal for improved data capture.

Staffing: The following staff will be assigned to work on your project:

Proposed Staff	Name	Experience in Healthcare	Experience with Ambulatory Offices	Experience working with EHRs
CEO	Mark Anderson	34 Years	12 Years	7 Years
Senior Consultant	Lorraine Casagrande, RN	30 Years	10 Years	2 Years



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 34+ 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-based IPA located 90 miles north of NYC. Therefore, he is experienced working directly with small and large physician groups. Mr. Anderson is one of the nation's premier healthcare IT research futurists.

Mr. Anderson specializes in the evaluation, selection, and ranking of vendors in the PMS/EMR/EHR healthcare marketplace. Twice per year, he publishes a detailed report on vendor PMS/EHR functional, usability, and company viability. This evaluation decision tool has been used by more than 50,000 physicians since 2002. Additionally, Mr. Anderson 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 like Mr. Anderson. Since 1972, he has helped healthcare professionals make better strategic and tactical decisions. This unmatched combination of market research and real-world healthcare assessment gives his 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 his healthcare physician clients, he 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".

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Why Select AC Group?

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 EHR marketplace. The report also includes the most comprehensive evaluation of vendor EHR 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 EHR marketplace "incrementally".

Pricing is based on the number of providers (Physicians and PA's)

Providers	On-Site Hours	Off Site Hours	Total Hours	Proposed Fees
1 to 3	20	12	32	\$ 3,000
4 to 9	21	14	35	\$ 4,000
10 to 19	24	17	41	\$ 5,000
20 to 49	28	19	47	\$ 6,000
50 to 99	33	24	57	\$ 7,500
100 to 149	48	30	78	\$ 10,000
150 to 199	63	32	95	\$ 12,500
200 to 299	78	36	114	\$ 15,000
300 to 399	90	36	126	\$ 17,500
over 400	105	36	141	\$ 20,000

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Payment Schedule - Option 7 Technology and Operational Audit

A down payment of **30%** is required along with the signed agreement by the agreed upon effective date. An additional 30% is due after stage 3 and stage 5. The final 10% is due 15 days after receiving the final report as outline in stage 6.

Checks are to be made payable to AC Group, Inc. 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

AC Group, Inc. Tax ID #: 61-1313700

Acceptance – Option 7 Technology and Operational Audit

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

Approved by Name: _____ Company: _____

Approved by Signature: _____ Date: _____

Approved Contract Amount: _____

The conditions and prices in this proposal are in effect for one month from the date of submission. Please review the attached document; feel free to contact us if you have further questions. Mark Anderson can be reached at his Houston office at (281) 413-5572 or by e-mail at mark.anderson@acgroup.org.

Respectively submitted:



Mark R. Anderson, FHIMSS, CPHIMS
Healthcare IT Futurist
CEO, AC Group, Inc.