

Four Questions to Ask About Operating an EMR System in the ‘Cloud’

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Everywhere you turn these days, there seems to be advertising for a “new” kind of computing—in the “cloud.”

But the truth is, depending on the vendor, cloud computing might just be a fresh name for a well-established technology that has been deployed in medical offices and other businesses for years. Online banking, for instance, is an example of “cloud computing.” Simply put, the “cloud” is one of three basic approaches to deploying server-based computing. An office could:

1. Set up a server at your business and run software on it there
2. Pay a remote data center to run a server for you with your software and data on it
3. Connect via the Internet to servers operated by companies that process your data with their own software

That last approach is known as “cloud computing,” and it’s also referred to as Software-as-a-Service (SaaS.) There are extensive opportunities for medical practices to use the cloud to handle electronic medical records (EMR.) One of its major advantages is that you don’t have to hire/retain your own IT department. And, although there are ongoing fees, typically there is little or no upfront expense in contrast to the large capital outlay required to set up an EMR system in an office.

But the cloud might not be for everyone. Security considerations must be weighed, and not all cloud solutions are created equal. The financial pros and cons also can be somewhat complex.

Before you decide whether cloud computing is right for your practice, there are four questions that should be explored.

1. What are the cost considerations of making an upfront investment for an in-house or data center solutions vs. paying over time for the cloud?

The simplest way to think about this issue is to compare it to deciding whether to buy or lease a car.

Yes, a capital outlay will be required to buy a car—or install EMR on an in-house or data center basis. Lease payments seem more manageable than the capital outlay. On the other hand, if you tend to keep your car for more than a few years, your total lease payments are going to be more than your total cost of purchase.

The same likely holds true for EMR systems. The total fees paid to a cloud provider might end up being more over an extended period than the cost of purchase.

In contrast, data center fees, software maintenance/upgrade agreements and possibly IT staff or consulting costs could increase the total outlay for a purchased system. You typically don’t have to worry about the cost of IT maintenance in the cloud; it is generally included in the fee, as is the expense of upgraded software.

The best advice here: have an accountant run the numbers. A common way of comparing costs is to evaluate them over a 5-year period.

2. What are the security issues with the cloud? What assurances can vendor give about security?

No matter whether your EMR is on a server in your office, in a data center, or in the cloud, it has to meet strict HIPAA security requirements. Assurances by any vendor should not be taken at face value. You should have the system evaluated by a third-party professional and a gap analysis created to identify any security issues that need to be addressed.

3. How does the cloud solution compare with the other approaches in terms of reliability, backup, upgrades, and bandwidth?

As part of your subscription fee, many cloud vendors build in the cost of software upgrades and support. Some SaaS providers upgrade all of their clients at the same time. That is great if your solution is turn-key. The potential downside of this approach is that it could make vendors reluctant to customize your installation since they want to be able to easily upgrade all customers.

If you are a large practice, you also might want to consider whether the cloud solution has enough bandwidth to handle multiple users working at the same time. This could be especially true in practices where images are frequently used, since they could require large file sizes.

Another factor to consider is downtime. Once a practice is on electronic medical records, it becomes very difficult to function without them. What reliability guarantees does the cloud vendor provide? If you are planning to house your EMR system on the premises, what are your provisions for a redundant system that could be used if your main system goes down?

4. Is the best solution a mixed approach, with some systems in the cloud and others more traditional?

Of course, EMR is not the only system offered in the cloud. Billing systems, payroll systems, and others used by medical practices are also available as cloud solutions.

After analyzing your specific EMR needs, and financial and security issues, some of your systems might make more sense in the cloud; others perhaps should be hosted in your office or in a data center. An evaluation of how well those different systems work together, though, is critical.

In summary: A thorough analysis is essential for the best solution.

Physicians and practice managers aren’t generally required to analyze technology in the ways described above. Yet a thorough analysis is essential to making the right selection for EMR systems and the rest of the solutions in a practice.

For that reason, practices might wish to consider having an outside consultant assist in deciding whether cloud computing is the right fit for your office.



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