Implementing Health Information Technology in Hospitals: A Simple Make-or-Buy Decision?

Volume 21, Number 1, October 2010

“No,” say Lister Hill scholars Nir Menachemi, Feliciano Yu and colleagues. “Striking the right balance between internal competencies and external consultants can profoundly affect how long it takes to implement a system. Hospitals also face pressure to either implement health information technology (HIT) systems that have “certified” electronic health record (EHR) applications and that fulfill the federal government’s definition of “meaningful use” or risk financial penalties in the near future.”

Recently introduced and evolving meaningful use standards create uncertainty for hospital leaders as they shape HIT strategies. Providers must use an EHR for their patients to track key clinical conditions, exchange information with other providers to coordinate care, and report clinical quality measures to the Centers for Medicare and Medicaid Services. Administrative systems, lab data, and many other applications also have to be integrated to achieve meaningful use. Hospitals have adopted one of three strategies, described as “best of breed,” “best of suite,” and “single vendor,” to meet operational and regulatory demands. The single-vendor strategy is used by the majority of U.S. hospitals but is it the most effective mode for achieving full implementation?

The researchers merged status reports from the American Hospital Association’s 2007 annual survey with HIMSS Analytics data to assess complete versus incomplete EHR implementation levels in 1,814 facilities. Overall, almost 22 percent of hospitals in the sample reported full EHR implementation. The best of suite approach—one package of applications is chosen as the basis for integrating all other applications—was successful in greater-than-expected numbers compared to the other two approaches.

“Looking forward, hospitals will continue to face the challenge of choosing among strategies, placing increased demands on HIT flexibility and their own management capacity to support change,” say the researchers. “Hospitals need to take a close look at opportunities presented by best of suite systems and plan an HIT strategy that enables them to define a cost-effective yet flexible approach to addressing the realities of the need for both healthcare and business process transformations.”