



Driving ROI

The Business Case for a Cloud-Based EHR System for Rural Health Clinics

HOBSON & COMPANY



The Business Case for a Cloud-Based EHR system

Rural Health Clinics (RHCs) provide a critical safety net for rural communities and deciding which Electronic Health Record system to use can have serious consequences. EHRs have undergone significant changes since they were first introduced but many remain clunky and difficult to use. Often it takes many clicks to get to the appropriate screen whether for patient registration, charting or even billing which can directly impact patient care and clinic revenue.

For those RHCs with an on-premise EHR infrastructure, the management of the system can be extremely complicated, taking up valuable internal resources' time. Every time the infrastructure needs to be replaced or upgraded, it is costly and time consuming to the facility.

Hobson & Company, a leading research firm focused on return on investment (ROI) studies, worked with Azalea Health, a leading provider of cloud-based EHR and RCM services, to explore these challenges and learn how RHCs are responding. Hobson & Company conducted independent research consisting of in-depth interviews with Azalea Health customers and found that Azalea Health's Ambulatory EHR and RCM addressed specific customer challenges to deliver a quick and compelling ROI.

Based on this analysis, a Rural Health Clinic with 8 providers and spending \$170,000 per year on Hospital EHR and RCM would pay back the cost of the Azalea Health investment in 5.1 months and generate an ROI of 117% over three years. The goal of this research study is to highlight examples of validated use cases where the impact of the Azalea Health's EHR and RCM solutions are not only strategic but measurable, based on key metrics confirmed by current users.

Rural Health Clinic Challenges

Customers interviewed for this study noted that there are consistent operational and revenue challenges in working with their current, antiquated EHRs. Below is a list of some of the most universal concerns.

Difficult patient management processes



A well-known fact of using an EHR is that many systems are overly complicated and require multiple clicks to get to the required information. Patient registration can leave both the patient and the registration manager frustrated while patient charting can take up valuable provider time. Additionally, submitting patient claims and researching denials often requires multiple staff, further straining already stretched budgets.

Challenging revenue recognition



Customers were quick to point out that the number of denials increases with more complicated EHR systems that do not understand the nuances of Rural Health Clinic filings. Without insight into performance and effectiveness of collections, it is difficult to track accounts receivables and denials.

Optimize Revenue

Reduce time on patient registration

Rural Health Clinics confirmed the benefit of using Azalea Ambulatory EHR is that it is customizable and transparent across providers and locations. It performs integrated eligibility checks, allows for drag-and-drop functionality for scheduling, and captures patient financial information and stores it on file for future use.

Customers interviewed reported:



↓25%
Reduction
in time registering patients

"There has been a big time savings updating patient demographics which are also more accurate."

- Director of Operations

Reduce time spent charting

Customers noted that Azalea Health's EHR cloud-based solution displays all chart information on one screen: one-click to perform split claim billing; drag and drop care level transitions; capture billing codes/claims; send prescriptions to pharmacy; order labs and schedule follow ups. The customized templates allow for collaborative charting, single-page SOAP notes, and creation of favorite chart notes.

Customers interviewed reported:



↓30%
Reduction
in time spent charting

"Providers can log in from anywhere. They don't have any software to download and can dictate their chart notes via phone or on their computer."

- Director, Business Office

Reduce time on managing billing

Customer interviews confirmed Azalea Health's EHR Practice Management billing system manages all billing activities including verifying eligibility, taking payments, and modifying payments. Claims are generated automatically from the encounter, and it connects directly to the clearinghouses.

There were additional benefits if they were using Azalea's dedicated RCM team service-based solution to handle all aspects of submitting claims and processing payments. RCM is staffed by US-based experts in 30 specialties who have knowledge on the latest regulatory developments, coding requirements, reimbursement rules, and standards.

Customers interviewed reported:



↓50% (Ambulatory EHR)

↓75% (EHR + RCM)

REDUCTION in time managing billing

"We no longer have to deal with billing onsite with RCM. I could have kept someone employed full time just to deal with United Healthcare. Now Azalea handles everything, including posting."

- Hospital Administrator

Save time/cost of managing EHR infrastructure

Customers noted that switching to Azalea Health's EHR cloud-based, zero-server solutions requires no installation or maintenance and interfaces directly with labs and other health systems.

Customers interviewed reported:



↓50%

Reduction

in time and cost of managing EHR infrastructure

"A big benefit is that we no longer have any onsite hardware. We used to have network servers that would need to be maintained. Now there is no data storage, backups, or upgrades."

- Practice Manager

Optimize Revenue

Reduce days in A/R

Customers noted that the Azalea Health's EHR Practice Management solution collects accurate payments at time of service with integrated Patient Responsibility Estimator and merchant services. Azalea Analytics reports on performance and effectiveness of the collections department with matched A/R reports and trending metrics that can be filtered to detailed patient listings.

If using Azalea Health RCM, the benefits were even greater. Azalea's dedicated RCM team of US-based expert rural health billers file insurance claims within a few days of encounter. They check patient eligibility and ensure that the practices are following industry norms including electronic claims and clearinghouse services.

Customers interviewed reported:



↓ **10%** (Ambulatory EHR)

↓ **50%** (EHR + RCM)

REDUCTION in days in A/R

"Our accounts receivables went from 202 days to 38 days on average with RCM."

- Physician, Owner

Reduce number of denials

Customers confirmed using Azalea Analytics for the clinics enables a practice to make sure a claim was paid and paid correctly. The analytics dashboard creates alerts on the source of denials while continuously monitoring denials and resolution rates to ensure that the trends are heading in the right direction.

If using Azalea Health RCM, customers noted that the experts in rural health billing successfully resolved over 98% of claims submitted on the first submission and followed up with any denials.

Customers interviewed reported:



↓ **10%** (Ambulatory EHR)

↓ **15%** (EHR + RCM)

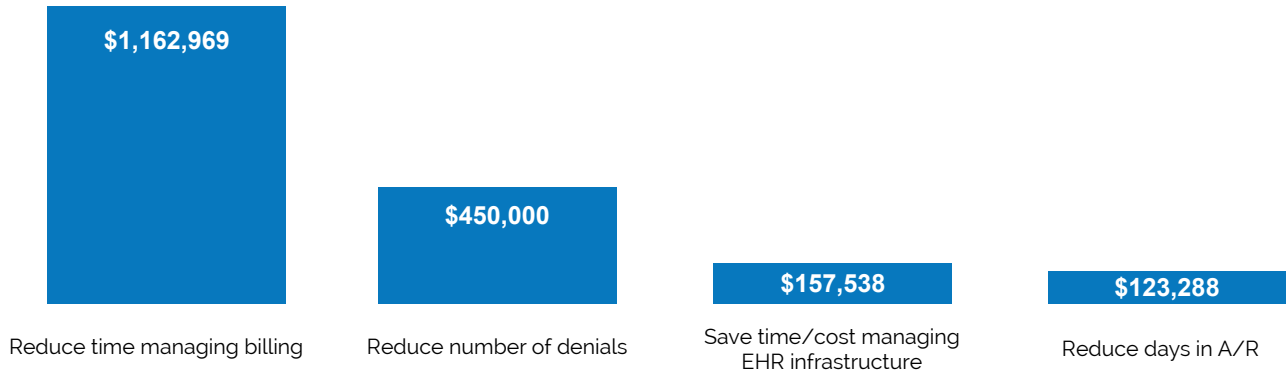
REDUCTION in number of denials

"RCM works all the denials and works really well with our internal staff."

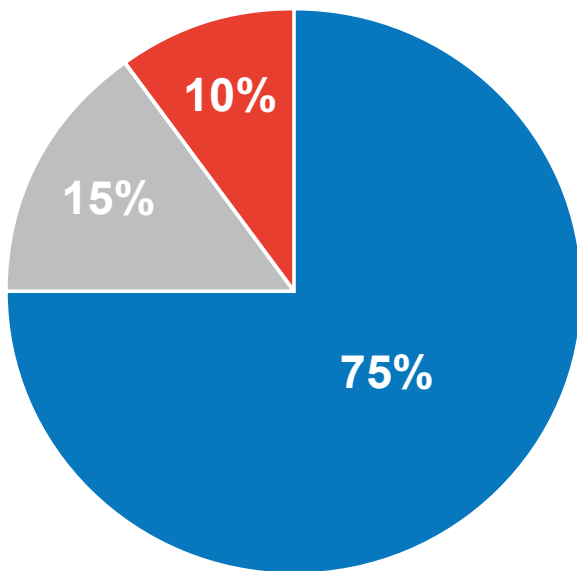
- CEO

Summary

A total of 6 distinct Ambulatory EHRs with RCM benefits were identified during the customer interviews for this research paper. Below is a sample of the top 4 benefits and their potential 5-year value to a Rural Health Clinic with 8 providers and 1,600 patients per year spending ~\$174,000 per year.



"An annual investment of \$~174,000 generated a positive return in 5.1 months, with annual benefits exceeding \$380,000 per year."



- Increase Operational Efficiencies
- Improve Quality of Care
- Optimize Revenue

Financial Metric	3 Year Value
Payback (months)	5.1
ROI	117%

The value of Azalea Health's EHR with RCM is immediate and easily demonstrated. For this sample Rural Health Clinic, an annual investment of \$~174,000 generated a positive return in 5.1 months, with annual benefits exceeding \$380,000 per year. The 3-year net present value (NPV) and return on investment (ROI) are strong at \$512,000 and 117%, respectively. The key financial metrics were calculated using standard financial modeling methods.

About Azalea Health

Azalea Health is on a mission to empower underserved healthcare providers with a health IT platform that improves patient care and profitability. Offering a 100% cloud-based integrated platform, Azalea Health delivers electronic health records, revenue cycle management, data insights and telehealth solutions designed for rural and community practices and hospitals. Quick to deploy and intuitive to use, Azalea Health solutions ensure better care coordination and communication – enabling better outcomes and a meaningful competitive advantage. The Azalea Health platform also provides tools and resources to help clients meet their Meaningful Use requirements, as well as strategies to navigate accountable care and alternative payment models. Above all, Azalea Health strives to deliver a simplified EHR experience that is loved by all who use it. For more information, visit www.azaleahealth.com.

About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy-to-use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit www.hobsonco.com

Disclaimer: The Return-on-Investment (ROI) and other financial calculations performed by this tool are based on data provided by Azalea Health customers and various assumptions and estimates only. The actual ROI realized by customers may vary from the estimates provided. Azalea Health and Hobson & Company (the firm that created the tool) are not responsible for the accuracy of any estimates.

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