

# THE TECHNOLOGY REPORT

PRODUCED BY THE COKER GROUP

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## A<sup>4</sup> Health Systems®

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### INSIDE THIS REPORT:

<i>Independent Analysis</i>	1
<i>About Coker</i>	2
<i>About A<sup>4</sup></i>	2
<i>Georgia Pediatric Pulmonology Associates</i>	3
<i>Automation</i>	4
<i>The A<sup>4</sup> and GPPA Story</i>	5
<i>Conclusions</i>	11

## INDEPENDENT ANALYSIS OF A<sup>4</sup> HEALTH SYSTEMS

A<sup>4</sup> Health Systems® (A<sup>4</sup>) has retained Coker Consulting L.L.C., d.b.a. The Coker Group (Coker) to perform an independent in-depth analysis on how its services, solutions, and technology add value and benefit to medical practices. Specifically, A<sup>4</sup> has requested we complete our analysis on actual medical practices using their technology. This is a significant opportunity as it allows Coker to examine the tool in actual use. A<sup>4</sup> will use the results, conclusions, and outcomes of Coker's self-determined study to convey pertinent information about its services and developed technology.

The intent of this engage-

ment is for Coker to analyze and evaluate the intrinsic processes, uses and benefits of the A<sup>4</sup> product known as "HealthMatics® EMR" and its ability to deliver results.

As an independent consultant and research analyst, Coker both scrutinizes and evaluates all aspects of the solution. Specifically, Coker's focus is on the economic value and outcome of the application in comparison to more traditional modes of operating the medical practice.

The Coker reviewers completing this independent study are Jill Whitney, Senior Consultant and Jeffrey Daigrepont, Manager. The



analysis was overseen by Max Reiboldt, CPA, Managing Partner/CEO. The Practice selected for this evaluation is Georgia Pediatric Pulmonology Associates, P.C. (GPPA), Atlanta, GA.

## STATEMENT OF INDEPENDENCE

Coker has no financial ties to any outside vendor, nor do we accept inducements for suggesting, recommending, or endorsing any one vendor. It is our desire to remain totally independent and unbiased in our decisions. Our recommendations are solely based upon the vendor's ability to meet the client's needs and objectives.

*A<sup>4</sup> Health Systems is dedicated to promoting community-based software for consolidated patient information management.*

*“HEALTHMATICS EMR employs leading edge technology delivering industry-standard platforms”*

## A<sup>4</sup> HEALTH SYSTEMS

Established in 1970, A<sup>4</sup> Health Systems has offered its Electronic Medical Record solution, HealthMatics EMR since 1999. A<sup>4</sup> is dedicated to promoting community-based healthcare through the delivery of electronic medical record solutions for consolidated clinical, financial, and administrative patient information management.

Based in Cary, NC, with additional locations in Novi, MI; Nashua, NH; and Austin, TX, A<sup>4</sup> is led by a proven management team that ensures the best leadership for more than 275 clinically and technologically skilled employees.

HealthMatics EMR Electronic Medical Record organizes communications within the Practice



and with other practitioners—and also manages orders, procedures, prescriptions, lab results and other pieces of information that traditionally rely on many people for collation into the patient chart. With Microsoft® Outlook integration, HealthMatics EMR also allows secure two-way sharing of patient chart information. Items in the chart may be sent to hospitals, specialists or referring doctors while other items received may be added into the chart as easily accessible attachments.

HealthMatics EMR employs leading edge technology delivering industry-standard platforms including Microsoft® Windows 2000 & Oracle® web-enabled options and wireless devices including handheld PCs and PDAs.



## THE COKER GROUP

Based in the Atlanta, GA area, The Coker Group provides a wide range of consulting services for hospitals and medical practices, relating to current and future business issues. Offering a wealth of talent to its clients, Coker's staff includes executive level consultants that are knowledgeable in

hospital and medical practice matters.

Coker's relationship with notable organizations and its lengthy list of satisfied clients validates its credibility in practice management, operations and integration initiatives, including technology.

# GEORGIA PEDIATRIC PULMONOLOGY

The physicians of Georgia Pediatric Pulmonology Associates (GPPA) are all board certified in pediatrics and most are board certified in pediatric pulmonology.

They practice at several area hospitals including Children’s Healthcare of Atlanta (Egleston/Scottish Rite Children’s Hospital), Northside Hospital and Hughes Spalding Hospital. They have been in existence for nearly 20 years and strive to serve the community of Atlanta, the state of Georgia and southeast region.



Georgia Pediatric Pulmonology Associates  
Atlanta, GA

With the goal of caring for children from birth through the teen years, GPPA’s staff focus on a wide range of conditions including treatment of:

- Acute and chronic upper airway obstruction
- Apnea of prematurity/infancy
- Asthma/Reactive Airways Disease (RAD)
- Evaluation of recurrent pneumonia
- Congenital lung anomalies
- Cystic fibrosis
- Non-invasive mechanical ventilation
- Tracheostomy care and management

The physicians of GPPA have been serving the community for nearly 20 years providing a wide range of services for children from birth through teen years.

## PRACTICE PROFILE

Georgia Pediatric Pulmonology	
Type of Practice	Pediatric Pulmonology
Number of Providers	Eight Physicians
Number of Employees	30
Ownership Status	Privately Held Corporation
Number of Locations	One
Go-Live Date w/A4	July 2001

## AUTOMATING THE MEDICAL PRACTICE

*"More than 86% of mistakes are caused from administrative or processing errors" -*

Source: *Journal of Quality and Safety in Healthcare*

The majority of medical practices today have chosen to employ desktop computers with medical billing and scheduling software to run the technological aspect of their business. While this approach has served its purpose, it is wrought with inefficiency.

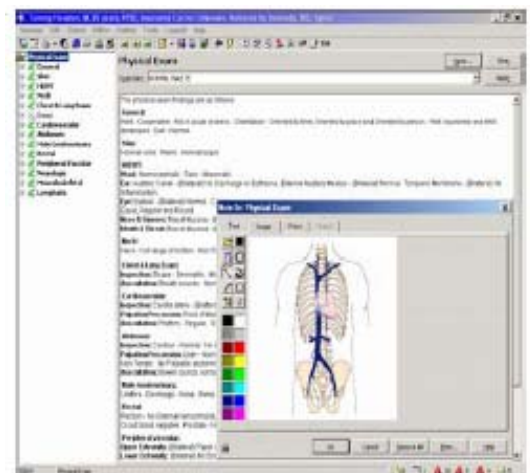
One major reason for such inefficiency stems from not connecting all the points of data capture or data retrieval. For example, in most medical practices data is archived in the practice management system and then duplicated in a paper folder known as the patient's chart. Also maintained are other manual paper archiving systems, such as lab logs, recall folders, and prescription logs. Consider also the fact that physicians are required to maintain certain patient information for a period of at least seven years. This information includes encounter forms, insurance checks, and bank deposits. Pulling this array of information together can be time consuming and take up substantial office and storage space.

In essence, practices have created a multitude of antiquated paper archiving systems, coupled with outdated legacy technology that achieve little of the efficiencies desired. To counter attack these problems, a workforce seemingly the size of a small army is deployed to complete even the simplest of tasks. Even then, being entirely efficient is unusual.

According to the *Journal of Quality and Safety in Health Care*, more than 86 percent of mistakes are caused from administrative or processing errors, such as filing patient information in the wrong chart. Of the 42 doctors who partici-

pated in the study, 73 percent did not have a computerized record; 83 percent of them had no access to the Internet. In 1999, the Institute of Medicine issued a study that estimated as many as 98,000 people die each year from errors largely due to incorrect information recorded in their medical charts and from improper handling of information.

As a result, many physicians are now attempting to automate their practices. However, there are vast numbers of vendors and solutions to choose from and most of the solutions require a substantial investment. In many cases, the solutions are overcomplicated and vendors underestimate the complexities of the processes and functions required to run a medical practice.



Sample screen from HealthMatics EMR "Physical Exam"

## ADDRESSING THE ISSUES

To understand what makes A<sup>4</sup> a leader in the EMR industry, preconceived notions about the complexities of choosing and implementing EMR software must be discarded. What sets A<sup>4</sup> apart from the competition is its ease of use and outstanding attention to the implementation process.

Because HealthMatics EMR is so user-friendly, everyone in the office from the most experi-

enced computer user to the person that has never even used a mouse can be comfortable working on the system. A<sup>4</sup> allows for choices on hardware and integrates with many different types of practice management software.

This is significant as it offers the Practice a choice for financial considerations and provides a level of comfort in knowing they don't have to learn a completely new system.

GPPA kept their current practice management sys-

tem and integrated HealthMatics EMR. They were able to continue with normal billing and scheduling operations while learning the new EMR product.

In the remaining sections of this report, we consider the details of the benefits and challenges experienced by GPPA in their use of the A<sup>4</sup> solution.

*“What sets A<sup>4</sup> apart from the competition is its ease of use and outstanding attention to the implementation process”*

## THE A<sup>4</sup> AND GPPA STORY

GPPA is slightly ahead of its time when it comes to technology in the practice environment.

Kim Ford, Practice Administrator, recognized the need for an EMR three or four years ago. She began by slowly introducing Windows®-based programs such as Microsoft® Outlook, Word and Excel to her employees and physicians to prepare them for working in a Windows environment.

In 2000, she began to research EMR companies to get a feel for what

existed. The Practice was very open to considering an EMR system and decided to assemble a team that would be responsible for narrowing the choices and eventually making the final decision. The team consisted of Kim, several physicians, a nurse practitioner and the billing office manager. “We wanted everyone that was going to use the system to be a part of making the decision,” says Ford. Both the physicians and the nursing staff were very supportive of implementing an EMR system, which is essential to success of the initiative.



Kim Ford (standing on right) and part of her team, Renee Bowmar, Nurse Practitioner (seated) and Donna Rice.

## MAKING THE DECISION

According to Ford, several software companies were considered prior to choosing A<sup>4</sup>. A<sup>4</sup> scored high on professionalism, product knowledge and responsiveness. They provided honest, straight-forward information about the HEALTHMATICS product and were able to answer all GPPA's questions.

The economic ramifications in terms of purchasing the product were well presented by A<sup>4</sup> and understood by GPPA but as Ford noted, "We were going to save over \$50,000 per year in transcription costs; for us the decision to go with A<sup>4</sup> was a no-brainer."

One of GPPA's biggest compliments of A<sup>4</sup> is their execution of the implementation and go-live process.

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Surprisingly, A<sup>4</sup> was very thorough in the contract process. In a world where most contracts are full of legalese, taking a team of lawyers to decipher, the terms and conditions were very easy to understand. A<sup>4</sup> took the time to explain the more complex portions of the contracting process. "There were no surprises and we didn't feel pressured to sign with them," Ford said.

One of GPPA's biggest compliments of A<sup>4</sup> is their execution of the implementation and go-live process. A<sup>4</sup> communicated with GPPA on all elements of the planning and implementation process. They offered specific instruction as to preparing for the big day, such as suggesting GPPA cut their patient load by one-half for the first six weeks. Ford said, "Most people would be resistant to that suggestion, but having ex-

perienced it, we recommend going all or none when switching to EMR."

GPPA went live on HealthMatics EMR in July, 2001. The implementation process with A<sup>4</sup> was very smooth. They provided a detailed training schedule, a clear separation of duties which really gave everyone a clear sense of their responsibility in the process, and provided expert training and staff.



Gary L. Montgomery, M.D., prepares for an office visit after the A<sup>4</sup> system implementation.

## GPPA GOES LIVE WITH A<sup>4</sup>

# THUMBS UP FOR A<sup>4</sup>

### Chart Facts\*

*In a five (5) year period, the average paper chart will cost \$25.00\* to manage. This cost includes storage and retrieval, assembly and material cost, housing expenses, and associated labor for faxing, copying, pulling and re-filing.*

*\*Coker estimate*

*In a physician's career, he or she may create up to 25,000 paper records.*

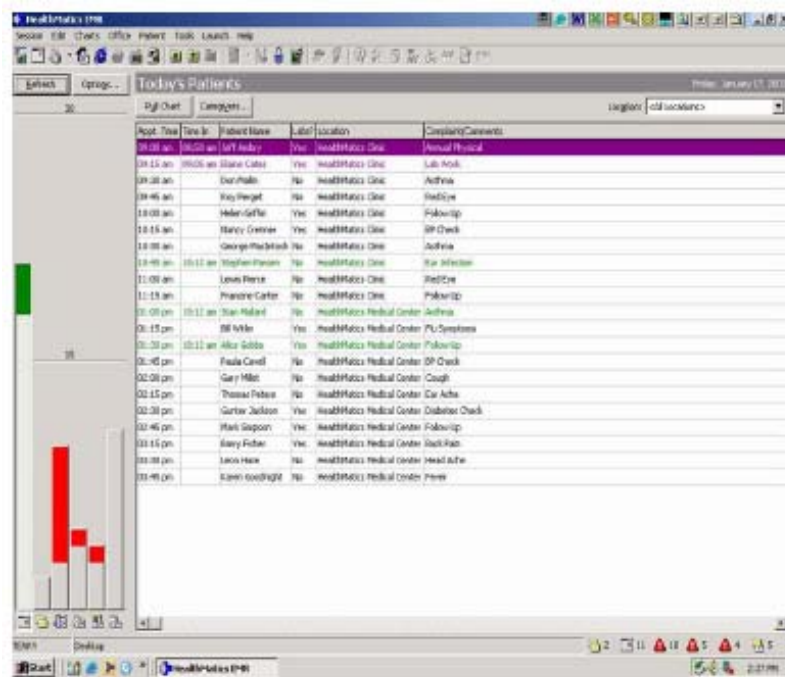
*25,000 x \$25 = \$625,000*

**G**PPA has praised the process, saying A<sup>4</sup> provided consistent support, followed up with additional training and continues to respond to all their questions in a timely manner.

GPPA has been able to develop good working relationships with certain people on the A<sup>4</sup> support staff. "It's important to be able to go to the same person each time with a problem," says Donna Rice, Billing Office Manager for GPPA. "They begin to get a sense of what you know and what you don't know so you can go right to the problem."

GPPA has been 100% satisfied with the HealthMatics EMR system since implementation. GPPA realized the value of the system almost immediately with the reduction in transcription costs. "It's not a cure-all," says Ford, "our doctors love the product, but those that were behind in charts before are still behind on this system as well." A system is only as good as its users, but for GPPA, they wouldn't go back to the old way of doing things. The costs savings, improved efficiency and ease with HIPAA compliance have made the whole process well worth it.

**"A system is only as good as its users, but for GPPA, they wouldn't go back to the old way of doing things. The costs savings, the improved efficiency and ease with HIPAA compliance have made the whole process well worth it."**



Sample screen from HealthMatics EMR 'Physician Desktop'

## THE PROOF IS IN THE PRODUCTIVITY

While GPPA was not able to produce physician productivity numbers prior to implementation, they definitely believe they are more productive since A<sup>4</sup> was introduced. According to Kim Ford, patients have been added to some of the physicians' schedules while other physicians have been able to work less hours and still be as productive as they were before implementation.

### PATIENT CARE

A<sup>4</sup> has also increased efficiency in discussing issues with patients. The information is more precise and complete and enables the physician to not only discuss more thoroughly a patient's care face-to-face in the office but increases the quality of care each patient receives. Additionally, before A<sup>4</sup>, each physician was required to dictate a letter to the referring physician re-

garding the patient's condition and proposed course of treatment. This required much time on the physician's part plus someone to transcribe the letter, print it and fax to the referring physician. Because all the information is entered into the EMR system when the patient comes in for a visit, the letter is automatically generated and faxed through the A<sup>4</sup> system. "This has been so much better than the way we used to do it in terms of timeliness and efficiency. Our physicians are happier, able to see more patients and the referring physician gets almost immediate feedback about his/her patient," says Ford.

### CONNECTIVITY

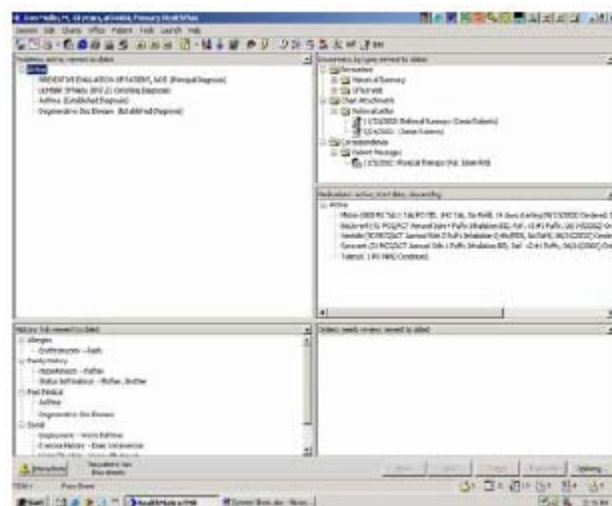
The amount of time nurses spend returning patient telephone calls has been cut drastically with the new EMR system. While it is still in the beta testing phase,

when any of the GPPA nurses miss work due to illness, they are able to work from home by accessing any patient's "chart" from their home computer and an internet connection. Although it's still in the testing phase, the physicians hope to have the capability to access patient charts from other locations as well.

### RESEARCH STUDIES

Lastly, and probably one of the more important improvements for the physicians is their ability to participate in more research studies. The

specialty of pediatric pulmonology benefits greatly from drug and treatment studies, but the Practice was not able to keep up with all the documentation involved with the old system of paper charts. A<sup>4</sup> made the data easier to manage and allows the Practice to effectively manage larger amounts of research patients. The research results are easily gleaned from the new EMR system.





## SPACE SAVERS

With the rising cost of real estate, square footage is a precious commodity for any medical practice.

GPPA was utilizing approximately 600 square feet of office space to house medical records at an average yearly cost of \$25 per square foot. GPPA found many more efficient uses for their space including adding a physician office and new staff work areas for a cost savings of \$15,000 per year ( $\$25 \times 600$ ).

One of the many benefits of an EMR system is the elimination of a need to store paper records. A<sup>4</sup> also eliminated their off-site storage needs for storing inactive medical records at a cost savings of \$3,360 per year (represented by the direct cost of its monthly rental for off-site storage).

With more space available, GPPA was able to add another physician to their thriving practice, thus increasing revenue. Two years after implementation, A<sup>4</sup> continues to offer benefits of its system that result in cost savings and revenue enhancement for GPPA.



Formerly a medical records area, GPPA was able to better utilize more than 500 square feet of space after A<sup>4</sup> !

**The Report Card:**

96% Reduction in Transcription

80% Reduction in Postage Costs

80% Reduction in Paper & Chart Supplies

50% Reduction in Personnel

78% Total Reduction in Costs

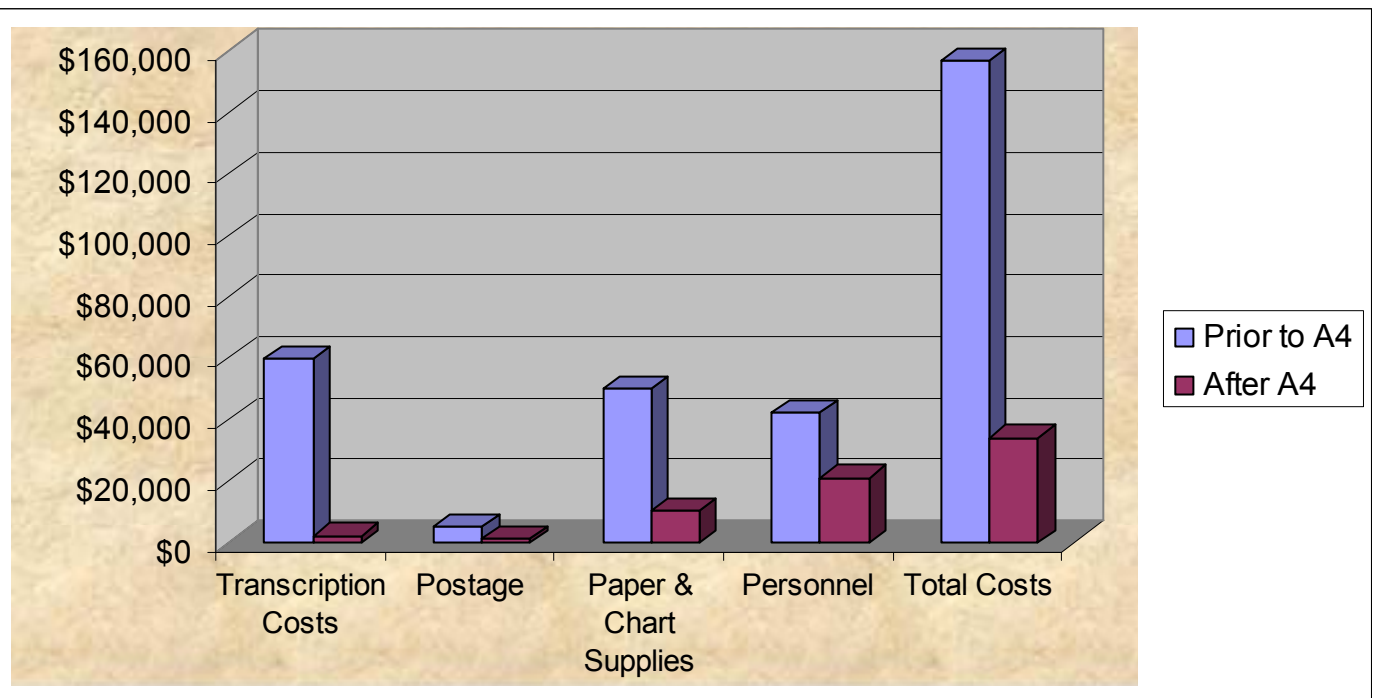


## COST SAVINGS

	Before A <sup>4</sup>	After A <sup>4</sup>	Cost Savings
Transcription Costs	\$60,000	\$2,000	\$58,000
Postage	\$5,000	\$1,000	\$4,000
Paper & Chart Supplies	\$50,000	\$10,000	\$40,000
Storage Costs	\$3,360	0	\$3,360
Personnel	\$42,000	\$21,000	\$21,000
<b>Total</b>	<b>\$157,000</b>	<b>\$34,000</b>	<b>\$126,360</b>
<b>Avg. per FTE Physician</b>	<b>\$19,625</b>	<b>\$4,250</b>	<b>\$15,795*</b>

\*In theory this represents the potential additional income/compensation going to the provider through A<sup>4</sup> savings initiatives (obviously offset by the cost of A<sup>4</sup>).

## COMPARING THE RESULTS



## Case Study for Georgia Pediatric Pulmonology

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## THE COKER CONCLUSIONS

With the onset of tighter healthcare regulations and the need for medical practices to become more efficient, electronic medical records are fast becoming not only a viable option to meet these needs, but a huge cost-saving alternative as well.

The A<sup>4</sup> system is providing such an option and saving its clients, like Georgia Pediatric Pulmonology Associates, significant sums of money in the process. Their dedication to promoting community-based software for consolidated patient information management sets them apart from the more than 200 software companies offering IT solutions to medical practices.

GPPA recognized the need to implement an EMR system in their

practice and saved more than \$126,000 as a result. Not only did they lower operating costs, they became more efficient and better equipped to provide a higher quality of healthcare to their patients.

The A<sup>4</sup> system allowed GPPA to realize more space within the office, making room for another physician. Some of the physicians have been able to see more patients in the same amount of time, while others are seeing the same amount of patients in less time. The A<sup>4</sup> system has also allowed some of the nurses to work from home when necessary, allowing more flexibility in their schedules. The Practice also wanted to pursue research studies for pulmonary-related conditions. A<sup>4</sup> not only made the data easier to

manage, but allowed GPPA to perform more studies and keep better track of the data for their patients.

With such cost savings and increased efficiencies, it is a wonder why every practice doesn't invest in an EMR system. But, there are pitfalls and a practice would be wise to research carefully several options in the market before making an investment. Every practice considering EMR should do their due diligence to learn of the market and the available services (like GPPA did). When needed, competent outside assistance (from firms like The Coker Group) may be utilized to help in this "career defining" decision.

This study was completed in July, 2003.

## THE COKER CONSULTANTS

The Coker consultants working on the project were Jill Whitney, MBA, Senior; Jeffrey Daigrepoint, Manager; and Max Reiboldt, CPA, Managing Partner and CEO. These consultants may be contacted at 678-832-2000 or on the web at [www.cokergroup.com](http://www.cokergroup.com).



Jill M. Costello, MBA, Senior



Jeffrey Daigrepoint, Manager



Max Reiboldt, CPA, Managing Partner/CEO

## APPENDIX A

# REPORT SPONSOR – ACI FINANCIAL AN A<sup>4</sup> LEASING PARTNER

This report was made possible in part from a grant received from ACI Financial, Inc. (“ACI Financial”).

ACI Financial began in 1979. They specialize in understanding the necessity of tailoring various financing alternatives to meet specific customer requirements. Specifically ACI is a preferred lender for A<sup>4</sup>. This is largely due to their philosophy:

Unlike other leasing companies, ACI is an experienced lender to the healthcare community. They understand medical practices and their needs, especially re-payment options based on healthcare reimbursement. For example, ACI recognized

that an investment in a solution like A<sup>4</sup> will require an initial cash out-lay and months to recoup the return on investment. As a result, they have a deferred payment option that in theory allows a practice to purchase A<sup>4</sup> without incurring any additional overhead expense. Here is how it works:

1. The system is installed without any significant cash outlay.
2. The system is installed and used for up to nine months before payment begins.
3. The remaining payments are paid for out of the return on investment realized by implementing A<sup>4</sup>'s solution.

For more information on how ACI can assist, contact them directly.

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“ACI Financial believes that a partnership should exist between equipment/software suppliers, the customer, and the financing company. This belief results in competitive and flexible pricing, and fast, consistent service to all parties.”

*Would you pay a salaried employee 5 years of salary in advance? Probably not, in fact, you would probably pay them over time as they generate returns or reduce costs. ACI Financial's financing structure allows you to make the same economic decision by making payments as the system generates additional revenue and increases productivity.*