

Whistling Past the Graveyard - PART III: The Healthcare Software Application Tango -or- As the Code Turns!!

In Part II of *Whistling Past the Graveyard – The Software Solution*, the "Software Solution" was a plan developed to assist in the integration of a group of physicians in the decade of the 1990s to meet the rapid incursion of managed care in an heretofore fee-for-service only reimbursement environment. A portfolio of software applications was selected and an initial assessment as to the relative need, fit, and risk of each software application was done based on the relative cost and complexity of installation and use. In addition, risk mitigation strategies and related issues were addressed. Part III of this series examines the complex struggle among the stakeholders of the proposed Management Services Organization (MSO), including the software selection committee, numerous potential vendors, and the committee's facilitator, resulting in an eventual cooperation.

So now with the stage was set, the dance was about to begin. The software vendor proposals, received in response to our Requests For Proposals, had been carefully analyzed; conference call interviews and site visits conducted; demonstration trials completed; and, the final meeting of the selection committee (four physicians; the interim CIO of the MSO, a Senior Vice President of HCC; and, two key client management staff members) was convened. A matrix of various application package requirements, attributes, and desired traits, as developed by HCC in collaboration with the committee, was distributed. The matrix was to be completed independently by each selection committee member for each of the seven medical office billing packages, three general ledger packages, two network system packages, and two office productivity packages. After six weeks of client education, the presentation of numerous journal articles, white papers, and various practice aids regarding the software application review process, as well as interim discussion following each software vendor site visit, the first round of preference indications from the responses of the seven committee members indicated that little, if any, consensus had been reached. Each of the physicians disagreed on almost every aspect of each selection, while the non-physician members of the selection committee almost always were in agreement.

The initial two meetings of the selection committee had produced little progress toward a selection when I joined

the proceedings as a facilitator. It was quickly apparent to me that (as suggested by the interim CIO) the lack of progress was significantly the result of private agendas related to the separate and distinct group practices represented by the individual physicians on the selection committee. The ophthalmologists were the largest group of surgeons (12), and had the most developed IS/IT infrastructure of any of the 22 practices comprising the participants in the newly formed MSO. They were adamant in their reluctance to abandon the new ophthalmology-specific proprietary platform based medical office billing package, which they had installed just 15 months earlier, and seemed incapable of understanding the concept of "sunk costs."

The positions elicited from the other physician representatives (to the extent that I was able to cajole them into communicating the actual basis for their decisions) reflected concerns ranging from cost to their office managers' protests regarding learning curve issues related to the expected increased level of complexity of the platform. And then, of course, back to the issue of cost once again!

Ultimately, I met with individual members of each of the 22 groups, asserted a position and utilized such powers of persuasion (and, in some cases, manipulation, if truth be told) to hammer out a consensus. Achieving "buy-in" for software application package selection is a messy business, similar, it has been said, to making sausage, in that, "it's not pretty to watch, but needs to be done well to taste good when it's over!"

Once the selection committee's hard-won recommendations were in final form, we worked for a week to heal the bruises and to coalesce the committee as a group, to present a solid front in "selling" the selections, first to the MSO's executive committee, then the Board of Directors, and, finally, to the constituency group practices. After numerous meetings, negotiations, posturing, attempted intimidation, pouting, haranguing, and other typical steps in the process, we obtained the ratifications required to proceed with acquiring the selected software packages (and then the hardware to run them - the requisite order of selection, I might add) and move toward implementation, based on an initial budget of approximately \$4.5 million.

It should be noted that this process did not proceed in a

vacuum. The existing software vendors (primarily Value-Added Resellers with longstanding relationships to the individual practice managers, and, in some cases, relatives or neighbors of practice owners) exhibited significant tenacity in protecting their vested interests by instilling doubt about both the need for change and the probability of failure in its implementation. Despite our best efforts to include them in the process and keep them informed, the individual practice managers (almost universally opposed to the selection in one aspect or another), were already greatly concerned that the creation of the MSO would impinge on their position of authority (derived from their long and hard won special relationships with the physicians) and resisting any change that would diminish their prerogatives and discretion. The phenomenon referred to as, "*Hell hath no greater fury than a practice manager scorned!*," is pertinent to this stage of the process.

The climax to this opposition occurred when two of the practice managers convened a meeting of all the practice managers to organize and develop a strategy to stop the process. While not invited, I learned of the meeting from a practice manager somewhat sympathetic to our efforts to develop the MSO (essentially due to my offering him a lucrative position in the newly formed entity), and immediately flew into town to insert myself into the fray by attending the meeting with the interim CIO (my firm's employee), arriving there unannounced and unexpected. We ignored the surprise and discomfort of the conspiring attendees, and cheerily went about presenting a PowerPoint presentation emphasizing the absolute necessity of the project in protecting the viability and very existence of the individual practices. We then put the issue to them in stark relief and with a direct and blunt contrast of the decision they each needed to make. They

could: (1) assist us in trying to preserve the independent practice of medicine in their community by asking questions and working with us to understand the process, with the objective of our obtaining their complete "*buy-in*" and support through the rough days ahead of the implementation phase; or, (2) they could make the decision to resign, immediately, with no recourse, and receive a fair severance package. The one choice they were not given was to continue on with their obstreperous opposition to the plan endorsed by their employer physician groups.

We have been taught that, "*for all things there is a season.*" In selecting healthcare related computer application software, there is a season to be collaborative and a season to decide - to insist on "*buy-in*" and cooperation, and to overcome the inevitable organizational inertia, which will allow the organization to "*move on*" and address the environmental threats and avail itself of the opportunities that present themselves in today's dynamic healthcare reimbursement and regulatory environment. The "*target on the consultant's back*" and the "*lightning rods consultants wear as a helmet*" will inevitably take some hits during this crucial step in the process. It is not an activity for the faint of heart, the indecisive, or those lacking an assertive sense of mission or self-esteem. However, make no mistake, it is an inevitable and necessary part of the process.

Stay tuned for this tale's next episode of the continuing saga, "PART IV: The Flim-Flam Man"!!



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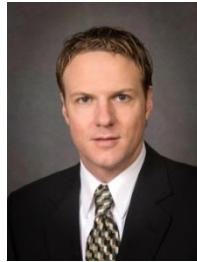
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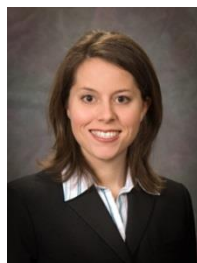
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Mr. Cimasi is the author of numerous additional chapters in anthologies; books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious *“Shannon Pratt Award in Business Valuation”* conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows.



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