Merging Practices Find IT May Not Blend Well
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As three mid-size physician practices in Tampa, Fla. – LoCicero Internal Medicine, South Tampa Medical Group and Pinnacle Health Group – finalized plans to merge into one large practice, it occurred to the parties involved that there was still one major decision that had to be made: Which of the electronic systems would the newly formed practice use?

Making a technology investment, whether it be an EMR, a practice-management system or e-prescribing, is a major decision for practices of any size. When the appropriate system is finally found, the prospect of giving it up in favor of another system can be daunting.

But experts say the number of practice consolidations will likely rise in coming years, and some physicians may be asked to make a switch. They may be forced to embrace the technology or be out of a job.

"Ten years ago this is an issue that wouldn't have mattered to us at all," said Nick Galantino, practice administrator of LoCicero Internal Medicine. "When we made the decision to purchase an EMR, we didn't factor in that other people will be using this, and will it make sense when it comes time to merge with other practices."

At the time talks began on the merger, scheduled to close in January 2009, LoCicero and Pinnacle were both approximately three years into successful EMR implementations.

The South Tampa Medical Center was in the beginning stages of implementation. All three were on different systems.

Both LoCicero and Pinnacle love their systems, which have widespread acceptance from their physicians. But eventually, physicians from one of the practices will have to abandon their system and go through the pains and frustrations of learning a new one.

"It's an ordeal," said Francisco Amanti, the practice administrator for South Tampa Medical Group. "I'm not going to say it's not an ordeal."

Erik Johnson, a health IT consultant for Manatt Health Solutions, the interdisciplinary policy and business advisory division of the Washington D.C.-based consulting firm Manatt, Phelps & Phillips, said the decision that

merging practices must make when it comes to technology is not unlike the decisions that go into an initial implementation.

"In any case, there is never a perfect answer," Johnson said.

Walt Zywiak, principal researcher for merging practices for Falls Church, Va.-based Computer Sciences Corp., said all parties need to perform a real analysis of what they like and don't like about the various systems. Practices should be careful that decisions are based on what is best for the new practice, rather than degrading into a power struggle, he said.

And scalability must also come into play, he said. Many systems are designed with a specific practice size in mind. The merged practice might be larger than the software is intended to serve, he said, or not easily adaptable to a different set of users with different needs.

Practices don't always have to decide between two systems, experts say. It's possible for the merging parties to continue using their respective systems, but that usually doesn't make much business sense.

Besides the duplication in service fees, licensing fees and needed staff to run multiple systems, pay-for-performance bonuses are based on quality reporting. Having one system makes that reporting easier, and having all the doctors on one report could result in larger incentives.

"It does position them much better and removes variability in their practices," Johnson said.

Not switching, but starting
Amanti, who has now assumed the role of administrator for Pinnacle, as well, said he has been trying for about a year to get his South Tampa physicians to go digital but hasn't had much success.

"I think it's definitely the wave of the future, and we are already there. Anyone not on an EMR platform is just missing out," Amanti said. South Tampa's IT-centered worries about merging with the other two practices weren't about which system would be chosen, but rather "how would we actually do the honest-to-God EMR implementation."

The practice adopted a system about a year ago. But it is mostly being used for billing and administrative duties because the majority of doctors in the practice won't use it for patient medical records. When the merger is complete, EMR usage will be mandatory, Amanti said.

"If we hadn't gone through the merger with practices that were already implemented it would have taken South Tampa several more years to complete the implementation," Amanti said.

Zywiak says merging practices that have more than just an EMR to consider should first focus on those systems that bring in revenue, such as the practice-management system.

Once a decision has been reached on that system, the decision on an EMR can be narrowed to only those that interface with the practice-management system, Johnson said.

"EMRs only begin to make economical sense for practices when they integrate with practice-management systems. There are demonstrated gains in charges [with integrated practice management systems and EMRs]. When those don't match up, the gains tend to evaporate," he said.

In the case of the Tampa practices, all three will continue to use their legacy practice-management systems at least until the newly formed practice gets itself onto one EMR. The three parties are undecided as to which EMR system the newly merged practice will adopt.

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