

THE
University of Vermont
HEALTH NETWORK

EXECUTIVE OFFICE

462 Shelburne Road
Suite 301
Burlington, VT 05401

March 13, 2017

The Honorable Cornelius Hogan
Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, VT 05620

Re: Amended and Restated Certificate of Need Application for an Electronic Health Record Replacement Project, *Docket No. GMCB-001-17con*

Dear Mr. Hogan:

I am following up on the question you asked during our overview presentation on March 2 about our CON application to update and replace the EHRs at four UVM Health Network hospitals with a unified EHR.

You asked for further information on our estimate that the cost of updating, maintaining and replacing existing systems across the UVM Health Network over the six-year period included in our “total cost of ownership” (TCO) analysis could be “up to \$200 million.”

That estimate is based on the following elements:

- UVM Medical Center needs to replace its revenue cycle management (RCM) systems (billing and scheduling) and other non-Epic systems (OR scheduling, for example) with Enterprise Epic, so that our entire EHR is on the Epic platform. This was the original project scope when planning for the project started several years ago. With the assistance of Epic and our consultants, Cumberland Consulting, a detailed TCO of \$87 million was developed for that project.
- At the same time, CVMC’s current inpatient system, Meditech, will require a significant investment in the near future to move from their almost-twenty-year-old legacy platform (Magic) inpatient EHR, and to upgrade its ambulatory system (eClinical Works) with a Meditech product so that the two systems communicate most effectively. Meditech estimated those costs at \$14 million.
- Porter Medical Center’s current ambulatory EHR, which is a Meditech product, has significant functionality issues that the vendor has not been able to remediate. The vendor has estimated that replacing it with a newer version of Meditech would cost about \$4 million.
- CVPH currently uses Soarian for its inpatient clinical and RCM systems. Originally developed by Siemens, Soarian was acquired by Cerner, which offers a competing platform, several years ago. Cerner has informed CVPH that it will support Soarian until 2024, at which time the hospital will either need to have

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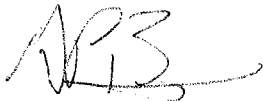
moved to Cerner's platform or lose any ongoing support for Soarian. A high-level estimate of the cost of such a conversion, which we received from an external consultant with Cerner experience, was between \$90 - \$100 million.

The original goal of our planning process was focused on moving the UVM Medical Center to one unified EHR for the reasons set forth in detail throughout the application. At the same time, we were looking at the investments that would be needed over time in other UVM Health Network hospitals' EHR systems. Once we started understanding the network-wide costs of maintaining, upgrading and/or replacing the current disparate systems in those other hospitals, we stepped back and considered what the costs would be to bring all of them onto the same unified EHR. That yielded the TCO of \$151.7 million (over six years) that was included with the application.

It is important to note that the "up to \$200 million" estimate is just that: an estimate. Doing a full TCO analysis for maintaining, upgrading and/or replacing the current systems would cost a substantial amount of money, which we elected not to spend given the general reliability of the information we had from the original TCO and the estimates provided by vendors or validated with external experts. Even if the estimates were off by a factor of 20%, keeping the current systems would still cost the same if not a bit more than the \$151.7 TCO for the project as proposed – without any of the benefits of having a unified EHR across the four hospitals in our network.

I hope this gives you a better sense of why we concluded that this project is a better alternative than maintaining the current hodgepodge of EHR systems across our network. We would be happy to come before the Board again to discuss this, or any other questions you may have, further.

Very truly yours,



Adam P. Buckley, MD
Chief Information Officer

cc: Office of the Health Care Advocate