

AC Group Releases 2003 EMR Survey

***Extensive Functional Evaluation Ranks Top
Electronic Medical Record Applications***

A White Paper By:

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For more information on the detailed 120+ page report, visit the web site at <http://www.acgroup.org> or contact Mark R. Anderson at 281-374-0394 or by email at mark.anderson@acgroup.org



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(May 12, 2003) – AC Group, Inc. released their 2003 annual report on electronic medical record (EMR) applications at the TEPR conference in San Antonio, TX. This annual report provides physician groups with one of the most comprehensive evaluations of leading EMR applications. According to the author, Mark Anderson, Healthcare IT Futurist, “The current pressures in the industry for increased efficiency and better care delivery, coupled with significant advances in technology and applications, have enabled EMRs to take center stage. The challenge with EMRs is that it is very difficult for the average physician to effectively evaluate its’ options”. The survey is an extensive evaluation of functional criteria that can serve as a valuable tool for the vendor selection process. The entire report is over 120 pages long and covers all 6 levels of technology for the physician’s office.

Summary Results: To insure that the application met the real needs of physicians, a detailed study was conducted by AC Group, Inc. during the Spring of 2002 and then updated again in the Spring of 2003. The AC Group annual EMR report is based on 8 month of research and the cumulative results of their 40-page questionnaire which included 3,436 functional questions divided into 23 categories and 4 methods of operations. The four methods of operation included:

- Desktop capability (845 questions)
- Remote access capability (845 questions)
- Wireless capability (874 questions)
- PDA and mobile capability (872 questions)

The 23 functional categories included sections on the Institute of Medicine’s (IOM) requirements for a Computerized Patient Record (CPR), along with functional questions relating to operational areas including prescriptions, charge capture, dictation, interface with laboratories, physician order entry, decision support and alerts security, reporting and documentation. This annual report provides physicians with a comprehensive ranking of 24 of the top EMR vendor applications. The 24 vendor responses were evaluated on their ability to provide the required functionality. The EMR evaluation included a weighted point value for each of the 3,436 question based on the following criteria:

- The current product **doesn’t** offer this functionality
- The current product **provides** the functionality for an **additional cost**
- The current product **provides** the functionality from a **third party**
- A future product enhancement in the **next three months** will provide the functionality
- A future product enhancement in the **next six months** will provide the functionality
- A future product enhancement in the **next year** will provide the functionality
- The product **provides** the functionality currently

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2003 EMR Functionality Results

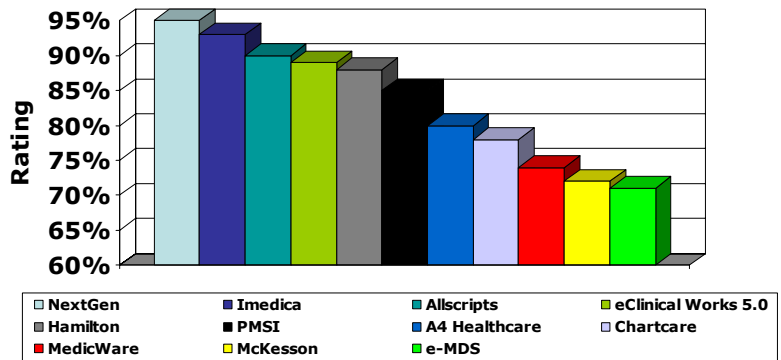
NextGen Healthcare Information Systems, Inc., Allscripts Healthcare Solutions, and iMedica Corporation were the only EMR vendors that rated above 90% in desktop, remote, and wireless functionality, and therefore received the only 5-Star rating in this year's EMR evaluation. Four other vendors, Physician Micro System, Inc., eClinicalWorks, Hamilton Scientific, Ltd., and A4 Healthcare scored 4 stars (80-89% of required functionality). Four other vendors, CHARTCARE, Inc., Companion Technologies MedicWare, McKesson's Horizon Ambulatory Care, and e-MDS all received 3 stars.

Rating vendors only on functionality is not always helpful since certain vendors only sell their products to specific market demographics. For example, of the 24 vendor applications evaluated, 11 sell to smaller physician offices with 1-4 physicians, and only 12 sell to practices with more than 100 physicians.

Small Practices - (1 – 4 Physicians)

For smaller practices with less than 5 physicians, eClinicalworks (89%), Hamilton Scientific, Ltd. (88%), and Physician Micro Systems, Inc. (85%) meet more than 85% of the current requirements. A4 Healthcare (80%), ChartCare (78%), and Companion Technologies Corp's Medicware (74%) rounded out the top 6 EMR vendor applications for the small physician office.

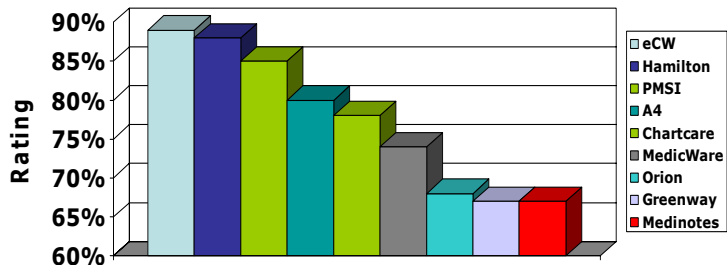
Top 10 EMR Vendor Applications w/o PDA



Based on 2,564 Functional Questions Divided Between 24 Categories

Exhibit 12

Top EMR Vendor Applications w/o PDA
Small Physician Practices 1 – 4 Providers



Based on 2,564 Functional Questions Divided Between 24 Categories

Exhibit 15

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Small Practices - (5 to 9 physicians)

For small sized practices, two new vendors jumped to the top of the functionality rating, NextGen Healthcare Information Systems (95%) and Allscripts Healthcare Solutions (90%). NextGen and Allscripts were the only EMR vendors that received a 5-Star rating for small practices with 5 to 9 providers. However, before a practice runs out to purchase a system from one of these two vendors, the practice needs to determine which vendors are best for them

and which vendors are interested in selling and supporting their sized practice. In most cases, these two vendors market primarily to larger practices. Four vendors that market almost exclusively to small physician practices are eClinicalworks (89%), Hamilton Scientific Ltd. (88%), Physician Micro Systems, Inc. (85%), and a4Healthcare (80%). These vendors were only a few points behind NextGen and Allscripts.

Top EMR Vendor Applications w/o PDA
Small Physician Practices 5 - 9 Providers

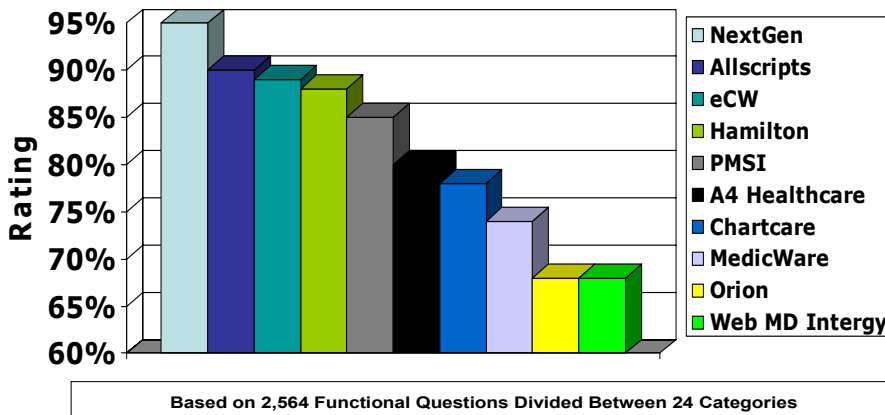


Exhibit 17

Medium Sized Practices (10-29 Physicians)

For medium sized practices (10-29 physicians), the top EMR applications are marketed by NextGen Healthcare Information Systems (95%), Allscripts Healthcare Solutions (90%), Physician Micro Systems, Inc. (85%), and a4Healthcare (80%). Other vendors like eClinicalworks and Hamilton Scientific can also met the requirements of practices from 10 to 15, but traditionally, they market their applications to practices with less than 15 physicians. Once these vendors have more installations and satisfied clients in the 15 to 29 size practice, we will include their rankings in this category.

Top EMR Vendor Applications w/o PDA
Medium Physician Practices 10 - 29 Providers

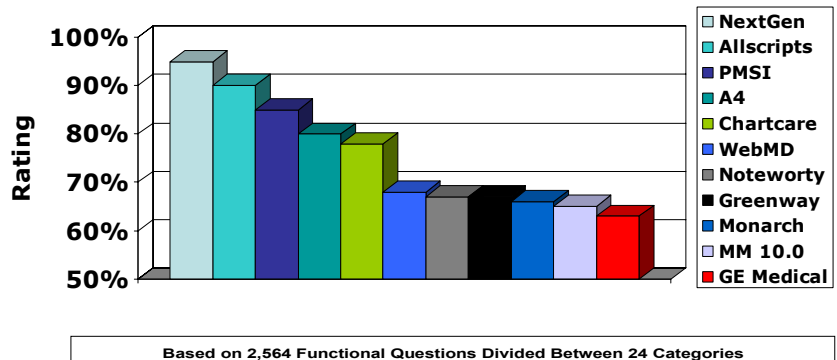


Exhibit 19

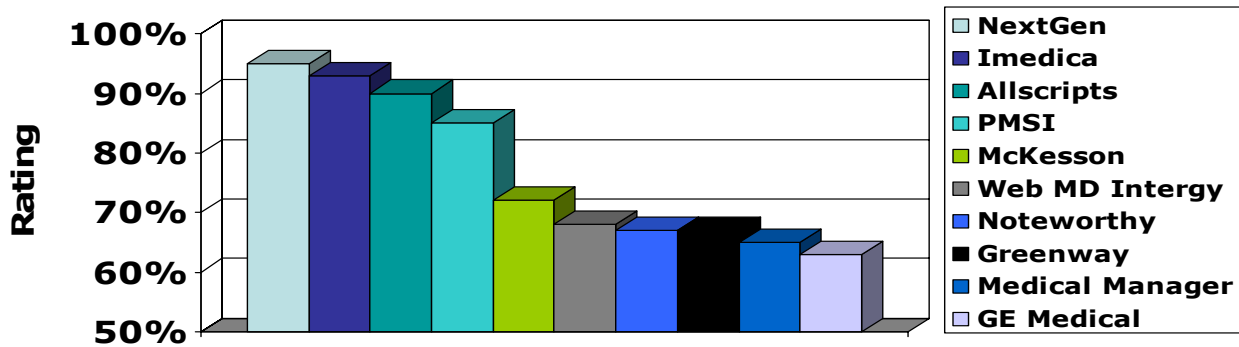
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Large Practices (30 to 74 physicians)

For larger practices with 30 to 74 physicians, the top applications are once again NextGen Healthcare Systems (95%) and Allscripts Healthcare Solutions (90%). One additional vendor, iMedica Corporation (93%) scored very high in the EMR functionality rating. Physician Micro Systems, Inc. (85%) received a 4-Star rating while McKesson received a 3-Star rating, and GE Medical received a 2-Star rating.

**Top EMR Vendor Applications w/o PDA
Medium Physician Practices 30 - 74 Providers**



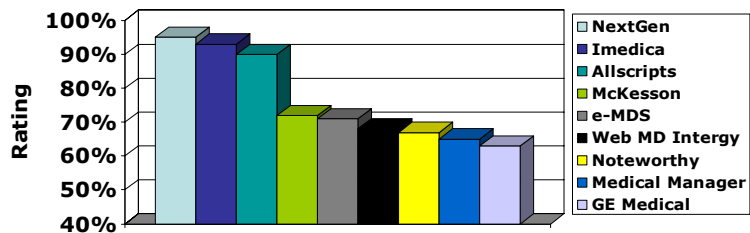
Based on 2,564 Functional Questions Divided Between 24 Categories

Exhibit 21

Large Practices (75 to 150 physicians)

For larger group practices with 75 to 150 physicians, the top applications included NextGen Healthcare Information Systems (95%), iMedica Corporation (93%) and Allscripts Healthcare Solutions (90%). Other vendors like EPIC Systems, Cerner, and Misys currently market to large practices.

**Top EMR Vendor Applications w/o PDA
Large Physician Practices 75 - 149 Providers**



Based on 2,564 Functional Questions Divided Between 24 Categories

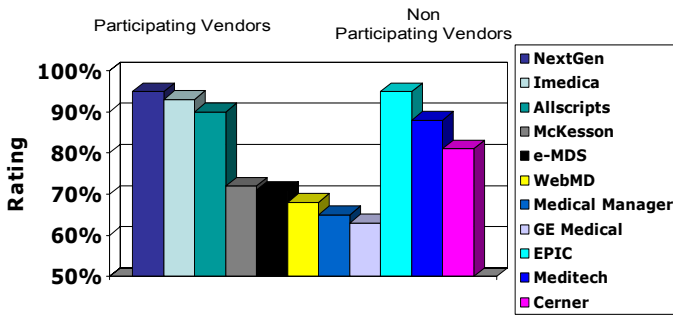
Exhibit 23

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Extensive Functional Evaluation Ranks Top EMR Applications

Multi-Specialty Large Practices (over 150)

Top EMR Vendor Applications w/o PDA
Clinics Physician Practices 150 + Providers



Based on 2,564 Functional Questions Divided Between 24 Categories

Exhibit 25

For large multi-specialty clinics with over 150 physicians, the top applications included NextGen Healthcare Information Systems (95%), iMedica Corporation (93%) and Allscripts Healthcare Solutions (90%). Other vendors like EPIC Systems, Cerner, Meditech, and Misys currently market to large practices but they elected NOT to participate in our annual survey. However to help larger clinics, we have added non-participating EMR vendors to the side-by-side survey.

When evaluating vendor applications based on current and future functionality, six EMR vendors are expected to increase their overall functionality by more than 5% by next year. As shown on the next page, by the end of 2003, companies like **Monarch Medical International** are projected to increase their overall rating 66% to 82% while **MD Anywhere** is projected to increase overall functionality from 47% to 72% by the end of 2004. Other companies like **JMJ** are expected to improve overall functionality by 37% with the release of their next version. Finally, **WebMD Integrity** is expected to increase their overall functionality above 85% by year-end 2004. Taking into account these planned enhancements, eight EMR vendors will exceed 80% of the required functionality by end-year 2003.

	Company	Current	Future	% Change
1	MDAnywhere	47.1%	71.8%	52.5%
2	JMJ	58.0%	79.5%	37.2%
3	Cliniflow (Monarch)	66.2%	82.1%	24.1%
4	Alteer	49.7%	58.5%	17.8%
5	e-MDS	70.6%	78.1%	10.6%
6	Greenway	67.3%	70.6%	5.0%

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Conclusion:

Technology is only a tool and if used effectively can improve the flow of information and potentially improve the efficiency of the physician's practice. However in reality, if "change" is not embraced, the probability of success is very low. We learned in the 1980's that we needed to change the process of billing for services – or we would not be paid in a timely and effective manner. Therefore, the practice of medicine, from the business point of view, changed. Now with newer technologies, government regulations, and the right financial incentive, physicians will begin embracing new levels of technology that were not available just 5 years ago. But where does a physician in a small practice turn to learn about the 100's of technology choices? The physician can spend hours searching and evaluating all of the opportunities. Or maybe in the near future, physicians will be able to look towards leaders within their own medical specialty for guidance and knowledge.

More about the Author:

Mark R. Anderson, FHIMSS, CPHIMS – Healthcare IT Futurists

Mr. Anderson is one of the nation's premier IT research futurists dedicated to health care. He is one of the leading national speakers on healthcare and physician practices and has spoken at > 300 conferences and meetings since 2000. He has spent the last 32+ years focusing on Healthcare – not just technology questions, but strategic, policy, and organizational considerations. He tracks industry trends, conducts member surveys and case studies, assesses best practices, and performs benchmarking studies.



Prior to forming AC Group, Inc. in February of 2000, Mr. Anderson was the worldwide head and VP of healthcare for META Group, Inc., the Chief Information Officer (CIO) with West Tennessee Healthcare, the Corporate CIO for the Sisters of Charity of Nazareth Health System, the Corporate Internal IT Consultant with the Sisters of Providence (SOP) Hospitals, and the Executive Director for Management Services for Denver Health and Hospitals and Harris County Hospital District.

His experience **includes 20+ years working with physician offices, 7 years in the development of physician-based MSO's**, 17 years with multi-facility Health Care organizations, 15 years Administrative Executive Team experience, 6 years as a member of the Corporate Executive Team, and 9 years in healthcare turnaround consulting. Mr. Anderson received his BS in Business, is completing his MBA in Health Care Administration, and is a Certified Fellow with HIMSS.

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