

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**UW Medicine Epic Clinic Deployment Project UpdatePROJECT DESCRIPTION

The UW Medicine Epic Clinic deployment project will complete the implementation of the Epic Electronic Health Record (EHR) by July 2014. It includes the ambulatory medical record, a patient portal, and revenue cycle functionality for all remaining clinics at Harborview Medical Center, Northwest Hospital and UW Medical Center. The project comprises a total of 86 clinics and 44 service specialties of which will transition to Epic.

BACKGROUND

For UW Medicine, the transition of patient medical records from a largely paper process to a fully Electronic Health Record (EHR) is a goal in support of the safety, quality, and efficiency of care delivery by helping clinicians and administrators manage the increasing amount of data and information in the healthcare environment. EHR is an essential foundation for all healthcare systems in a time of regulatory reform.

As part of healthcare reform, CMS (Centers for Medicare and Medicaid Services) is driving a nationwide transition to EHRs to support quality and safety and to assist in managing healthcare costs. Initiated as part of the American Recovery and Reinvestment Act of 2009 (ARRA), provisions known as “Meaningful Use” (MU) compel hospitals and ambulatory providers to achieve meaningful use of an EHR in a staged approach.

If provisions of the MU program are not adopted, hospitals and providers risk permanent reductions in reimbursements and significant penalties beginning in 2015. To offset the substantial costs of an EHR implementation, there are linked incentives for hospitals and ambulatory providers who meet MU by 2015. For UW Medicine, the incentive opportunities are estimated to be as high as \$37 million and the penalties are estimated to start at three percent of Medicare billings. CMS has tied the EHR to other incentive revenue adjustments such as ePrescribing and Clinical Quality Measures, and industry estimates show total penalties as high as seven to nine percent. Private payers are also beginning to adopt the same standards that depend on information systems and robust EHRs for patient care and population management needs. It is estimated the reimbursement changes driven by CMS will soon apply to all patient populations.

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UW Medicine intends to meet the MU provisions by 2015 to achieve incentive opportunities and to avoid substantial penalties, and is well on its way. The attestation of compliance is a separate process for hospitals and providers. For our hospitals, Northwest Hospital and Valley Medical Center have already achieved first stage compliance and received incentive payments. HMC and UWMC will begin the attestation process this summer, with expected incentives this fiscal year. For UW Medicine providers, the UW Neighborhood Clinics and Valley Medical Center have achieved first stage compliance and received incentives. HMC, NWH and UWMC have achieved first stage for some providers, but the majority are not able to meet the provisions because they are not using a fully robust EHR. Implementation of the Epic ambulatory EHR will address this gap.

At HMC and UWMC, implementation of the Epic ambulatory EHR has been underway since 2009, using a clinic-by-clinic implementation model. This approach resulted in successful EHR implementations in all primary care clinics. However, only forty percent of HMC and UWMC clinics and five percent of NWH clinics are on a complete EHR. The Epic Clinic Deployment project seeks to accelerate this implementation for completion no later than July 2014. This will allow UW Medicine to achieve MU incentives and avoid MU penalties for all providers.

#### SCOPE OF THE PROJECT

The UW Medicine Epic Clinic Deployment comprises a functional scope of EHR and revenue cycle features, described below, across HMC, NWH and UWMC. The total number of users involved is 2500, including physicians, nurses, medical assistants, and patient and billing services representatives. The Epic Clinic deployment is being run as two parallel conjoined projects:

- The NWH Primary Care Implementation (NWH-PCI) will be the first phase and will deploy the Epic ambulatory EHR, and patient access and billing applications in eight, predominantly Primary Care Clinics at NWH. This will bring NWH to parity with HMC and UWMC which are fully implemented in Primary Care; and
- The Enterprise Epic Specialty Implementation (EESI), the largest segment of the project, will implement the Epic EHR in seventy-eight specialty care clinics across all three sites. It will also implement the patient access and billing applications at NWH specialty care clinics.

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The functional scope of the EHR includes:

- Medical record elements of physician orders for patient care, electronic medication prescription, results review, progress notes, and documentation of care by all disciplines;
- Embedded decision support with evidence-based real time alerts such as drug-drug or drug-allergy interactions, best practice advisory alerts, and health reminders for routine screening and for care specific to identified patient populations;
- A robust patient portal which allows patients secure electronic communication with their care team, direct access to personal health data such as test results, the ability to schedule appointments, and access to education materials;
- Patient registries to track identified patient populations. Used by individual providers and at the enterprise level, registries that support more effective management of diverse patient populations; and
- Tools that allow electronic sharing of healthcare data between UW Medicine and outside organizations. These interoperability tools, a federal requirement for Healthcare Information Exchange, provide access to outside record information instantaneously and at the point of care.

Revenue cycle scope includes:

- Modules to register patients for care and to schedule clinic visits and procedures;
- Integrated charge capture and billing. At the completion of a patient visit, charge information is automatically transmitted for billing;
- The Epic billing application for facility outpatient charges; and
- The Epic billing application for professional service fees.

Of note, the Epic revenue cycle applications were successfully rolled out in HMC and UWMC in the CHARMS project, completed in 2011, and have achieved the benefits anticipated for enhancing the revenue cycle at both medical centers.

Through the functionality above, UW Medicine will achieve the objectives of a single ambulatory EHR, facilitating immediate access to patient information across the enterprise; enhanced patient to provider and provider to provider communication; and more effective primary to specialty care referrals.

It will provide the tools needed for practitioners to attest for Meaningful Use as defined by CMS, enabling capture of premiums and avoidance of penalties.

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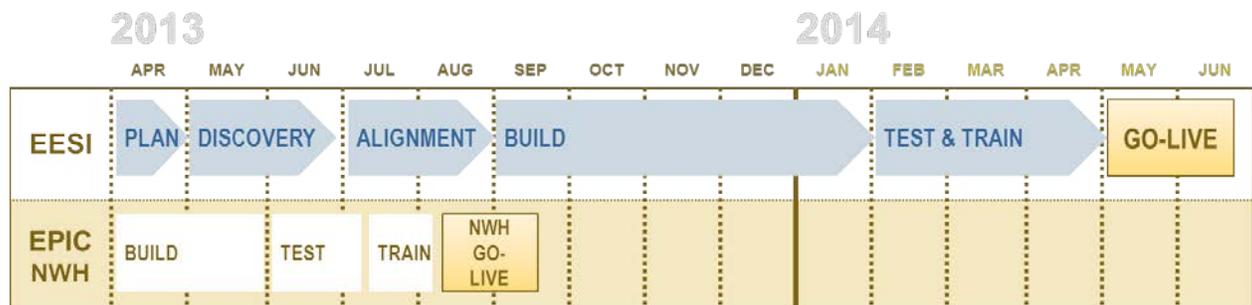
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Enterprise standard workflows and clinical content will be enabled, in support of best practices and improved patient outcomes. To be successful, the project must be cognizant of and committed to strong executive sponsorship, operational involvement, careful change management, and robust project methodologies. This important project will position UW Medicine to meet current and future healthcare reform requirements.

#### PROJECT SCHEDULE

The NWH Primary Care Implementation is scheduled for August 12, 2013. The Enterprise Epic Specialty Implementation is scheduled for mid-May 2014. Both phases are tracking to schedule, below.



#### PROJECT BUDGET

The project budget totals \$49.7 million. This includes labor costs of \$41.6 million (84%) and software, infrastructure, and device costs of \$8.1 million (16%). Capital and expense are evenly split at \$24.9 million and \$24.8 million, respectively.

#### PROJECT FUNDING PLAN

UW Medicine proposes to fund the project through patient revenues from HMC, NWH and UWMC.

#### INTERNAL REVIEW AND APPROVALS

The project and funding plan has been reviewed and approved by the UW Medicine Board of Trustees, and by the individual boards of Harborview Medical Center, Northwest Hospital, and UW Medical Center. The plan was also reviewed and approved by the Vice President, UW Information Technology and CIO, in

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accordance with the Memorandum of Understanding between UW Information Technology and UW Medicine for UW Oversight of technology projects. As part of this approval, an external quality assurance (QA) consultant has been engaged to review and report on the project.