

## Volume 16 - Issue 2, 2016 - Best Practice

### IT Outsourcing: The View From the Top

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Black Book Market Research recently released insightful figures on attitudes toward IT outsourcing in healthcare. To remain solvent and technologically advanced Black Book said hospital executives realise they need to “evaluate and leverage next generation information and financial systems as an outsourced service” (Black Book, 2015). The company found 73 percent of all surveyed hospitals and health systems over 300 beds were looking externally for technology solutions while 81 percent of provider organisations under 300 beds planned to prioritise complex IT outsourcing.

In terms of why outsourcing failed in the past, 606 former and current users of IT outsourcing solutions offered the following reasons – which can inform future decisions:

- Outsourced IT services that should have stayed within the organisation;
- Selected the incorrect vendor for the job;
- Neglected to realise the full costs of outsourcing;
- Permitted the outsourced service to get out of control;
- Disregarded employee and/or community concerns about outsourcing/offshoring;
- Wrote ineffective statements of work for the services outsourced;
- Failed to strategise an exit procedure before terminating the outsourcing contract;
- Unrealistic expectations;
- Lack of best practices for hospital IT outsourcing established;
- Did not monitor the performance of the contracted outsourcer. (Black Book, 2015).

The result is that going forward hospital executives are now intent on taking the business case for outsourcing into their own hands rather than leaving it to the vendor and ensuring that staff and outsourced services work well together is also of paramount concern.

*HealthManagement.org* spoke to hospital leaders and IT experts for their views on outsourcing.

“For achieving EMRAM Stage 7 we have some criteria that look at the use of Clinical Analytics and Business Intelligence (BI) within the hospital. Those criteria include things like the availability of an analytics strategy, the link of clinical activities to financial outcomes, examples of how BI has helped to improve clinical, organisational or financial performance. However, we do not systematically check if hospitals outsource these activities – meaning the data mining or storage part in it. With the rise of cloud-based solutions it may well be that also Big Data activities are going to be more and more outsourced, but it certainly depends on the definition of what part of Big Data activity, and also what outsourcing means in that context. For example is an EMR vendor who provides a web-based solution already “outsourcing?”

#### **HIMSS Analytics**

“We have outsourcing for some IT functions. In terms of Big Data or more specific data analysis in areas like pharmacy and quality indicators we have outsourcing that makes the analysis, compares the results with the benchmark and recommends some strategies. The benefits of outsourcing are based on sharing some expert resources with other companies. The decision about the vendor is complex because it depends on multiple factors.”

#### **Vicent Moncho, CIO of EMRAM Stage 7 hospital Marina Salud in Spain**

“The most important step in the process of outsourcing involves conducting thorough market research in order to choose the best organisation from among the key players in the region, but usually outsourcing in the healthcare sector is out of question. For example, Zulekha Hospital is accredited by Joint Commission International (JCI) and, among other healthcare governance standards we meet, JCI certification obliges us to make patients’ confidentiality and safe data management our top priority. If a medical entity needs to outsource due to lack of internal resources, they must evaluate the risks involved beforehand and assess both flexibility and accessibility of tools being offered to medical professionals as well as other stakeholders. Every management strategy must aim to reduce costs, improve insights, and optimise growth, but never risk compromising patients’ confidentiality.”

#### **Taher Shams, Managing Director, Zulekha Hospital, UAE**

"Today, we are not effectively using all already existing data for health and there is a lot we could learn from other fields where text and data-mining tools are in use and represent an important driver for innovation. Of course, applicable legislation on data protection must be observed."

***Policy Officer Terje Peetso, DG Connect, European Commission on data security, a critical consideration in IT outsourcing***

#### **Reference**

Black Book (2015) Providers to Adopt IT Outsourcing Solutions in 2016 as More Hospitals and Physician Practices Slide Deeper Into Financial Uncertainty. [Accessed: 13 May, 2016] Available from <http://www.blackbookmarketresearch.com/providers-to-adopt-it-outsourcing-solutions-in-2016-as-more-hospitals-and/>

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