Protecting Hospitals From IT Failures

Malfunctioning software systems and those hampered by glitches threaten the economic and functional health of hospital systems. The major problems with the HealthCare.gov website, designed to assist Americans with enrolment in health insurance exchanges as part of the Affordable Care Act, is only one well-known example. Technical problems in four states alone cost the federal government $474 million, and lawsuits are pending against software companies such as Oracle.

Pressure is mounting on the government to recover federal money spent on failed health insurance exchange sites, but what about smaller systems such as healthcare organisations? With the increasing use of technology in hospitals, and as health records go electronic, it is vitally important to choose the right software, provided by the right vendor, and to take precautions in case of product failures.

Vendor Verification

Vendors of software for healthcare organisations should be able to demonstrate the success of their products in other hospital systems. Not only will it show that the vendor has had previous business and is not selling to its first customer, but a potential buyer will have a chance to learn about the positive and negative experiences of other customers. Attorney Michael Dagley, a specialist in software disputes at Bass, Berry & Sims in Nashville, Tennessee, advises asking vendors for references but being cautious that only a full list of customers will include those who may have had an adverse experience with the software.

Contract Considerations

The complexity of legal contracts can work against hospital systems once they decide which software to purchase. It is important for an organisation to insist upon the inclusion of language which protects the buyer. Rather than rely on vendor enthusiasm and promises, someone within the healthcare system should be responsible for asking targeted questions, taking detailed notes, and ensuring that product performance is explained prior to the signing of any agreements.

Whenever possible, specific performance metrics should be built into contracts so that there is a plan in place in the event of software errors or failures. In the past, monetary compensation has been limited for healthcare organisations with IT failures, precisely because contracts have been signed without ensuring that marketing promises and performance standards are defined in the formal contract. Recovering the purchase price of the product alone can hardly compensate for the investment of other resources when a vendor is found to be not liable for bad software.

Risks and Responsibilities

Installing new software is usually a major undertaking in any industry, fraught with frustrating implementation issues. Even when vendors are verified in advance and contracts are expertly negotiated, there can be kinks with the product's use, such as when a provider updates or modifies the software without informing customers. It would seem to be a process to avoid repeating unless absolutely necessary, but a recent survey by Software Advice found that the number of healthcare providers shopping for a replacement of their existing EHR software grew by 30 percent since early 2013.

In the first quarter of 2014, approximately 40 percent of healthcare providers were in the market for a new EHR system. The reasons for changing software systems are manifold, from replacing outdated technology to regulatory compliance. If a system is working efficiently, though, there should be a critical reason to make a change. "If I were in the C-suite of a hospital," said Mr. Dagley, "I would be asking a lot of questions about why my organisation should switch."

Source: Becker's Hospital Review
Image Credit: Google Images

Published on : Mon, 14 Jul 2014