The costs of adopting and maintaining an electronic health record system can seem overwhelming to a small practice. The New York City Department of Health and Mental Hygiene has established the Primary Care Information Project to help health care providers in New York City’s medically underserved areas adopt electronic health records.
Electronic Health Records: Getting a Return on Your Investment in Quality Care

In order to understand the financial costs and benefits of an EHR system, you must first understand server models, and the costs associated with the type of server model your practice chooses.

Server Models

When adopting EHRs, practices typically select from two types of server models, each having different associated costs. Server models determine where the practice’s data is stored.

1. Application Service Provider (ASP) Model – An external party (in many cases, the EHRs vendor) hosts their data. Practices that choose the ASP Model more attractive for smaller practices, as this can substantially increase hardware and software costs.

2. Client Server Model – The practice stores and maintains its own data. Client server models, each having different associated costs. Server models, and the costs associated with the type of server model your practice chooses.

Three Year Cost Comparison: Sample Practice

| Hardware | Software and Services | Implementation and Training Fees | Total Cost 1999
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Server Model</td>
<td>$21,570</td>
<td>$8,050</td>
<td>$34,720</td>
</tr>
<tr>
<td>ASP Model</td>
<td>$17,696</td>
<td>$8,050</td>
<td>$25,746</td>
</tr>
</tbody>
</table>

ANNUAL EHR MAINTENANCE AND SUPPORT FEES

- ASP Model: $2,000
- Client Server Model: $2,000

Northeast Florida Area Health Information Network

- ASP Model: $1,200
- Client Server Model: $1,200

ANNUAL IT SUPPORT COSTS

- ASP Model: $1,000
- Client Server Model: $1,000

Three Year Savings and Revenue Enhancement for EHRs

1. Revenue enhancement through better and more thorough documentation.
   - Drills collecting billing information directly from the patient encounter and group notes. Procedure codes for laboratory tests, preventive health measures, diagnostic exams and other treatment options are automatically linked to your EHR’s billing system, enabling you to bill far more for all services you provide.
   - Practices no longer lose out on billing services due to improper transcription or third party edits.

2. Integrated practice management solutions that promote better tracking and management of billing processes.
   - EHRs can check insurance eligibility and collect co-payments.
   - The “Slammer’s check” for written errors in claims before you submit them.
   - Drills submit, track and manage claims.
   - You can query your EHR system to identify patients with outstanding balances and produce a mass mailing.

3. Cost savings through the reduction of storage space and transcription.

4. Participation in Pay for Performance or Pay for Prevention (P4P) initiatives.
   - P4P initiatives provide financial rewards for practices who care for Medicare patients based on health outcomes of their patients.
   - Drills can enable easy, efficient tracking of quality indicators so that health care providers can participate in P4P programs and maximize their P4P revenue through quality improvements.