



ASPs Give Healthcare More Technology for Less

Healthcare is struggling with narrowing margins and expanding costs, from the clinical level to the business office. As a result, cutting expenses has become a key focus as organizations try to improve their bottom lines. At the same time, these healthcare organizations are using technology as a viable way to improve care delivery and care management processes.

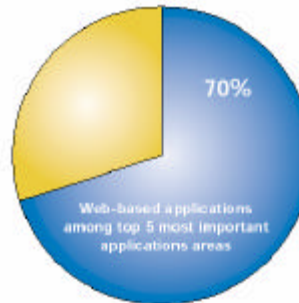
The right technology can reduce the number of steps required to provide appropriate care, and it can streamline complex, time-consuming business practices.

The industry has found, however, that no matter how efficient and streamlined technology has become, there is room for improvement, including the way technology is deployed across an enterprise. This is evidenced by the increasing acceptance of application service providers (ASPs).

The Gartner Group reports that in the United States ASPs have gained tremendous ground. Worldwide, acceptance has jumped, with revenues climbing from \$850 million in 1998 to \$ 2 billion in 2002. In addition, interest in the ability to access applications over the Web continues to be relatively strong.

The 2000 Healthcare Information and Management Systems Society (HIMSS) leadership survey showed 70 percent of the respondents felt Web-based applications were among the top five most important application areas for them over the next two years.

Web-Based Applications Growing



There are two types of ASPs: One manages Internet access and hardware for other companies, the other takes applications that businesses need to operate their enterprise and sells them over the Web.

This is the application that interests most healthcare organizations. The arrangement is similar to a rental contract, in which organizations access and pay for what they need via the Internet.

The software exists on the ASP's secure servers and is accessed by users as needed to accomplish a given task. Companies which use these ASPs receive the same functions and service that they would from having the necessary technology in house, but with several added benefits.

First, healthcare organizations that access applications through an ASP typically pay only for what they use, not for unneeded functions. There are no costly software contracts to maintain, and upfront costs associated with large hardware and software deployments are reduced.

Because ASPs serve as the technical services department of an organization, the need for experienced, expensive technical staff to deal with installing, operating and maintaining applications is diminished significantly. Upgrades also are handled differently with an ASP. Without an ASP, typically a network is taken down for upgrades and maintenance, frequently resulting in lost efficiency, especially if there are persistent technical problems.

IPMSolution
706 Colorado Ave,
Suite C-11
Palo Alto, CA 94303

Telephone
650-424-8087

Fax
650-948-6382

E-mail
info@ipmsolution.com

www.ipmsolution.com



Internet Practice Management Solution

With an ASP, upgrades usually don't affect user functionality, and service interruptions are rare.

In essence, ASPs help companies which normally can't afford access to powerful, innovative software. Instead, the software is either developed by an ASP itself or by well-known companies within the information technology industry.

For some applications provided by outside vendors, an ASP will provide a "private label" to give it the appearance of being developed internally.

It might even tailor applications to a particular client, not only helping that client receive applications properly scaled to its needs, but also improving the client's speed to market.

There also is an appreciable impact on the software industry. Many large software developers have taken provide a "private label" to give it the appearance of being developed internally. It might even tailor applications to a particular client, not only helping that client receive applications properly scaled to its needs, but also improving the client's speed to market.

There also is an appreciable impact on the software industry. Many large software developers have taken notice of the surge in ASP popularity and are quickly making useful business applications ASP-compatible.

Where ASPs Shine

Accessing software via an ASP can be the preferred way to deliver non-mission critical information to users.

Decentralized providers and payers, for example, who need powerful software without the costs associated with large technological deployments and associated personnel can benefit from using software via an ASP.

Physicians and nurses can use office-based or centrally located workstations to get current clinical data on patients, including pathology and radiology reports with images and medical histories. With ASPs, data is available anywhere and any time, with fewer steps for the users, thus increasing efficiency as well as accuracy. Administrative processes also present opportunities to use ASPs for the benefit of the enterprise. Back office operations are perfect for Web-powered applications that can schedule appointments, track patient data, check eligibility, submit claims and maintain billing information. Because access is available anywhere, users or networks spread geographically can employ the same information at the same time, resulting in easier operational processes and improved workforce optimization.

Finding the Right ASP

Acceptance of ASPs as a viable business practice continues to rise, but healthcare organizations should review and understand thoroughly the business backgrounds of any ASP being considered. They should learn an ASP's business practices, the length of time it has been in business, its technology expertise, the hardware and software it deploys and whether or not its current security measures are up to industry standards, including those proposed by the Healthcare Insurance Portability and Accountability Act (HIPAA). It might also be helpful to review a client list to see if other organizations with similar business models have used the ASP to achieve the same results the business is seeking.

One area not to be overlooked is data ownership. While most ASPs make no claims of data ownership when supplying applications, there may be stipulations about the transportation, copying and exchange of data. Healthcare organizations should make sure the ASP can protect the data stored on its servers and continue to provide service in case of emergencies such as power failures and natural disasters.

IPMSolution

706 Colorado Ave,
Suite C-11
Palo Alto, CA 94303

Telephone

650-424-8087

Fax

650-948-6382

E-mail

info@ipmsolution.com

www.ipmsolution.com



Internet Practice Management Solution

Finally, potential users should look at the level of service an ASP can offer. This is guaranteed by a service level agreement (SLA), a standard industry contract that binds the ASP to very specific levels of support for customers, the level of technology the ASP will maintain, the performance that will be available, how continuous that performance will be and related financial issues.

An organization wants a contract that holds the ASP responsible for maintaining around the-clock availability of the latest version of the application. It also is important that the ASP be able to maintain the technology performance to a level sufficient to support the number of users needed to accomplish the healthcare organization's objectives.

The ASP should also be available to provide technical services necessary for deployment and integration of the application. Many times this includes training and educational materials for all staff using the application.

Healthcare organizations also should question the necessity of purchasing new equipment to support the deployment of the ASP's offerings, and ask if future updates to the application will render current technology within the healthcare organization obsolete.

The ASP should be well versed in the healthcare organization's application and be able to integrate and provide numerous applications through the Web, preventing the need for a user to seek multiple providers.

Healthcare Powered by the Web.

In today's rapidly moving technological environment, healthcare organizations wanting to stay ahead of the technological curve are in need of cost-effective and powerful applications that can improve the cost of care and overall enterprise performance without requiring huge capital investments.

For non-mission critical data, the best answer is an ASP model. An ASP provides ongoing access to the latest technology, is more quickly deployed than traditional IT implementations, reduces the cost of technology ownership and offers scalable solutions that can be used, and paid for as the need arises.

ASP providers also help healthcare organizations reduce the time-consuming focus on managing information and place more emphasis on their core competencies.

IPMSolution

706 Colorado Ave,
Suite C-11
Palo Alto, CA 94303

Telephone

650-424-8087

Fax

650-948-6382

E-mail

info@ipmsolution.com

www.ipmsolution.com