

HealthLeaders

I N F O R M A T I O N T O L E A D

The Little Hospital That Could

AFTER 40 YEARS IN THE HOSPITAL BUSINESS, Administrator Tommy Mullins claims to have little technological expertise. But the facts would suggest otherwise. Since spring 2003, the administrator at Boone Memorial Hospital in Madison, W. Va., has overseen the deployment of an integrated clinical and financial information system and wireless network at the rural, 25-staffed-bed facility. Now, thanks to improved data collection—and an unusual billing arrangement with its systems vendor, Mobile, Ala.-based Computer Programs and Systems Inc.—Boone Memorial has seen significant clinical and financial improvements. Among other things, the hospital has reduced medical errors and shaved its accounts receivable days from 130 to 69, which in turn has helped it cut accounts receivable from \$2.2 million to \$900,000. Mullins talked with *HealthLeaders* about the new system, which, he observes, would have been prohibitively expensive just a decade ago.

LEADING QUESTIONS



TOMMY MULLINS says a new clinical information system has reduced medication errors by 82 percent.

ed giving the wrong medication, giving it at the wrong time or not giving it at all. All that practically went away.

HealthLeaders: How much did the system cost?

Mullins: About \$600,000 for hardware and software. We have leased it so there was no capital outlay. Our monthly outlay increased about \$2,500 a month over the fragmented system we had. But with the improvements in billing we've enjoyed, the money was not hard to find.

HealthLeaders: How did you come to enter into an outsourced billing arrangement with CPSI?

Mullins: It occurred almost by accident. After we bought the system, I overheard two CPSI staff talking about the company's outsourced billing services. I said, 'My gosh, with the problems I am having, make me a proposal.' We immediately brought them on board. We eliminated four billing clerks in the business office—two retired, one quit and one transferred.

HealthLeaders: Why did Boone implement this system?

Tommy Mullins: We used to keep track of patients with an embossed card. We had electronic billing and a lab system. But everything we had stood alone. Our systems were antiquated. The lab could not talk to the pharmacy, or transmit a charge to the billing department. Every time a patient changed departments we had to re-register them. Our billing was behind and our AR was unmanageable. We knew we were in trouble.

HealthLeaders: How did you pick a vendor?

Mullins: We interviewed three firms. Then we realized we needed to go back. We weren't intelligent enough to ask the right questions on the first round. So everyone presented twice.

HealthLeaders: Why did you pick CPSI?

Mullins: They were the only vendor that sold hardware and software both. We didn't want two vendors bumping heads with each other. And their sales force was able to answer questions on the spot. We signed the contract Christmas Eve 2002, and by the following April, we had implemented everything except the patient-chart module. We went live with that in July 2003. We are a test site for their ER system.

HealthLeaders: How have you reduced errors?

Mullins: Pharmacy is a major component. The application enabled us to go to a bar-coding system to administer medications. We also have eliminated legibility problems. Our entire inpatient record is electronic except for the physician ordering, which we will implement this fall. We have reduced medication errors by 82 percent. Our errors includ-

HealthLeaders: How does the relationship work?

Mullins: We have a centralized system with patient accounting. All charges go to a master account. We have a coding company that codes the bills. At the end of a patient stay, we electronically transmit the information to CPSI in Alabama. They get an electronic file with demographic information and charges. They charge us a percentage of collections.

HealthLeaders: How did you transition to the new system?

Mullins: During the presentations, I tried to involve as many people as possible and get commitments that they would do everything they could to make the transition work. Some of the staff had never turned a computer on. My biggest problem was users over the age of 50. My 20- to 30-year-olds were so computer-literate, I had them training the nurses and supervisors.

To communicate with CPSI after we signed on, I had two staff contact people: one IT, the other non-IT, my medical record director. They were the only people authorized to make decisions about the system. If I heard of an area of concern, I would go to those two people for an answer.

HealthLeaders: How has automation changed your workplace?

Mullins: For the first six months, we were slaves to the computer. It takes tremendous work to implement. But after six months of learning and perfecting, the system is a slave to you. It reduces documentation time and speeds up medication administration. The staff is more enthused now.

—GARY BALDWIN