

**Behavioral Health Administration – Mental Health  
030 - PL - RH - ELECTRONIC HEALTH RECORDS**

**Agency Submittal: 2015-17 Final 2017 Sup**

**Budget Period: 2015-17**

**SUMMARY**

The Department of Social and Health Services (DSHS) needs a fully implemented and technically supported electronic health record (EHR) system to support improved documentation and communication about safe, quality treatment and efficient and thorough billing at the two psychiatric State Hospitals, Child Study and Treatment Center (CSTC), Residential Habilitation Centers (RHC), and the Office of Financial Recovery (OFR). Implementation will begin in FY17 at CSTC followed by Eastern State Hospital (ESH), OFR, the RHCs, and lastly Western State Hospital (WSH). DSHS requests \$3,419,000 GF-State and 5.0 FTE to cover implementation, domain coordination, and medical data management staff needed to improve clinical billing processes.

**PROBLEM STATEMENT**

DSHS needs to implement an electronic health record system for many reasons:

- Currently DSHS is manually providing the ICD10 coding for billing all private and government insurers. ICD10 replaced ICD9 as the required standard October 1, 2015. This manual work-around is not sustainable long-term and exposes the department to higher claims rejection rates and inefficient processes. The Office of Financial Recovery (OFR) will begin using the contractor Cerner's system for billing in FY17.
- The specialized technical support of the EHR cannot all be performed in house. The training and knowledge of the Cerner applications and their interdependencies takes approximately 18 months of training and experience to become minimally productive in a single solution. The implementation for state hospitals and RHCs includes 20 modules. Additional management, planning and execution of the upgrades is required to stay current. Therefore, the department plans to use Cerner to provide some of the necessary support to be cost-effective.
- Currently hand-written or transcribed psychiatrists' notes about patient history, individualized plans, and documentation of treatment are largely narrative based and at times illegible for the coders to interpret. With the electronic health record, the psychiatrists will need to enter and interact "real time" with the system, leading to streamlined entry of encounter data.
- Typically, hospital EHR project plans include system optimization cycles for one or more years post implementation. This includes refinement of the workflows to better meet DSHS specific needs. Additionally, the complexity of EHR software overall doubles every two years. On-going support for optimization, upgrades, engineering troubleshooting, Help Desk and Quality Measure updates are necessary to provide adequate support post-implementation. Additionally, DSHS must also prepare for the Healthcare Information Exchange (HIE) to align with the Health Care Authority plan in 2020.

If this request is not funded, completion of the revenue cycle transformation for BHA and Developmental Disabilities (DDA) facilities will come to a halt, with only minimal improvements and many outstanding, manual processes. Increased rejected billings would be a natural outcome. DSHS would have to rely on an outdated, aging billing system (RPS) for residential facilities. The substantial investment already made for EHR would quickly become a failure as the support structure would not be in place to appropriately sustain and improve on the foundation.



**DSHS VISION**

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

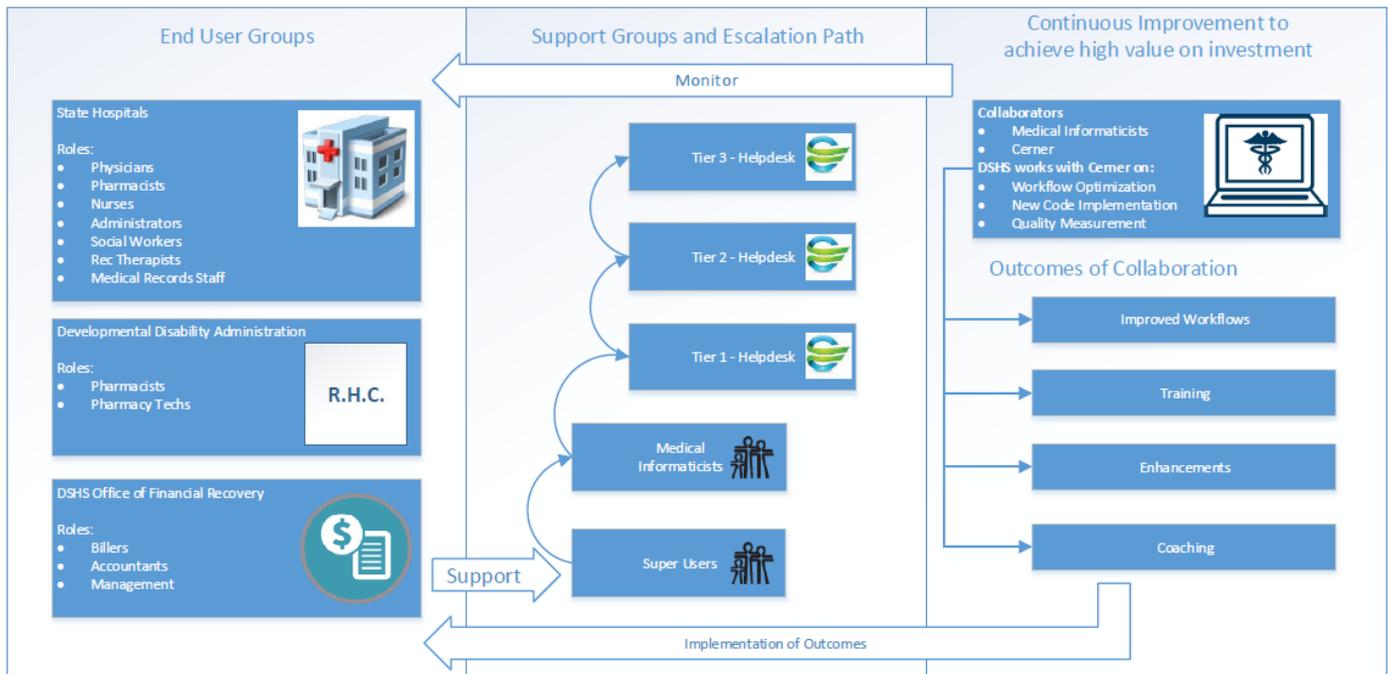
**DSHS MISSION**

To transform lives

**DSHS VALUES**

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

## EHR Support Model



### PROPOSED SOLUTION

This decision package addresses four major initiatives:

- Implementation of EHR at WSH, based on FY17 implementations at CSTC, ESH, OFR and the RHCs.
- Phase two revenue cycle EHR completion includes payment for the final deliverables for the revenue cycle, as well as business analysis and quality assurance resources.
- Medical version of Dragon, natural language processor, for use by psychiatrists to improve adoption.
- On-going support of EHR through a combination of 5.0 FTEs for internal DSHS medical informatics positions and contracted support with Cerner for 24x7x365 Tier 1 help desk, quality measure upgrades, engineering troubleshooting and workflow optimization.

Each approach is described in detail below:

#### WSH EHR staff training and implementation

This includes the cost of backfilling clinical staff while they are attending trainings off the wards to prepare for Go-Live; staffing of a Command Center by the vendor at Go-Live; and four months of experienced project management for the Go-Live preparation and execution period (Go-Live and stabilization).

#### Phase Two Revenue Cycle Completion

The behavioral health hospital revenue cycle is significantly different from that found in an acute care medical hospital. In addition, the state of Washington has some special requirements. The Cerner Corporation is developing new intellectual property to meet these needs, which extends the timeframe to the Phase Two revenue cycle

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implementation. Included in this budget request are the implementation costs from Cerner, as well as DSHS project management/business analysis and external quality assurance (required for all Level 3 Information Technology projects).

### Dragon

Documentation written by psychiatrists is primarily narrative and not conducive to the “point-and-click” features of other disciplines creating EHR documentation. These narratives may be quite long and are personalized to each patient. The psychiatrist documentation in Cerner uses a module called Dynamic Documentation, which pulls in a few selected fields, but is mostly free text. Physician adoption of electronic records is substantially higher at facilities which do not turn physicians into typists. Dragon software (the medical version) allows the psychiatrists to dictate directly into any free text field. This does not require a transcriptionist and is the most effective method of ensuring accurate and timely documentation.

### On-Going Support

With the Domain Coordination Support agreement, Cerner will assume the risk for talent provision. In addition to Cerner staff located on-site and those in Kansas City, the department’s internal “Solution Owners” – medical informatics staff – would represent the key knowledge of their respective clinical and financial disciplines. They would focus on ensuring integration points are well considered, workflows optimized and the most value derived from the implementation.

The proposal includes a blend of Cerner staff on-the-ground in Washington, use of their Upgrade Center team, their Application Managed Services (AMS) for technical engineering troubleshooting, updates to all Quality Measures as they become available to comply with the Centers for Medicare and Medicaid Services (CMS) and The Joint Commission (TJC) requirements, and Cerner’s Help Desk team in Kansas City, as well the five state employee “solution owners”. The combination of Tier 1, Tier 2 and Tier 3 support allows the three state hospitals, four RHCs and OFR to be assured that issues will be resolved. Tier 1 support will cover not only Cerner system usage, but for the state hospitals will provide the 24x7 “first stop” Help Desk coverage they have so desperately needed. Cerner questions will be resolved or appropriately escalated to Tier 2. For Help Desk calls which are not Cerner-EHR-related, the Cerner Help Desk will triage and route to the appropriate DSHS IT staff, including triggering off-hours stand-by support, as necessary per protocol.

## EXPECTED RESULTS

The outcomes expected from this funding focus include:

- Complete implementation of the electronic health record at WSH will improve patient safety, the quality of active treatment for patients, and staff safety at the largest state hospital.
- Generation of electronic billing for WSH, as billing is a by-product of the clinical documentation processes.
- Introduction of new revenue cycle code improvements, as they become available, to streamline the processes for billing and payment at the state hospitals, CSTC, and OFR.
- Greatly improved and legible psychiatrist documentation through the use of Dragon Medical software for direct dictation, to decrease billing rejections and increasing revenues.
- A thoroughly supported electronic health record platform whereby the Domain Coordination support model safeguards the state’s investment by ensuring that any system issues are addressed with timely resolution provided by the vendor.
- Closing the existing gap in coverage for support outside of normal business hours. With the introduction of and reliance on electronic health records, the existing need for 24x7x365 coverage is magnified.
- Discontinued use of an outdated pharmacy system, lacking the built-in safety measures provided by the EHR.

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- New ability to electronically interface with pharmacy supplier for supply chain management at the remaining facilities, current processes are manual.
- Improved ability to demonstrate during the CMS and TJC surveys that the hospitals comply with required medical standards.
- With a uniform, integrated medical record spanning all state hospitals, administration leaders will be able to report with confidence and consistency to regulatory bodies and the legislature.

Implementation of the EHR at these facilities will include numerous elements to ensure patient and staff safety. Examples include robust medication management processes to reduce medication errors; improved seclusion and restraint monitoring; quality monitoring; and safety dashboard for staff to know current status of any potentially dangerous patient behaviors.

This proposal covers the final stage of a transformation of both the clinical and financial processes for some of the state's most vulnerable citizens. That transformation will improve their safety with vastly improved medication management and treatment monitoring. This is a move to align mental health with the standards in acute care medical facilities nationwide.

The mentally ill and individuals with developmental disabilities who are in the state institutions deserve safe and effective treatment. The staff who work in the state hospitals are entitled to a safe work environment. By funding this request, the state makes enormous strides toward both these critical objectives.

### STAKEHOLDER IMPACT

All stakeholders support this solution. It has been vetted with the state labor unions, who are greatly interested in ensuring their staff's safety. It has been discussed with surveyors from both CMS and TJC, who expect this to be a foundation of any current hospital. It has also been reviewed with the court monitor in the *Trueblood* lawsuit.

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OTHER CONNECTIONS

Performance Outcomes/Important Connections

**1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**

Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

**2. The decision package meets the following DSHS' strategic objectives:**

1.1: State Psychiatric hospitals will be safer for staff and patients.

**3. Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

- a) Regional/County impacts? Yes. This supports the efficient provision of clinical care at the state psychiatric hospitals and CSTC and quality data for assessing patient progress toward discharge. This is important to the Behavioral Health Organizations (BHOs) as they request more admissions and the courts which order competency evaluation and/or restoration admissions, beyond the current capacity of the hospitals.
- b) Other local government impacts? No
- c) Tribal government impacts? No
- d) Other state agency impacts? Yes. The Department of Corrections (DOC) is interested in implementing EHR as well. The Domain Coordination (support) plan within this budget request provides the foundation whereby DOC or the Special Commitment Center could, if they opt for this solution, have a Domain Coordination platform to build upon. DDA also plans to expand their Cerner footprint, so they could leverage this platform as well.
- e) Responds to specific task force, report, mandate or executive order? Yes. From the fiscal standpoint, this budget request supports the federally required ICD10 coding for all payer invoicing. From the patient safety perspective, the EHR as designed with the state hospitals, addresses numerous regulatory findings of the CMS and TJC audits / surveys; such as seclusion and restraint monitoring and release from seclusion and restraints as soon as possible, medication administration safeguards, treatment planning and active treatment, and staff safety.
- f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No
- g) Facility/workplace needs or impacts? Yes. Provides a safer workplace for staff at the state hospitals, with the addition of the Safety Dashboard, whereby staff at shift change or any float staff will be able to instantly see which patients on the ward present any heightened risk to staff or other patients based on what has been documented over the past 24 hour period.
- h) Capital budget impacts? No
- i) Is change required to existing statutes, rules or contracts? No

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- j) Is the request related to litigation? Yes. In the reports to the court-appointed monitor for the *Trueblood* lawsuit, the relationship of the EHR and a proposed new Forensic System is outlined, with the Forensic System tracking defendants beginning with court order for Competency Evaluation or Competency Restoration and any treatment provided at the state hospitals contained within the EHR. The proposed connection between these two and also the newly implemented Behavioral Health Data System for the community provided treatment services provides answers along the full continuum of care.
- k) Is the request related to Puget Sound recovery? No
- l) Other important connections? No

**4. Please provide a detailed discussion of connections/impacts identified above.**

Fully funding the implementation and ongoing costs of the EHR will result in increased productivity of doctors which will increase the number of encounters and type of encounters the state can bill for, potentially increasing the amount of revenue that is collected for the state hospitals.

**Alternatives/Consequences/Other**

**5. What alternatives were explored by the agency, and why was this alternative chosen?**

The EHR is a proprietary software solution, so the only vendor fully equipped for the support is Cerner. The department did explore internal staff development, but determined (as already noted within) that it would be neither feasible nor cost-effective.

**6. How has or can the agency address the issue or need within its current appropriation level?**

DSHS does not have the funds to complete the implementation nor provide the required support within the current appropriation level.

**7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**

- No
- Yes (Include an IT Addendum)

**Fiscal Detail****030 - PL - RH - Electronic Health Records**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
001-1 General Fund-State	0	3,419,000	5,934,000	3,409,000
<b>Total Cost</b>	<b>0</b>	<b>3,419,000</b>	<b>5,934,000</b>	<b>3,409,000</b>

<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
FTEs	0.0	5.0	5.0	5.0

**Performance Measure Detail**

<b>Activity:</b>	<b>Incremental Changes</b>			
	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
<b>Program: 030</b>				
C063 Mental Health Facilities Services	0	0	0	0
No measures submitted for package				

**Object Detail**

	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
A Salaries and Wages	0	1,556,000	1,989,000	496,000
B Employee Benefits	0	433,000	553,000	187,000
C Professional Service Contracts	0	1,392,000	3,343,000	2,677,000
E Goods and Other Services	0	22,000	32,000	32,000
P Debt Service	0	1,000	2,000	2,000
TZ Intra-agency Reimbursements	0	15,000	15,000	15,000
<b>Total Objects</b>	<b>0</b>	<b>3,419,000</b>	<b>5,934,000</b>	<b>3,409,000</b>

**DSHS Source Detail****Overall Funding**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
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**Fund 001-1, General Fund-State****Sources Title**

0011 General Fund State	0	3,419,000	5,934,000	3,409,000
<b>Total for Fund 001-1</b>	<b>0</b>	<b>3,419,000</b>	<b>5,934,000</b>	<b>3,409,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>3,419,000</b>	<b>5,934,000</b>	<b>3,409,000</b>

**2017 Supplemental Budget**  
**030-PL-RH-Electronic Health Records**

**2017 Supplemental Budget**  
**Electronic Health Records**

	FTE	FY 17	FY18	FY19
<u>Contract Costs</u>				
Cerner Vendor Implementation Charges		\$ 1,061,000		\$ 175,000
Cerner Change Order (Est. for 2nd Go-Live)		\$ 50,000	\$ 400,000	
Planned Infrastructure		\$ 381,000	\$ 77,000	
QA Vendor		\$ 90,000	\$ 48,000	\$ 24,000
Project Manager		\$ 490,000	\$ 160,000	
Dragon Software			\$ 180,000	
Contractor Travel		\$ 430,000	\$ 25,000	\$ 25,000
		<u>\$ 2,502,000</u>	<u>\$ 890,000</u>	<u>\$ 224,000</u>
<u>Coverage</u>				
Backfill of Non-Ward Staff*		\$ 935,000	\$ 253,000	
Backfill for Training of Ward Staff		\$ 726,000	\$ 1,606,000	
		<u>\$ 1,661,000</u>	<u>\$ 1,859,000</u>	<u>\$ -</u>
<u>Domain Coordination</u>				
Cerner Contract		\$ 755,000	\$ 2,315,000	\$ 2,315,000
Medical Informaticist/Solution Owners	5.0	\$ 366,000	\$ 732,000	\$ 732,000
	5.0	<u>\$ 1,121,000</u>	<u>\$ 3,047,000</u>	<u>\$ 3,047,000</u>
Maintenance & Operations Charges (Monthly)		\$ 138,000	\$ 138,000	\$ 138,000
	FTE	FY 17	FY18	FY19
Grand Total	5.0	\$ 5,422,000	\$ 5,934,000	\$ 3,409,000
<i>Less: IT Pool Funding Received</i>		<i>\$ 2,003,000</i>		
<b>Total GF-S request</b>	<b>5.0</b>	<b>\$ 3,419,000</b>	<b>\$ 5,934,000</b>	<b>\$ 3,409,000</b>

\*Projection of 4 months for 3 trainers, and 4 months of Medical Coders

# IT Addendum for 030 – PL – RH

## Electronic Health Records

### Part One – Costs

The table below shows all the requested funds for this decision package. The top portion includes those costs which meet the definition of IT Expenditures, as defined in Chapter 12.1. The lower portion shows costs associated with the WSH Go-Live which are one-time internal staff costs for non-IT roles.

Information Technology Items in this DP						
Category	FY2017	FY2018	FY2019	FY2020	FY2021	Comment
IT Hardware	\$ 381,000	\$ 77,000	\$ -	\$ -	\$ -	
Software	\$ -	\$ 180,000	\$ -	\$ -	\$ -	<i>Dragon for Medical</i>
IT Services	\$ 2,434,000	\$ 2,878,000	\$ 2,653,000	\$ 2,453,000	\$ 2,453,000	<i>WSH Implementation (FY18); Final Rev Cycle Deliverable (fy19), plus Domain Coordination for all years</i>
IT Contracts	\$ 580,000	\$ 208,000	\$ 24,000			<i>IV &amp; V and 4 months of Project Manager</i>
IT Staff	\$ 366,000	\$ 732,000	\$ 732,000	\$ 751,000	\$ 751,000	<i>5 Medical Informaticsts</i>
<b>IT Total Cost</b>	<b>\$ 3,761,000</b>	<b>\$ 4,075,000</b>	<b>\$ 3,409,000</b>	<b>\$ 3,204,000</b>	<b>\$ 3,204,000</b>	
Non-IT Items to complete Implementation (Included in DP)						
Category	FY2017	FY2018	FY2019	FY2020	FY2021	Comment
Backfill of Ward staff in Training	\$ 726,000	\$ 1,606,000	\$ -	\$ -	\$ -	<i>Coverage required on wards while staff attend EHR training</i>
Trainers for WSH / CSTC Go-Live	\$ 935,000	\$ 253,000	\$ -	\$ -	\$ -	<i>3 trainers x 4 months and 4 months of ICD10 coders</i>
<b>Non-IT staff costs</b>	<b>\$ 1,661,000</b>	<b>\$ 1,859,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
Less: IT Pool Funding Received	\$ 2,003,000					
<b>Total requested for DP</b>	<b>\$ 3,419,000</b>	<b>\$ 5,934,000</b>	<b>\$ 3,409,000</b>	<b>\$ 3,204,000</b>	<b>\$ 3,204,000</b>	

### Part Two - Questions

These questions determine if a project is an IT project / system / investment.

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service?

**Yes.** It funds completion of the SaaS Electronic Health Record; and the wrap-around Domain Coordination services for its support.

2. Does this decision package fund the acquisition or enhancements of any agency data centers?

**No.**

3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight?

**Yes.**