

The Hidden Costs of Doing Business Without Software Assurance

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Occasionally, veterinarians ask me why they should pay their practice management software assurance. I am always quite surprised that this is an area that veterinary clinics would entertain risk. All of your medical and financial patient data is stored in practice management software. I hear comments such as “there are not monumental changes occurring to our current software” or “I only call in for support infrequently”. The data that is stored in your practice management software is the life blood of your practice and financial well being. In this article, I will present the hidden costs that can accompany the decision to forgo support.

The common definition of software assurance or maintenance is generally accepted as having access to a help desk and new releases. I did not clearly understand what goes on behind the scenes to ensure that software products are enhanced with user suggestions and bug fixes until I learned more about development. The development process also includes keeping the software products up to date with the latest Microsoft Windows operating systems and device drivers. In the 2008 AAHA Practice Management Survey, it is reported that 93% of veterinarians use a Windows operating system.

The number one threat to your daily processing is a dead Personal Computer (PC,) or printer and this is inevitable. In a veterinary environment, PCs are going to fail. It is just a matter of when and if we are prepared for this to happen. Hair and electronics do not mix! Therefore, the big question is that when a PC dies is the new replacement going to be able to run your practice management software with the current Microsoft Windows operating system? The second common threat is peripheral devices (printers and lab equipment). When these stop working, is their new replacement model going to work with your practice management software? Often the drivers for the new printers will not function with your older version of software because the drivers are dependent on the operating system. Again all of the major software providers must fully test and upgrade their products to be fully functional with Microsoft’s latest versions, and we are putting our clinics at risk if we are not prepared to upgrade alongside our software vendors. A word of warning for the 3% of veterinarians reportedly still using DOS operating systems—you are at risk of being unable to purchase any new computers that will function with DOS operating systems. Your computers are slowly dying one by one and your practice is at risk of not being able to function.

Data recovery services can easily cost north of \$1,000 and may take 3 to 6 weeks to retrieve most of the information on a dead hard drive. Then, add the conversion cost, the new software cost, training, new PCs, and your unplanned DOS server crash has just ballooned into a \$10,000+ unplanned expense. Plan ahead. Take advantage of the 179 tax incentive this year

before it is gone and remove this risk from your business.

Another reason to pay your software assurance is to ensure that your chosen vendor remains financially viable and can continue to produce new releases, and staff the help desk. If the vendor goes out of business and you need to convert your data to your new vendor of choice, it is sometimes extremely difficult and costly to do this without your current vendors help. The data is yours but do you know how to back up the data and restore it on a media that the conversions team can access? Backup storage software and media can also become obsolete quickly. How many of you still have floppy disks? You can’t even purchase a new computer with a floppy disk drive.

Veterinary practice management software can be perceived as very expensive. Yes, when you compare it to off the shelf products that are not tailored to the veterinary profession, they are more costly. One reason the products and support are more expensive than off the shelf products comes simply down to the amount of practices and veterinarians to sell to. According to the AVMA website, there are 80,825 veterinarians in the United States and its territories. In comparison to markets for off the shelf accounting products, which have a huge potential customer base, the expense can be understood. In comparison to medical, dental or chiropractic software products for the same type of medical records and billing use the cost is very inexpensive. At the American Health Information Management Association conference in October 2006, panelists estimated that purchasing and installing EHR will cost over \$32,000 per physician, and maintenance about \$1,200 per month (including the amortization of startup investment).^{1,2,3}

¹ “We’ve got to adopt health information technology, and get on with it”. Healthcare IT News. 2006-10-11. <http://www.healthcareitnews.com/news/weve-got-adopt-health-information-technology-and-get-it>.

² “CEO Survival Guide to Electronic Health Records” (PDF). National Committee for Quality Health Care. 2006. <http://www.nqfexecutiveinstitute.org/executiveinstitute/EHRbookfinal.pdf>.

³ Columbus, Suzanne. (May 2006). “Small Practice, Big Decision: Selecting an EHR System for Small Physician Practices”. Journal of AHIMA 77, no.5 (May2006):4246. http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_031357.hcsp?dDocName=bok1_031357.

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