**Addendum to the “DVA Investment Brief” submitted on 4/22/2014**

1. **Financial Estimates.** (As updated on the IT Capital Investment Fund Financial Spreadsheet as of 6/6/2014)

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| **Estimated Total**  **Development Cost** | **Estimated total**  **Capital Funding Request** | **Estimated Annual**  **Operating Cost** | **One Time Financial**  **Benefit** | **Recurring Annual**  **Financial Benefit** |
| 818,956 | 396,749 + 422,207 | 52,521 | 650.00 | 400,635 |
| **Explanation of Estimates** | | | | |
| The additional cost benefits includes (1) $198,296 is estimated for the 1-1/2 years of charges for the Project Manager, (2) After further comprehensive hardware review, an additional $223,821.35 of hardware equipment will be required. (Original hardware budget was $36,104 and $105,104 will be funded through DVA’s Capital Equipment Purchase Fund, the additional $132,615 funding will be needed from the IT Capital Equipment Fund.) which included all the hardware required for all healthcare disciplines that will be using the Electronic Health Record System and the network infrastructure needed, (3) an additional $91,296 in software cost, license , and interface cost (which includes Pharmacy, Lab, Food Services and Speech recognition modules) that were identified as essential after the original funding request was submitted. The original IT Capital Investment submission was based on an ITB process/ vendor quotes from May, 2012.  In summary, a total of $422,207 in additional IT capital investment fund is needed to complete the EMR project. The expanded “scope of work” (SOW) resulting in the additional costs and benefits of adding the identified modules are listed below. | | | | |

(3) How will you demonstrate achievement of benefits?

An efficient workflow that covers the whole healthcare cycle of patient care - admission through billing, a system that’s reliable, user friendly, paper-less environment, and meets all regulatory requirement both State, Federal and credentialing agencies. Also, the system will be able to generate useful, important, critical reports that integrate all departments across the entire enterprise for management. The drugs/medications, laboratory test results, and nutritional diets are important parts of patient care and well-being. The Agency initially planned on having these modules implemented at a later phase, then decided that it would be more beneficial to have all the necessary modules scoped and implemented at the same time so the logistics for interface, workflow, and data storage will be ….

* Patients’ medication records will be accurate, up-to-date and comply with federal HITECH and “meaningful use” regulations. The new EHR will provide reporting capability which will be very useful to prepare the VA drug reimbursement. Pharmacist will save time and be able to allow more time do monthly resident medication reviews.
* Improved collection of outstanding federal and patient payments.
* HIPAA compliance cannot be achieved until the current Patient Care System is eliminated due to its dependence on Windows XP, no longer supported or updated by Microsoft.
* Currently the laboratory reports are kept as paper files in the patients’ charts. The connection/interface to have laboratory reports with all the other healthcare information is crucial for the clinicians and nursing staff to make timely and accurate assessment. Improved patient care and assessment will be achieved by maintaining laboratory test results with other protected health information (PHI).
* Each patient has different dietary needs, preferences, and restrictions. Currently, this information is only on the Diet Kitchen where patients’ meals are prepared and noted on the patients’ paper charts. As diet is a vital part of patient’s well-being, it is important to have this module in scope in the health records. Improved access to stored patient dietary information will assist in meal preparation and planning.
* The speech recognition is the trend in healthcare allowing for more accurate and timely storage of physician notes– this will enable the clinicians to record the medical information without using the “transcribing services” which will save the Agency money in the long run and will also update the medical records faster as well. The Agency expends on average $13,000 annually in transcription fees.