Implementation Status of New Electronic Health Records System at State Psychiatric Hospitals

Session Law 2023-134, Section 9G.9

Report to

The Joint Legislative Oversight Committee on

Health and Human Services

By

NC Department of Health and Human Services

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Background

Session Law 2023-134, Section 9G.9 requires the NC Department of Health and Human Services (DHHS), Division of State Operated Healthcare Facilities, to report to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2023 and December 1, 2024 on the implementation status of the new Electronic Health Records System at State Psychiatric Hospitals to include the following:

> (1) Execution of a contract that provides for full implementation of a new electronic health records system within each of the State psychiatric hospitals under the jurisdiction of the Secretary of Health and Human Services pursuant to G.S. 122C-181.
>
> (2) Full implementation of a new electronic health records system within each of the State psychiatric hospitals under the jurisdiction of the Secretary of Health and Human Services pursuant to G.S. 122C-181.
>
> (3) Training of the State's psychiatric hospitals' staff on the use of the newly implemented electronic health records system.

The Department of Health and Human Services submitted a letter to the Committee on November 27, 2024 that the report would be delayed. This report is a combined status report for December 2023 and December 2024.

The NC General Assembly and DHHS recognize that this Electronic Health Records (EHR) project meets a critical, overdue need to modernize the provision of healthcare in state facilities to further ensure efficiency, accuracy, coordination, security of patient health information and high-quality patient care and safety. The project mission is to leverage a shared electronic health record platform that enables collaboration, increased patient safety, and seamless healthcare delivery to promote a strong and resilient behavioral health system.

Currently, the Division of State Operated Healthcare Facilities (DSOHF) medical records are primarily paper based, with over 200 software programs in use at the facilities to perform an array of medical record related functions without integration. All DSOHF facilities use Harris Affinity HEARTS software for master patient index demographic information. All reimbursable patient care services are submitted to insurers through Change Healthcare claims clearinghouse software. Central Regional Hospital (CRH) is the only DSOHF facility currently utilizing an Electronic Health Record. CRH relies on Veterans Health Information Systems and Technology Architecture (VistA). Although customized locally by CRH, VistA is a legacy system that will no longer be upgraded for information security and regulatory compliance since the VA has embarked on Electronic Health Record Modernization (EHRM), implementing a Cerner Oracle solution across the Federal agency. The various software systems in use across the facilities will either be eliminated, integrated into system-wide, centralized functionality that is interoperable with the new EHR, or be replaced by the new EHR.

The initial $50M non-recurring funding appropriated to DSOHF for EHR implementation was based on implementation in only the three State psychiatric hospitals. As work began on the project, it was determined that it would be more efficient to implement an EHR in all of the state facilities and at the same time. This is mainly due to the operational dependencies that all the DSOHF facilities have on the State psychiatric hospitals for several functions including pharmacy, laboratory, and radiology. An additional $20M non-recurring and $5M recurring was provided.

The expanded project scope includes all 13 DSOHF facilities. The State psychiatric hospitals and facilities by region that will implement the EHR include:

- <u>Eastern region</u>
  - Caswell Developmental Center
  - Cherry Hospital
  - Longleaf Neuro-Medical Treatment Center

- o   Walter B. Jones Alcohol and Drug Treatment Center
- Western region
    - o   Black Mountain Neuro-Medical Center
    - o   Broughton Hospital
    - o   J. Iverson Riddle Developmental Center
    - o   Julian F. Keith Alcohol and Drug Treatment Center
- Central region
    - o   Central Regional Hospital
    - o   Murdoch Developmental Center
    - o   O 'Berry Neuro-Medical Treatment Center
    - o   Whitaker Psychiatric Residential Treatment Facility
    - o   Wright School

While an expanded scope led to some delays, the EHR project is now on track to Go Live in all facilities in the fall of 2025. The EHR will launch with the name **eMerge (powered by Epic).**

Execution of Contract

DSOHF was charged with executing a contract that provides for full implementation of a new EHR system within each of the state psychiatric hospitals under the jurisdiction of the Secretary of DHHS, pursuant to G.S. 122C-181. Legislation required the implementation of an EHR system that is similar to the EHR used by the University of North Carolina (UNC), so DSOHF negotiated a contract with Epic Systems Corporation (Epic), the electronic healthcare records software vendor for UNC Health and many other major hospital systems nationwide, to develop the new EHR. After working with UNC to conduct a system readiness assessment, the project began in May 2023 with the execution of a contract with Epic that now provides for full implementation of a new EHR system for all DSOHF facilities. The project and contract scope allows for coordination between Epic staff, DSOHF staff, and DHHS IT staff to build an Epic electronic healthcare records system that uses national clinical best practice workflows for care while also being customized for the specific populations served in the state facilities.

Licensing, service-level agreement contracts, and amendments with Epic Systems Corporation were executed in May and June 2023. The contract software license agreement between Epic and DHHS for an initial ten (10) years following the date of the agreement was later increased.   The total estimated costs for the initial ten (10) years following the date of the agreement were revised to $65,830,191.00, signed on December 27, 2023. This total contract amount with Epic includes $30,652,779 in implementation costs and $35,177,412 in operation and maintenance costs after the system Go Live dates. Operation and maintenance costs will be billed incrementally on an annual basis until the contract ends.

In addition, the contract hosting services Agreement between Epic and DHHS estimated costs under the agreement for the initial six (6) years following the date of the agreement. The total estimated hosting fees are $14,260,000 as of July 21, 2023. This total contract amount with Epic includes $3,730,000 in implementation costs and $10,530,000 in operation and maintenance costs after the system Go Live dates. Operation and maintenance costs will be billed incrementally on an annual basis until the contract ends.

Further, a complete EHR system that accommodates the array of necessary healthcare operational and clinical functions (e.g. laboratory exams and results, nutritional support for patients, and billing) requires additional

third-party software systems that are interoperable with Epic. These required interoperable systems have been incorporated into the Epic project implementation.

Implementation of New Electronic Healthcare Records System

Implementation of the new Epic EHR Project has required that DSOHF, DHHS IT, and Epic staff work together so that Epic staff and software developers can review the facilities' specific needs to customize the EHR software to capture and process all necessary information. The Project also requires staff in the DSOHF Central Office and at each of the facilities to internalize workflow and work production changes that the new EHR will require.

The EHR Project steps include data collection, building customized software, developing workflow scripts for testing the software, testing the performance of the software, incorporating adjustments, training, certifying users' competence, and Go Live planning before the Go Live date. Additional areas that must be addressed include technical and hardware assessment and update, policy changes, and communications across all Project Managers, workgroups, and communications to align all participants and progress. The implementation will be executed in a single phase. It is anticipated that the Epic system for all of the DSOHF facilities will Go Live in the fall 2025 in all regions.

Notable project accomplishments achieved thus far include:

- Clinical content is 100% complete.
- Test connections established for the following state systems:
  1. NC Integrated HR-Payroll System
  2. NCDHHS Personal Funds
  3. North Carolina Immunization Registry (NCIR)
  4. NC Health Connex (NCHIE)
- 14 of 22 systems are in functional testing – 60% of overall project build – Note: 63% of functional testing complete – (3rd party applications functional testing) anticipating 80% completion by end of February and 100% by end of March
- All facilities have identified their training locations.
- Only 7 tasks remaining out of 6,389 for the system build.
- Epic training environment build is 100% completed.
- NC DHHS Central Billing Office in conjunction with Epic Revenue cycle teams have finalized 16 Parallel Revenue Cycle Testing scripts.
  - Process during the testing phase when clinical documentation is completed to reproduce a successfully reimbursed.

The Epic EHR Project impacts several other state partners both during the implementation and after Go Live. DHHS leadership continues to coordinate closely with divisions across the Department and Administration, including Division of Public Health; Division of Mental Health, Developmental Disabilities and Substance Use Services; Controller's Office/Central Billing Office; Department of Information Technology; DHHS Human Resources; DHHS Information Technology Division; DHHS Office of Procurement, Contracts and Grants; Office of State Budget and Management; and Statewide IT Procurement.

Training of Staff

DSOHF has a provider collaborative with Epic to provide training designed by Epic-certified project personnel to DSOHF Central Office and facility personnel who will interact with and provide patient care using the various elements of the EHR and its associated applications. Training in all facilities will occur throughout the spring and summer of 2025.

Staff will be trained based on their roles and scope of responsibilities using the following methodologies:
- Training will be presented in classroom style, in-person "at the elbow" to mimic on-the-job training, and virtually in our Learning Management System (LMS). Staff's readiness, competence, and comfort will be monitored, and additional training and coaching will be provided before going live if needed.
- Training will be done for all staff in a coordinated 8-week effort.
- Many users will be trained by their peers who have completed the training and demonstrate competence to train others.
- Content will match the unique needs of specialty areas.
- Training will be workflow-based.
- Users will participate in readiness activities leading into go-live, including but not limited to user login and personalization labs.
- Users will participate in post-live efficiency training and have access to post-live training materials such as an in-system document repository and detailed workflow guides.
- Epic-led End User Training Services (EUTS) virtual program will be available to support workgroup members' early education of Epic Foundation System workflows to help prepare for decision-making and understanding how pre-live end-user training is structured.
- Epic certifications will be required for staff in training roles.

Conclusion

DSOHF will continue to work closely with the Epic team to achieve the launch of the new EHR in all 13 DSOHF facilities this year. The new system **eMerge** will provide an electronic health record solution at each of DSOHF's facilities to enhance patient care and safety by replacing paper-based physician orders and medical records and/or outmoded electronic medical records with a state-of-the-art system.   The modernized approach to healthcare records will create efficiencies across the facilities and system, replace many existing software systems in use that are not coordinated, and strengthen the provision of healthcare with customization for the specific populations served in each of the state facilities. DHHS looks forward to launching **eMerge** this year as we continue to meet the needs of those we serve.