8 Epic EHR implementations with the biggest price tags in 2015

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Investments in EHR systems are undoubtedly costly, but some implementations appear to carry more costs than others.

Implementation costs vary system to system and hospital to hospital. Prices fluctuate based on what types of additional features and modules a hospital selects. And, according to a *Politico* report, some EHR vendors charge for additional service fees while others don't. The *Politico* report indicates for Epic's 2014 edition software, the Verona, Wis.-based EHR vendor charges a software licensing fee, implementation costs and annual maintenance costs while OpenVistA, developed by Carlsbad, Calif.-based Medsphere, for example, does not.

Even within the subsector of Epic implementations, costs fall across the board. For example, Duke University Health System, based in Durham, N.C., paid approximately $700 million for its Epic EHR (systemwide go-live in 2014) while Dartmouth-Hitchcock Medical Center in Lebanon, N.H., paid $80 million (go-live in 2011), according to a *Forbes* report.

John Halamka, MD, CIO of Beth Israel Deaconess Medical Center, said in the *Politico* report that hospitals selecting Epic's platform are not just buying a product — they are buying a process. BIDMC does not operate on Epic's EHR; rather, the hospital earlier this year forged a partnership with athenahealth, which included using the Watertown, Mass.-based vendor's product.

"Epic is selling a methodology; often a lot of manual processes or heterogeneity and standardizing the work," Dr. Halamka told *Politico*. "It's not that they're buying expensive software, they're buying a lot of software."

No matter where the prices come from, the cost of Epic installations are significant. Here are eight of the most costly Epic implementations reported within the past six months. These are working numbers, with some systems having allotted the indicated amounts to implementation projects and others that have already completed installations.

Partners HealthCare: $1.2 billion
Boston-based Partners HealthCare is one of more recent implementations, going live the first week of June to the tune of $1.2 billion. This is the health system's biggest investment to date. The implementation process took approximately three years, and in that time, the initial price tag of $600 million doubled.

Lehigh Valley Health Network: $200 million
LVHN started its switch to Epic's platform in February 2015, but the full transition will take between four and six years. Harry Lukens, CIO of the Allentown, Pa.-based system, told *The Morning Call* the total investment dedicated to the installation includes software, hardware, data conversion and additional personnel.

Mayo Clinic: "Hundreds of millions"

In January 2015, Rochester, Minn.-based Mayo Clinic announced it selected Epic's EHR and revenue cycle management platforms and planned to drop its Cerner and GE Healthcare contracts to do so. The value of the contract was not disclosed by the health system or the vendor, but stock analysts told *The Kansas City Star* it is worth "hundreds of millions of dollars over several years." Additionally, the headline of the *Star* report reads "Cerner loses Mayo Clinic contract worth hundreds of millions of dollars to Epic," indicating a ballpark estimate of the new contract's value.

Lahey Hospital & Medical Center: $160 million

On March 28, 2015, the Burlington, Mass.-based hospital completed its two-year implementation of Epic's EHR system. Two months later, Lahey Health said it was laying off 130 people at three hospitals to close the budget gap. In the six months ended March 31, the health system had lost $21 million, partly due to preparatory EHR implementation costs.

Lifespan: $100 million

Providence, R.I.-based Lifespan announced plans to implement Epic's EHR in March 2013, and the health system went live April 2015. Lifespan initially projected the implementation to cost $90 million, but in a Rhode Island Public Radio report, John Murphy, MD, executive vice president of physician services, alluded to a total closer to $100 million.

Erlanger Health System: $97 million

Chattanooga, Tenn.-based Erlanger Health System signed a contract with Epic in May 2015 nearing $100 million. The health system will invest $91 million in capital expenses, but operating expenses will bring the total to $97 million over the next 10 years. Erlanger was deciding between Epic and Cerner's platform and ultimately chose Epic because the bid was less expensive, CFO Britt Tabor told *Times Free Press*.

Wheaton Franciscan Healthcare: $54 million

In January 2015, Glendale, Wis.-based Wheaton Franciscan Healthcare announced plans to implement Epic across its hospitals. The system's affiliated medical group and physician offices have been using Epic's EHR since September 2012, but providers across the system can only view patient records and not input information. The implementation will create one central EHR platform across the system. Go-lives will begin January 2016. The system expects a return on investment after four years of using the platform.

Saint Francis Medical Center: $43 million

The hospital in Cape Girardeau, Mo., contracted with Epic in February 2015 and expects to go live in July 2016. Saint Francis plans to connect and exchange records with other hospitals in the St. Louis area also using Epic's system, including SSM Health and Mercy Health.

Worth noting

A handful of other hospitals and health systems reported signing contracts with Epic this year but did not disclose the costs of the IT projects. Some of these organizations include Arlington Heights, Ill.-based Northwest Community Healthcare, SSM Health St. Mary's Hospital-Audrain in Mexico, Mo., Oklahoma State University Center for Health Sciences in Tulsa, San Diego-based Scripps Health and St. Louis-based BJC HealthCare.

Editor's note: An earlier version of this article identified Saint Francis Medical Center as being located in Dexter, Mo. We have updated the article to include the correct location, and we apologize for the error.

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