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HST Pathways is bringing Electronic Health Records to Ambulatory Surgical Centers with Software that maximizes Clinical Documentation and Revenue Cycles



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CEOCFO: *Mr. Hui, what has been the overall vision of HST Pathways? What is the vision now that Casetabs is part of HST?*

Mr. Hui: When I started HST it was because we saw a gap or a hole, a need that was not being met or not being met well. The best way to describe it, to understand the opportunity, is that relative to hospitals, surgery centers are much smaller facilities, but they share and have many of the same information technology needs. They are accredited and they have similar compliance requirements. HST was created in 2005 to meet those needs and to tailor it to an ASC (Ambulatory Surgical Center). There are big differences from hospitals, so we needed to be very targeted in terms of what features, functions and workflows we could do that would bring the most value to an ASC. That is why we started HST.

Today, I think we could summarize our focus as bringing electronic health records to the HST industry. Because of either a lack of attention by the government requiring ASCs to have electronic health record systems or the lack of financial incentives or penalties, ASCs were simply ignored. However, now with so many health care providers already on electronic health records, it makes no sense for ASCs to be on paper. Certainly, paper records are not how anyone would imagine the future. Therefore, one of our primary focus is to lead the charge to bring electronic health records to the ASCs.

Our vision embraces inter-operability and how it impacts the delivery and quality of patient care. The topic of inter-operability has gained a lot of attention in the last few years. Lastly, related to your question about Casetabs, there is much more awareness and attention paid to communications. Specifically, in our environment, the communication platform is amongst doctors, patients and the surgery center. Casetabs has done a marvelous job of creating mobile applications and features and functions to address communication needs.

CEOCFO: *It is hard to believe that the electronic aspect would have been unnoticed or unused for so long by these entities, by the ASC community.*

Mr. Hui: Not really, if you think about what was available. First of all, electronic health record, as a software application, is extremely expensive to develop. Therefore, you really needed a company with the financial strength and commitment

to jump into electronic charting. Early on, government incentives and penalties helped push EHR adoption for hospitals and physician practices.

CEO CFO: *How is what you are presenting easier than what has been traditionally available? Have you been able to benefit from that fact that it is a number of years after Electronic Records were instituted and there is a little more clarity into what should be done?*

Mr. Hui: All of the above. We were able to see the design and technical mistakes made by early efforts. We benefited from hearing the physicians and nurses complain about usability. When HST finally launched development of electronic charting, we decided that turning paper into digital content was not good enough. To get clinicians excited and adopt electronic charting, we aimed high. We wanted our electronic health records to improve patient care and patient safety and we have done that. Our intuitive design emphasized navigation so users can find what they want with minimal training. We minimize information overload to physicians.

We anticipated and dealt with change management. When physicians and nurses are looking at an EHR, they ask, "Is it going to be slower or faster than paper, because I know what I am doing today on paper, so if you tell me it is going to take more time to chart, this conversation is over!" That is what they told us!

In our early implementations, we measured electronic charting times against paper charting. If we could not chart a surgery, at least as fast if not faster than someone doing it on paper, then we failed. We challenged ourselves by tackling short duration procedures like cataract surgery and pain management cases. They are very quick cases, typically ten minutes or less. Our users consistently charted faster with our eChart application and we knew we had a winner!

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CEO CFO: *You have a variety of software solutions. Would a facility use your system throughout? Might they start with one part and then add on?*

Mr. Hui: This is an evolving story. Surgery centers, like most businesses, have to be profitable and operate with reliable cash flow. The first order of business is "how well we can handle the revenue cycle: schedule cases, generate claims (billing the insurance companies), collecting the money and so on". If you don't get that right, you won't have a chance to talk about anything else.

Traditionally, ASCs will first implement the administrative or practice management system. Then, they look at electronic health records. Recently, we noticed that forty percent of our new sales included electronic health records from day one. That is a change in the ASC mindset.

ASCs are now seeing electronic health records as an important and integral part of their practice management system. HST has completed a large number of highly successful implementations. We can point to these case studies and say, "Here are the efficiencies and benefits if you implement both at the same time, from day one." If an ASC stages the electronic charting, they would have some records on paper when they start charting electronically. Sometimes it is better just to start with everything on day one.

CEO CFO: *How do you help an organization overcome the trepidation of making a change? How do you help smooth the way for organizations that are going to implement your solutions?*

Mr. Hui: I am going to answer that question in the context of making a wholesale change from one system to ours, as opposed to upgrades that you referred to. Both questions pertain to change management. There are still many surgery centers that are on technology that was developed in 1995. That is twenty-five years ago. Most of us do not have a car that old and to be frank, many of those systems are really at a higher risk for successful cyber security attacks. They are not best practices.

There is better awareness that we live in the digital age. Being on the internet is not an option, but a requirement if you want to be connected, and that pretty much demands that businesses change. What HST can do to help ASCs crossover

or make that commitment to change is education. Much of the success of any implementation begins three to six months before they go live on our system. We have a very robust program of eLearning and, in some ways, we are like a strict school master. We have to push and remind them to do their preparations. Learning is more effective when each user takes ownership for constructing their workflows.

By the time they go through a three-to-six-month period of pre-go live prep time, they have learned the system. At go live there should be minimal training.

CEO CFO: *Is it easy to explain the business side - that you are going to have better business outcomes if they are working with your system? Is it easy for whoever is making the decisions to understand that? Is it intuitive or do they not quite believe in the beginning?*

Mr. Hui: It depends on who you are talking to. In the traditional sales training, when people learn how to sell things, they tell you that there is a strategic buyer, there is a financial buyer and there is an expert buyer. Our application offers both the business side as well as the clinical side.

Let's say that we are presenting to the medical director or the OR manager; they will easily get it. They see the charting and they say, "Oh, okay, so that is how that works." We often hear comments like, "That is much better than what we are currently doing now."

HST's eChart solves a lot of problems that paper charts cannot solve. It is very dynamic. Therefore, it can communicate very well to the clinical staff. If we want to present the practice management system, we are most likely speaking to the business manager, because that is the person responsible for the claims and collecting the money. Where we have a disconnect is when we are presenting a business solution, let us say, to a clinically oriented buyer and vice versa. Then it is very challenging.

CEO CFO: *Then, as long as you know what you are doing it is going to turn out okay.*

Mr. Hui: Yes, pretty much.

CEO CFO: *How is HST better for the patient?*

Mr. Hui: There are a couple of things that stand out. HST is quite proud of our electronic charting solution. We take great pride in our "live edit" feature and how it improves patient safety. Many systems do not allow clinicians to do **concurrent charting** because it is very expensive to develop. Let's say you have a patient waiting for surgery in the ASC. An anesthesiologist and a nurse may be looking and updating the patient's chart at the same time in different locations. Much of that information is typically collected before the day of surgery. As a patient myself, I have made errors in filling out medication history and allergies.

If clinicians are looking at a medical record and an allergy or medication is missing, wrong decisions may be made. Using our eChart software, when there is concurrent editing or updating of a medical record, especially for allergy, we actively push or notify the other user who is looking at that same information and make that clinical user aware of changes to that information. Without concurrent charting it is like two ships passing in the night and don't see each other.

Even if just one life is saved because of notifying an allergy that was not noted before, I would argue that is a big deal if it is your life that just got saved! That is what I meant at the beginning when I said that we challenge ourselves to make sure that we were not just putting paper to digital, but that we actually improve patient care and patient safety.

CEO CFO: *How is business today? How has being able to reach out to hospitals and get people to use your system changed under COVID?*

Mr. Hui: Interestingly, HST had a very good year. We still managed, despite or in spite of COVID, double digit growth in 2020. We in fact have a healthy backlog and pipeline of implementations going deep into the first quarter of next year. I would like to answer your question differently. It is not just about how COVID affected our sales. I think that COVID has affected our company in ways that we did not anticipate. For example, we have learned how to work remotely. HST used to have a model where we sent trainers on site. That is something that we had to pull back on. In fact, we have learned how to help our customers go live without actually having any trainers on site. To do successful implementations without being on site is quite an achievement. Our customers really have to trust us to do that.

We have to create supportive environments and give assurances that everything is going to go well on day one. COVID has caused us to learn how to deploy in different ways. It has also, frankly, accelerated our sales. The traditional model of buying software was for on premise servers. You buy software and you put it on a server that you have in your office. Now, ASCs are accepting cloud computing, especially with COVID. Those customers with on premise servers are severely limited when their workers are told not to go into work. They cannot work the accounts. They cannot schedule, they do not have access to their computer, because they are not on site. However, with our cloud deployment, people can work from home; they can work from anywhere with internet access. That has become very valuable and people have said, "Wow, this is a pretty good benefit of what we do."

Then finally, you may recall that surgery centers were actually told to lock down for a while. I think it was April or May. When ASCs were permitted to reopen, they adopted a policy of testing their patients for Covid before proceeding with surgeries. It is one thing to say that, but you overwhelm the labs that do the testing. Therefore, our company took one week to create the interface or integration with national labs to do the COVID testing and to bring the results back into our system, so that they can proceed with the surgery. That is a really big impact and benefit to our customers. There were many different things that happened as a result of COVID.

CEOCFO: *Why is HST Pathways an important company?*

Mr. Hui: With our merger with Casetabs, we now serve about eleven hundred ASCs. That is a pretty big market footprint. ASCs rely on HST to run their business: revenue cycle management, scheduling, clinical records and logs. We took care of an aspect of IT that they do not have to. ASCs are not in the business of technology. They are in the business of patient care. Technology is just one of the many tools they use to run their business. Therefore, HST is very important to the ASC industry because of the following: we are extremely reliable and we give them efficiencies I learned that our customers are not shopping for technology. They are shopping for reliability, good customer service and support.

Someone once told me that when they walk into a hardware store, they do not really want to buy a drill. What they really want is a hole. That really resonated with me. Our customers don't get into the geeky nuts and bolts of what is inside a box. What they really want is a good experience and I think we provide a very good experience to our ASC industry. Then the last one; I think we have emerged. I think that if you talk to the surgery centers just randomly, you will get that reaction that HST is a perceived leader and that leadership has taken many years to brand.

One of the things that people tell us over and over again is that they trust us because we see what is coming two to three years out before it actually happens. When we are taking care of business that way, it lets our customers focus on patient care, their core business. These are the reasons why we are very important to the industry.

