

RFP Process for EHR Systems

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Implementing an electronic health record (EHR) requires substantial time and money for healthcare providers of all sizes and types. During the EHR selection process, organizations must dedicate sufficient time and resources to evaluate their goals and business needs, in addition to thoroughly reviewing available EHR vendor products and services.

This practice brief guides organizations through the selection process, assisting providers as they issue requests for information or requests for proposal for EHRs or component systems. It was developed to be used in conjunction with the “[RFI/RFP Template](#)” [...].

RFI versus RFP: What’s the Difference?

A request for information (RFI) is often used to solicit information from vendors about their products and services. It is often the first step in narrowing down the field of vendors when considering future purchases.¹

Most vendors have marketing materials that can provide in-depth information regarding their products. For some organizations, this packet of materials, along with a profile of the company, its history and services, standard agreements, and a cover letter, may be a sufficient response to an RFI. In other instances, an RFI may include more information focused on the specific areas of product need.

The RFI is a valuable tool in assessing how existing products and services within an organization measure up to current vendor product offerings. Technology changes rapidly, and managers need to know if there are more efficient and cost-effective solutions that meet their organizations’ needs. Sending an RFI to vendors is an effective way to stay current and an excellent starting point for the more formal selection process.

Unlike an RFI, a request for proposal (RFP) is a request sent to a vendor or group of vendors for specific responses as to *how* their company, products, and services can meet the organization’s unique requirements. It generally includes a complete summary of related costs (hardware, software) and services (support, training, implementation, and consulting).

An RFP can become the basis for a contract, which forms a legal obligation between two parties. In this case, the two parties are the vendor and the solicitor.² For this reason, both the vendor and solicitor should carefully consider the phrasing of the questions and corresponding responses. For instance, in seeking an EHR, the solicitor should request specific information about how the product will support the functionality needed by the healthcare organization.

This additional attention to detail usually necessitates a significant resource and time commitment and frequently involves legal counsel. Organizations should consider forming a selection committee consisting of key stakeholders and end users as a first step in preparing the RFP.

Identifying Prospective Vendors

An important initial step in the selection process is identifying and including all appropriate vendors. It can be costly to learn later that one or more key vendors were missed. To prevent this situation, refer to EHR software vendor guides published by various organizations. These guides can be used to help identify the vendors that offer the products and services desired and can help define the initial list of vendors that should be included in the RFI or RFP process.

Likewise, it does not make sense to invest time and resources in preparing an RFP for vendors that do not provide the needed products and services. If an organization clearly states its objectives in the RFI, it should be clear which vendors are

appropriate for an RFP.

Not all vendors will be interested in submitting a response to an RFI or RFP due to costs or suitability. As a first step, organizations can ask prospective vendors, as recipients of the proposal, to indicate their intent to participate. Typically, this can be done quickly through an e-mail or letter of intent to bid. In this step the organization may also include its requirements for completion and delivery of the proposal, including format requirements and the contact within the organization for clarification regarding the submitted documents.

Developing and Disseminating an RFP

One of the very first steps in preparing an RFP is identifying and selecting a proposal committee composed of key stakeholders. Stakeholders should include, at a minimum, representatives from the departments that will be using or be affected by the system; for example, HIM, IT, compliance, privacy and security officer, and legal counsel. Other departments may also need to be involved, including accounting and purchasing.

The next step, once the team is assembled, is preparing an outline of the organization's priorities and functionality requirements. This helps focus efforts and coordinate thoughts. Consideration should be given to the scope of the project by identifying any specific needs such as possible master patient index clean-up, data conversions from existing systems, modifications to current software and interfaces, customizations done in-house, and any expected nonstandard use of the system. The outline then becomes the template for the line items to be included in the RFP.

The scope document can also be used as a sign-off document for the involved departments to ensure that demonstrated products are evaluated based upon the functionality requested in the RFP, not the additional features or add-on modules that may be presented at the time of demonstration. In addition, the team should gather basic data about the organization that the vendor will need, such as facility size, current infrastructure and technology, estimated budget, timelines, strategic goals, contact information, and other pertinent data.

HIM Involvement in the RFP Process

An EHR project is often initiated and managed as an IT project. While technology is an important component, it frequently represents the least challenging component of the implementation. Translating the familiar concepts of a paper medical record to an EHR can be the most challenging component, and it cannot be completed without strong HIM leadership. AHIMA's FORE Library: HIM Body of Knowledge contains a wealth of resources that guide HIM professionals in participating in the EHR implementation process.

HIM professionals must project a strong voice when defining the EHR requirements that are stated in the RFP. For instance, they must advocate for accreditation and regulatory content requirements, privacy and security functionality, and principles for a legal record. HIM professionals' involvement in the RFP development process and the evaluation of vendor responses is invaluable.

RFP Proposal Formats

A simple letter of inquiry is not a sufficient or practical method for requesting a proposal. Typically, an RFP is prepared in one of two formats or a combination: a checklist or a short essay response format.

In the checklist response format, a table is usually provided with a column designated for the question or requested feature. Adjoining columns may have titles such as Yes/No; Available/Not Available; Included/Add-on; and Future Feature/Not a Future Feature. Responses may have a numerical value associated with them (for example, a yes response may rank higher than a no response). The vendor responds to the question or feature by indicating whether the feature or service is available and if it is included in the price of the bid.

The checklist response format provides a way for the vendor to quickly respond and for the solicitor to quickly determine whether or not the requested features are available in the bid. A limitation of this format is that it might not provide enough space for vendor clarification of the selected option associated with the functional requirement. This can be overcome through the use of the narrative or short answer format.

The narrative response format is written in paragraphs, providing vendors with greater opportunity to explain in detail the products and services offered and how those products and services will best meet the needs of the organization. One inherent problem with this format is that it limits the reviewer's ability to conduct a side-by-side comparison of multiple vendor responses. Additionally, narrative responses may result in vague or cryptic responses, potentially hindering the solicitor's abilities to draw conclusions from the functional system requirements.

To help ensure the optimal amount of important information is gathered while minimizing the amount of reading and reviewing, organizations often develop an RFI in a checklist response format to screen for critical functionality. Based on the results of the RFI, a list of prospective vendors can generally be narrowed to a select few. Following this step, they send an RFP to a smaller list of vendors using the narrative response format, incorporating knowledge gained through the RFI process.

Another option is to combine both the checklist and narrative formats into a single RFP. A checklist section accommodates questions that can be easily answered with a yes/no response, leaving more detailed responses for the narrative section.

Regardless of the format used, responses to the RFI or RFP often include a cover letter, an executive summary, marketing collateral, and other supporting documentation that may be helpful during the decision-making process. Organizations can also request that the proposal include these items along with the responses to the proposal format.

EHR Functionality Specification

Compiling a complete list of application functionality can be challenging. Health Level Seven has made its EHR system functional model publicly available online at www.hl7.org/EHR. The functional model is based on two axes: functions and care settings. The functional axis is a hierarchy of the essential, desirable, and optional EHR functions across all care settings, with functions organized into care setting and infrastructure categories.

Several care settings will have accompanying profiles that define how to use each function and identify the functions specific to that care setting. Health Level Seven recently released an emergency department functional profile and is in the process of developing profiles for long-term care, behavioral health, and child health.

The standard also serves as the foundation for additional important EHR system standards that are under development, such as Health Level Seven's legal EHR profile. AHIMA is leading the development of this profile and anticipates the profile will be available for public comment by mid-2007 and balloted by the end of 2007. Watch for additional information about the legal EHR profile in upcoming issues of the *Journal of AHIMA* and *AHIMA Advantage E-alert*.

Importance of the RFP Process

Carefully preparing an RFP by clearly articulating the organization's needs and evaluating vendor responses can eliminate significant cost and risk to the organization. Organizations following the proper steps during the proposal process may reap the following benefits:

- Conserve time and resources by avoiding poorly phrased questions that result in unclear or vague responses
- Give adequate consideration to stakeholder and end user needs
- Ensure products and services include required features
- Advance more fully integrated products and services
- Promote improved workflow supporting patient satisfaction
- Ensure products and services meet anticipated organizational growth
- Serve as an objective source for documentation supporting the inclusion or exclusion of vendors, if necessary

Vendor Selection

After a workable listing of facility background data and vendor requirements is completed, the next step is narrowing the vendor pool. Some healthcare consortiums offer purchasing agreements or have preferred vendors based on performance. A

search of professional journals and organizations can provide additional information. When researching vendors, factors other than software functionality must be considered. Key company characteristics include:

- Reputation and history (e.g., longevity)
- Ability to provide a list of current customers and references
- Percentage of research and development reinvested into the company
- Lifetime of EHR system products (i.e., the occurrence of software obsolescence)
- Frequency of software product updates
- Customer support availability
- CCHIT certification status

All of these factors can aid in selecting vendors with staying power. The proposal committee may identify additional factors as well.

Once a set of vendors is identified, the [RFP template](#) [...] can be used as a starting point for developing a customized product. A finalized RFP can be assembled by taking the basic sections outlined in the RFP template and providing the facility data and requirements previously gathered. After the team has signed off on the final draft, the RFP is ready to submit to the vendors identified.

Before submitting the RFP, determine the name and contact information of the person within the company to whom the RFP should be sent. A cover letter should establish expectations such as a deadline, the name and contact information of one person to whom all questions concerning the RFP should be directed and to whom the RFP should be returned, and any other specifics that require emphasis. If the deadline is extended for one vendor, the organization should consider granting the same extension to all vendors. Granting deadline extensions can be problematic, so the proposal committee should establish a policy for extensions prior to disseminating the RFPs. If a vendor fails to respond to the RFP, they should no longer be considered.

One person on the selection team should be assigned to compile vendor responses and place them into one document where they can be reviewed side by side. A column for comments should be added for documenting positive or negative notes for each line item. For example, if one vendor has better pricing or spends more on customer service, those attributes should be noted. If there are any functional requirements that are not met, highlight those cells or the information in them so they are obvious upon review.

Organizations should call references provided by the vendor in the RFP response and make notes in the comments column. When all data are collected, the selection committee should meet to review the entire report and document all responses. Important high-level concepts to be considered include interoperability, readiness, vendor stability, and how well the RFP requirements are met. Look at overall cost as well, including hidden support fees, implementation fees, and any costs associated with data conversion.

The RFP is a tool to rank and evaluate vendors, but it may not be adequate for final vendor selection. The committee should evaluate the proposals to narrow the list of vendors. The selected group of vendors should then be invited for presentations and demonstrations to provide additional learning and evaluation opportunities about their products. Prior to final vendor selection, visits to their installed sites should be made and references should be checked.

EHR Certification

With the multitude of vendors to consider, a good way to limit your list is to narrow your pool of vendors to those whose EHRs have been certified by the Certification Commission for Healthcare Information Technology (CCHIT) (www.cchit.org). The commission is the recognized certification authority for EHRs and their IT networks and infrastructure.

CCHIT is an independent, voluntary, private-sector initiative, recognized by the US Department of Health and Human Services, whose mission is to accelerate the adoption of robust, interoperable health IT by creating an efficient, credible, sustainable mechanism for the certification of health IT products.

Conclusion

Effective evaluation of EHR systems requires time and resources from a wide variety of stakeholders within a healthcare organization. Preparing for an RFP solicitation is critical, so be sure to understand the organization's goals, information needs, and functional requirements. This advanced planning will lead the organization down the road to a successful vendor selection process.

Notes

1. AHIMA. *Pocket Glossary: Health Information Management and Technology*. Chicago, IL: AHIMA, 2006.
2. Ibid.

Additional Reading

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Prepared by

e-HIM Work Group members:

Denise Dunyak, MS, RHIA

Karen Fabrizio, RHIA

Susan Fenton, PhD, RHIA

Bill French, MBA, RHIA, CPHQ, CPHIT

Crystal Kallem, RHIT

Jennifer Meinkoth, MBA, RHIA, CHP

Dale Miller

Dawn Osborne, MHS, RHIA

Dawn Penning

Carolyn Valo, MS, RHIT

Adriana Van der Graaf, MBA, RHIA, CHP, CCS

Yeva Zeltov, RHIA

Acknowledgments

Liz Allan, RHIA

Lisa Garven, RHIA, CPC

Teresa M. Hall, MHA, RHIT, CPC, CAC

Roger Hettinger, CPC, CMC, CCS-P

Lynn Kuehn, MS, RHIA, CCS-P, FAHIMA

Stephen R. Levinson, MD

Mary Ellen Mahoney, MS, RHIA

Donald Mon, PhD

Harry Rhodes, MBA, RHIA, CHPS

Helayne Sweet

Michelle Wieczorek, RN, RHIT, CPHQ, CPUR

Margaret Williams, AM

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