



Offering Medical Solutions

For the third year in a row, Alabama's Source Medical Solutions Inc. has been named one of the nation's top 100 healthcare information technology companies

BY DANA COWART CRISSON

A combination of innovative computer technologies and outstanding customer services has helped Birmingham's Source Medical Solutions Inc. rise to the top of the nation's outpatient healthcare information field.

For the third year in a row, Source Medical Solutions Inc. has been named one of the nation's top 100 healthcare information technology companies by *Healthcare Informatics* magazine. Over 1,800 companies were considered for the top 100 list, which ranks both public and private companies by revenue.

Source Medical's revenue grew from \$28 million in 2002 to over \$31 million in 2003. Founded in 2000, Source Medical provides information management software for over 20,000 healthcare providers in 3,400 facilities, such as ambulatory surgery centers and diagnostic imaging facilities. The firm's computer technologies assist healthcare providers in every step of the patient process, from scheduling appointments, to treatment, to final billing.

According to Source Medical CEO Tom Staudt, the primary purpose of the company is to supply healthcare providers with the tools and capabilities to streamline the information process. Constant changes in rules and regulations, and increasing pressures to reduce medical errors, manage reimbursements more efficiently, and control costs have greatly affected the way healthcare providers operate. Staudt says Source Medical's software systems are designed to simplify

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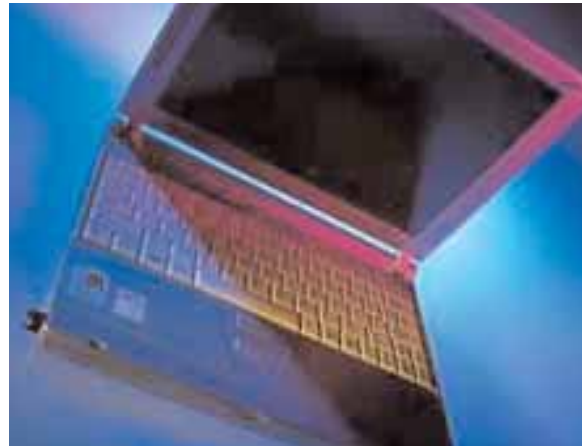
the entire process, allowing clients to spend more time providing healthcare to their patients, resulting in an improved patient experience.

"Healthcare is 14 percent of the GNP, and outpatient care is the fastest growing segment of healthcare in the nation. This growth is primarily due to two factors: the drop in overnight stays in the hospital, and the growth of remote imaging centers," says Staudt. "We focus on the outpatient-care segment, which encompasses many areas, including ambulatory surgery centers, physical therapy centers, imaging centers, home health care and nursing homes. Currently, our company is the largest provider of information technologies to the top two areas, ambulatory surgery and physical therapy."

Initially, a healthcare client will purchase the technology and software from Source Medical, which will then

send a representative to the site for installation and training procedures. In the physical therapy sector, for example, the company will provide tablet personal computers to be used by physicians as they are seeing patients, for clinical notes and other documentation. In addition to clinical documentation, the software can also be used for services such as patient registration, scheduling appointments, billing, and generating statements.

Proper training is essential with any new information system, the company says, and Source Medical utilizes what it says are innovative training strategies to meet that need.



In-depth, on-site training is provided at the initial installation. However, since the healthcare field experiences a fairly large amount of employee turnover, administrators are always faced with the need for additional training for new employees. Rather than send employees to locations across the country for training, or to try to train the replacements internally, Source Medical has established virtual classrooms called LearnSource for on-line training.

By logging on to a special web page and calling a toll-free conference number, clients can interact with instructors, ask questions, and share information with other students the way they would in a physical classroom. As the training progresses, the training team can track each individual client's progress to ensure they are proficient in all areas.

Another way that Source Medical ensures client satisfaction is by using a quality management process called Six Sigma. "Sigma" is a statistical term that denotes how far something deviates from perfection. The Six Sigma approach, developed by Motorola and institutionalized by General Electric, is a comprehensive way of decreasing defects in products. "What makes Six Sigma different from previous quality programs is that it is heavily rooted in statistical and data analysis," explains Dave Wojczynski, vice president of Six Sigma and client services at Source Medical. "Hospitals have quality

improvement and assurance initiatives, but they are generally geared toward solving business problems, not necessarily monitoring and regulating processes. Six Sigma gathers information, then uses it to define problems so they can be corrected."

Any company that has been doing business a certain way for a long while is in danger of falling into the "we've always done it that way" rut, Staudt adds. By looking at the operational systems with a fresh set of eyes and applying the Six Sigma process, representatives from Source Medical can make suggestions to help simplify processes and increase productivity, thereby increasing profits.

Source Medical was originally founded by Daryl Brown, a former HealthSouth executive who had been handling the company's sizable outpatient business. "HealthSouth had needs particularly in the physical therapy and ambulatory surgery sector, and he had a vision to broaden their services. Source Medical grew out of that vision," Staudt says. Brown took over as chairman when Staudt joined the company as CEO in early 2004.

"Daryl is a well-known in the ambulatory and physical therapy area, and he works closely with me as a subject matter expert in the outpatient surgery field," Staudt says. "My expertise is in taking smaller companies and growing them, and I see a significant level of growth opportunity here. Together, our focus is to enhance Source Medical's presence in the marketplace and to grow the company's customer base in the ambulatory surgery, physician practice, radiology and therapy markets."

Source Medical's corporate headquarters is in Birmingham. Executive and legal offices, the human resources department, and the data center are located in a 21,000-square-foot facility in the Bruno Capital Management Building on Highway 280, with a secondary facility located in nearby Grandview Place. More than 250 peo-

ple are employed by the company, with 100 of those located in Birmingham. Source Medical also manages additional development, sales and support offices in California, Utah, Texas, Connecticut and Vancouver, British Columbia. In his position as CEO, Staudt travels extensively, visiting each of the facilities at least once each quarter. "Birmingham is a very advantageous location for our headquarters," he says. "Clearly, on the ambulatory surgical side, Birmingham is one of the top two service areas in the nation. Another aspect that is beneficial about Birmingham is the excellent quality of life, and the very reasonable cost of doing business here."

Staudt has an unusual mantra — if it's not broken, try to break it. The rationale behind that statement is simple: Everything breaks eventually with age and obsolescence, and fixing the system or the problem will improve it. "Break it, re-work it, correct the weakness and find the strength, and then you will be able to leverage that strength," he explains. "Healthcare is continually growing and changing, and it is not an inexpensive endeavor to stay on top. Businesses associated with healthcare technology need to be acutely focused on looking ahead. The very nature of healthcare requires us to continue to work to pick up the pace in this very dynamic marketplace. We never get

complacent. We don't fear change, we embrace it. It is a very dynamic process."

"The greatest strength of Source Medical is twofold — its people and its clients," he continues. "Success comes from the collective wisdom of the people you are serving and the

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collective wisdom of your staff. Any success we have achieved comes from our ability to listen to our clients and listen to our staff. Our clients are leaders in an emerging sector, and a lot of what we do here is a direct result of getting direction and feedback from our clients. We must always remember that we are here to serve the patients and the providers. If we don't facilitate their experience, we haven't done our job." ■



Source Medical Solutions' TherapySource features simple "point-and-click" menus on a lightweight touch-screen computer. This method gives clinicians the freedom and flexibility to move throughout their clinic, enabling them to interact with patients while electronically documenting their rehabilitation.