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'Digital Doctor' author Dr. Robert Wachter defends Epic's business model, product

Written by Akanksha Jayanthi ([Twitter](#) | [Google+](#)) | May 05, 2015

Though **Epic Systems** is a formidable health IT giant in today's industry, the Verona, Wis.-based company wasn't always so expansive. The EHR provider has grown from 400 employees and 73 clients in 2000 to more than 8,000 employees and 315 clients today. Many in the healthcare industry either love or hate Epic, and Robert Wachter, MD, associate chair of the department of medicine at University of California, San Francisco, is on the side of defending the company.

Earlier this year, Dr. Wachter published his sixth book *"The Digital Doctor: Hope, Hype, and Harm at the Dawn of Medicine's Computer Age."* In it, Dr. Wachter examines trends, barriers and issues at the center of the health IT and the digitization of healthcare. In one excerpt, Dr. Wachter presents a defense of Epic, both its product and business practices, saying it is a premier product and delivers what hospitals and health systems want, interoperability and all.

Epic, Dr. Wachter wrote, was a relatively small company until Oakland, Calif.-based Kaiser Permanente selected its EHR system over IBM and Cerner in 2003. Since then, the company has grown exponentially in market share.

David Bates, chief quality officer at Brigham and Women's Hospital in Boston, told Dr. Wachter that Epic's platform is the only one that offers most of the capabilities an organization wants in an EHR. "If you make a big matrix of all the various things that you want as an organization, Epic covers many more of the boxes than others," Mr. Bates said.

Epic is often scrutinized for its apparent lack of interoperability and barriers to information sharing. The company recently announced at HIMSS15 it was [eliminating](#) data sharing fees, and Epic's Director of Interoperability Peter DeVault adamantly [defended](#) the company's interoperability at a March 17 hearing for the Senate Committee on Health, Education, Labor and Pensions.

Yet the industry by and large remains critical of Epic's willingness to share data. Dr. Wachter argued in his book that the type of interoperability the industry is gunning for isn't the type of interoperability many health leaders are focused on.

"Most healthcare leaders don't stay up at night worrying about [interoperability]," Dr. Wachter wrote. "Don't get me wrong: they care deeply about moving information around; it's a core rationale for **EHRs in the first place. But their definition of 'around' is not everywhere. Rather, they want a seamless flow of information around all the buildings they own. They also want interoperability between their system and an outside laboratory they use, their system and Aetna's claims department, and their system and the local Walgreens.**"

Dr. Wachter defends the economic disincentives for hospitals and health systems to share information. Healthcare providers, according to the argument, don't have any incentive to share data

because it compromises patient loyalty to their services. If patients can take their data with them to any provider, they have no reason to go back to the same hospital.

"If a patient can go online and shop around for the cheapest CT scan or colonoscopy, this creates a problem for the nation's healthcare Meccas, which count on the profits from these activities to pay the bills," Dr. Wachter wrote.

Finally, Dr. Wachter said that Judy Faulkner, founder and CEO of Epic, played her cards right in the company's early days. He wrote her patience and confidence in Epic's product and the EHR marketplace helped the company grow.

"While other companies were busy merging with one another in order to grow, or futzing around with new product lines, Epic remained confident that, someday, the market for electronic health records would take off," Dr. Wachter wrote. "[Ms.] Faulkner's employees focused on building a solid system that would solve more problems, and solve them better, than their competitors' systems. It worked. Fueled by superior customer ratings and word of mouth, Epic's client base grew slowly and steadily."

The EHR market certainly grew significantly after the HITECH Act was passed and tied reimbursements to a healthcare organization's use and implementation of EHRs and health IT. However, Epic President Carl Dvorak told Dr. Wachter that Epic's customer growth did experience year-over-year increases before federal incentives came into play in 2010.

Epic, according to Dr. Wachter, was adequately prepared for the business the followed the HITECH Act and the proliferation of EHR adoption, saying the company has a "30-year history of quiet competence." That baseline experience, Dr. Wachter wrote, gave the company its foundation to operate on the level it does today.

"To frame Epic as somehow having orchestrated HITECH — for its dominance in the past few years to be portrayed, as it sometimes is, as a massive conspiracy launched from the Wisconsin farmlands — is just plain silly," Dr. Wachter wrote.

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