MediServe Partners With OpSource to Deliver Software-as-a-Service Solution That Lowers Healthcare Costs and Improves Quality of Care

Overview

ISV Solution Provider: MediServe

Strategic Hosting Partner: OpSource

Software-plus-Services Platform of Choice: Microsoft Corporation

Case Study Highlights

- Healthcare technology solution provider MediServe helps lower costs and improve patient care with high value Software-as-a-Service offering
- Strategic Hosting Partner OpSource brings MediServe solution up to enterprise-class standards
- Microsoft products and technologies provide the foundation for the OpSource/MediServe partnership success

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"The progression towards our Software-as-a-Service maturity has been a long one. The OpSource team has been patient and added a lot of value all along the way. They have clearly demonstrated their relationship commitment throughout the process. I have really enjoyed working with them and look forward to continuing our fruitful partnership."

Dennis Stevenson, Director of SaaS, MediServe

With healthcare costs and quality of service dominating the news headlines, it's nice to hear about companies that are in the trenches working to improve the healthcare system. Arizona-based MediServe is one of those companies. For over 20 years, MediServe has been helping many of the top community hospitals, university medical centers and specialty clinics, improve clinical outcomes, reduce costs, and improve their revenues through innovative technology solutions. Some of the most respected healthcare institutions use MediServe solutions, including the Cleveland Clinic, Johns Hopkins, University of Michigan Medical Center, MedStar/National Rehabilitation Hospital, and Duke University Medical Center.

MediServe solutions help healthcare organizations manage the operational and financial components of their business. The solutions are focused on two segments of the healthcare industry: Respiratory Care and Rehabilitative Medicine. Respiratory Care involves treating lung

and cardiopulmonary conditions for patients ranging from newborn infants to the elderly. These conditions typically require acute care services in hospitals. Rehabilitative Medicine is typically provided to patients recovering from strokes, hip or knee replacements, severe accidents, or general musculoskeletal impairments; conditions that require focused in-patient or outpatient rehabilitative care in a clinical setting, but not at the level of services and care required in a traditional acute care hospital setting.

MediServe's 'CORE' solutions are designed to better manage the four biggest issues facing these organizations:

- **Revenue Optimization** – improving the capture of all services and helping manage costs
- **Compliance** – meeting HIPAA (the Health Insurance Portability and Accountability Act) regulations as well as insurance documentation requirements
- **Improving Patient Outcomes** – supporting best practice care approaches, optimizing organizational performance
- **Efficiency** – enabling proactive monitoring of problematic workflows to insure efficient patient care, operational workflow, and patient satisfaction

Traditionally, MediServe solutions have been delivered through a classic client-server model and provided on-premise at the customer's location. About five years ago, a few customers began asking MediServe to handle the hosting of the solution as the upfront cost and ongoing management of the on-premise solution was beyond the resources of their organizations. These early requests, though few, started the MediServe organization on the path to creating a web-based solution.

An Interim Stop on the Road to Software-as-a-Service

Five years ago, MediServe was not in a position to begin building completely web-based versions of its solutions from scratch. Market acceptance, the resources and skill sets required, as well as the organizational impact all needed to be better understood before making such a commitment.

MediServe decided to build an interim step in the process – developing a self-hosted Application Service Provider (ASP) version of their solutions. This approach would allow the company to offer a Software-as-a-Service solution that provided the compelling benefits of SaaS: low upfront costs, application and IT infrastructure managed outside the organization, and predictable monthly cost, without the significant undertaking of building a SaaS application from the ground up.

MediServe Sails Into Perfect Storm of Opportunity with Software-as-a-Service Offering

MediServe has focused its SaaS offering (called MediServe On Demand) on Impatient Rehabilitation Facilities (called IRFs). IRFs provide comprehensive in-patient rehabilitation care for individuals requiring improvements in function before safely returning home or to the community. Patients, typically elderly, are most often recovering from a stroke, hip or knee replacement, and aren't well enough to return home. Medicare is the primary payer for IRF treatment. IRFs have a unique, acuity based payment system requiring comprehensive documentation of the patient's medical, functional, and cognitive impairments.

MediServe's IRF solution helps manage and standardize the entire patient care process including capturing the correct clinical information, documentation of care and services provided, measuring outcomes, quality assurance, and financial and performance

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Dennis Stevenson, Director of SaaS, MediServe

reporting. For Medicare, MediServe's solution provides everything needed to properly document the claim and meet audit requirements, thereby optimizing the IRF's revenue potential.

Over the last couple of years, MediServe has seen explosive growth of its IRF SaaS solution. The combination of the economic downturn and the compelling value proposition of the solution has created a perfect storm of events to drive sales of the solution. "With the economic downturn, capital budgets have essentially dried up, but our SaaS offering is an operating expense so there are still budget dollars available. And with our compelling revenue growth value proposition for IRFs, we've seen great results over the last couple of years", commented Dennis Stevenson, Director of Software-as-a-Service for MediServe.

Beyond outstanding growth results, MediServe's SaaS strategy has provided a number of additional business benefits, including:

- **Dramatically Condensed Sales Cycle:** MediServe's sales cycle has shrunk from 1.5 years for the client-server IRF offering to only 90 days for its SaaS offering, a stunning 85% reduction.
- **Simplified and Cost-effective Deployment:** The client-server version usually required additional customization for deploying in a customer's infrastructure environment which raises the support costs. The standardized environment of the SaaS offering greatly simplifies deployment and keeps costs low.
- **Entirely New Revenue Stream:** The SaaS solution has provided MediServe with a revenue stream that essentially did not exist three years ago. More dramatically, in the past year, the market has completely flipped from virtually 100% of sales coming from client-server to nearly 100% now coming from the SaaS offering.
- **Access to New Markets:** The low initial cost and manageable monthly subscription model

opens up the potential to gain new business with the smaller rehab clinics; a segment of the market that was previously not a viable target.

With sales of the current SaaS offering growing at a substantial pace, MediServe made a strategic decision to begin building their next version of the IRF SaaS solution from the ground up. In addition, the company had been hosting the current SaaS offering internally. The combination of these two factors led the company to the conclusion that it was time to seek an external strategic hosting partner to help take their SaaS strategy to the next stage of growth.

Strategic Hosting Partner OpSource Chosen to Take MediServe to the Next Stage of Growth

MediServe's decision to seek a strategic hosting partner stemmed from several factors:

1. The desire to offload the complexities and responsibilities of managing their own hosting environment so MediServe could better focus on their core competency of delivering mission-critical software to their customers.
2. The need for a more professionally managed enterprise-class infrastructure complete with the support, maintenance and management that goes with it.
3. Obtaining additional best practice knowledge and strategic resources for building its new SaaS solution from the ground up.

MediServe chose OpSource as their strategic hosting partner based on their expertise of all SaaS related issues, and their genuine interest in building a meaningful relationship with the MediServe team.

"OpSource are absolutely experts at helping solve all of the issues related to the SaaS

business. Their knowledge stands head and shoulders above the rest and we're very happy we're working with them", indicated Dennis Stevenson.

OpSource's first step in the new relationship was conducting an on-site strategic consulting session. This day-long immersive event focused on the best practices for moving the application infrastructure into a true SaaS environment. OpSource worked with MediServe on issues ranging from scalability, security, change management, release cycles, performance monitoring and management, and back-up/disaster recovery procedures and policies. A complete review and discussion of the application architecture and requirements is also covered. OpSource is able to convert this discussion into an actionable plan for implementing a new enterprise-class infrastructure.

OpSource's added-value services and enhanced infrastructure provided MediServe with a number of important benefits, including:

1. **Enhanced Security–** OpSource re-architected the infrastructure with upgraded security features. In addition, OpSource is SAS 70 Type II compliant, which means they are able to meet the highest compliance standards for security. OpSource also backs MediServe's HIPAA requirements, and is PCI DSS Level 1 certified. This has all become an important selling point for MediServe as security is a high concern for their customers.
2. **Improved Scalability and Performance-** The new infrastructure provides a foundation for easier growth and delivers superior performance.
3. **Stronger Processes and Procedures-** OpSource helped implement more standardized processes for application releases and change management. In addition, OpSource developed and implemented a complete back-up and disaster recovery system.
4. **24x7 Monitoring and Management-** OpSource provides an Account Manager as the main point of contact for the relationship. In addition, OpSource provides 24x7 live coverage of the environment and a contact is available to discuss issues around the clock. Finally, MediServe has complete visibility into the environment through robust dashboard tools.

OpSource has also provided strategic value to MediServe in unexpected ways. OpSource conducts an annual SaaS Summit event that brings together resources and leaders from the SaaS industry. The event is intended to share best practices and experiences to help move the industry forward. MediServe attended the event and gained significant knowledge and contacts that have helped them with their SaaS strategies. In fact, as a result of the OpSource SaaS Summit, MediServe found and hired one of OpSource's strategic off-shore development partners to build MediServe's new SaaS application. "I learned a lot from the OpSource SaaS Summit and I'm regularly tapping into all of the contacts I made at the Summit. OpSource has a great ecosystem of partners to assist you with your SaaS journey", said Dennis Stevenson.

In short, OpSource has been an invaluable partner for MediServe. "I really like the fact that I have a team that's dedicated to me, that understands my business, my application, and my environment. When I have a question, they understand it completely and can take action without direction. It's a big relief knowing that I don't have to worry about things", concluded Dennis Stevenson.

Microsoft Products and Technologies Support OpSource and MediServe

Microsoft products and technologies provide the foundation for OpSource's and MediServe's

For More Information on Microsoft's Software-plus-Services Strategy

When you combine the ever-growing power of devices and the increasing ubiquity of the Web, you come up with a sum that is greater than its parts. Software-plus-Services is that greater sum. It all adds up to a commitment from Microsoft to deliver ever more compelling opportunities and solutions to consumer and business customers—and to our partners.

Microsoft has vibrant businesses on the desktop and in the enterprise, and is making sizable investments in online services and devices. As these four worlds converge, no technology vendor is better positioned to deliver on the vision of Software-plus-Services. Microsoft has multiple ways to monetize the results through the familiar model of software licensing, offering services by subscriptions, leveraging Microsoft's industry-leading advertising platform or the growing form of micro-payments known as Microsoft Points. And, Microsoft has the world's largest and most diverse partner ecosystem, which is committed to its role in our strategy. For more information visit:
http://www.microsoft.com/softwareplusservices/

success. From a robust set of development tools, to a highly scalable SQL database, and the security and performance of Windows Server, the OpSource/MediServe partnership is well served. "We appreciate the flexibility and capabilities of the Microsoft platform. Microsoft is trusted by our customers and that helps them to trust us as well", commented Dennis Stevenson.

About OpSource

OpSource™ provides complete Cloud operations, infrastructure and services for companies of all sizes, from Software-as-a-Service (SaaS) ISVs to the enterprise, with hundreds of applications, millions of users and billions of transactions supported daily.

OpSource Cloud™ is the first Cloud to bring together the flexibility, availability and community of the public Cloud with security, performance and control the enterprise demands. Emphasizing security, OpSource Cloud provides enterprise users with a Virtual Private Cloud within the public Cloud, allowing them to determine their own degree of Internet connectivity.

For more information visit:
http://www.opsourcecloud.net

OpSource On-Demand™ empowers SaaS ISVs to bring the Cloud to the enterprise by quickly and securely delivering their applications and services over the Web. Going far beyond full-featured managed hosting, the comprehensive, award-winning Cloud operations solution includes the application management, compliance and business services that are necessary for on-demand business success.

Headquartered in Santa Clara, California, OpSource has Cloud and Web application delivery centers in Virginia, London and Bangalore.

For more information visit:
http://www.opsource.net

About MediServe

MediServe, based in Chandler, Arizona, combines financial intelligence with clinical and operational expertise to providers of physical rehabilitation and respiratory care. Through more than 20 years of experience as solution providers, MediServe has developed a strong reputation for helping its clients optimize the value of patient care by improving financial and clinical outcomes, reducing risk, and overcoming the unique clinical challenges these providers face.

For more information visit:
http://www.mediserve.com

About the Microsoft ISV Incubation Program

The Microsoft Incubation Center Program is designed to ease the commercial, financial, and technical challenges ISVs encounter while adding a service-based delivery application to their business offerings. Microsoft has established global facilities with a set of Gold Certified Partners in Hosting to guide ISVs through a structured series of business and architectural consulting sessions to ensure their business model and applications are ready for service-based delivery.

For more information visit:
http://www.microsoft.com/hosting/programs/incubationcenter.mspx

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**Powering Software-plus-Services Solutions:
Microsoft Products Used In This Solution**

- Microsoft Windows Server 2008
- Microsoft .NET Framework 3.5
- Microsoft SQL Server 2008