

Regional Medical Center

# Learning Management System

RFP Review and Vendor Selection

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## **Introduction**

The Regional Medical Center (RMC) distributed a request for proposal (RFP) for a learning management system (LMS) to six vendors. Four vendors successfully completed and returned the RFP within the required time frame. The *top two* responses are included here for consideration. RMC established critical business needs and a comprehensive scoring sheet in order to determine the best LMS. There were four committees formed to review specific sections of the RFP. The committees were divided into clinical aspects, IT aspects, financial, and legal departments. The evaluations were then compiled into one document and presented to the “C suite” to make the final decision.

The key business needs were established by the requirements to obtain a “satisfactory” from The Joint Commission (TJC) as well as create and manage organized training and education requirements for the workforce in the learning management process:

- The system must ensure easy monitoring and tracking of required continuing education for all staff members.
- The system must be able to produce accurate and consistent employee records in a timely fashion.
- The system must allow for easy customization and access for all departments who are involved in monitoring employee continuing education.

In addition, RMC evaluated the vendors and their associated applications on specific functionality and experience. Although this functionality was not considered mission critical, RMC viewed it necessary to support the quality initiative of the organization. Moreover, this functionality would allow RMC to further develop employees and ensure on-going TJC

compliance. The size of the vendor, the vendor’s experience and cliental, and customer referrals were all considered in the section process. Of particular interest was the vendor’s approach to data conversion, transition planning, and implementation strategy. The initial price, on-going price, support price, and maintenance pricing were also strongly considered.

The selected vendor must also have proven knowledge on changes in the regulatory environment for HCOs such as those standards provided by The Joint Commission. “In 2012, The Joint Commission approved one new National Patient Safety Goal that focuses on catheter-associated urinary tract infection (CAUTI) for the hospital and critical access hospital accreditation programs. This goal required organizations to plan in 2012 for full implementation starting January 1, 2013.” ([http://www.jointcommission.org/standards\\_information/npsgs.aspx](http://www.jointcommission.org/standards_information/npsgs.aspx)).

As stated, it is the goal of RMC to achieve a “satisfactory” audit rating from TJC but also to improve patient safety and meeting the standards of the National Patient Safety Goals is a high priority.

**Committee Evaluation Roles**

<b><u>Committee</u></b>	<b><u>Evaluation Responsibilities</u></b>
Clinical Committee	<ul style="list-style-type: none"> <li>• Content customization ability</li> <li>• Tracking and monitoring ability</li> <li>• Ease of use</li> <li>• Reporting functionality</li> <li>• Transition plan</li> <li>• Implementation plan</li> </ul>
IT Committee	<ul style="list-style-type: none"> <li>• Data conversion</li> <li>• Transition plan</li> <li>• Implementation plan</li> <li>• Technical / infrastructure requirements</li> </ul>
Finance Department	<ul style="list-style-type: none"> <li>• Initial license price</li> <li>• Maintenance price</li> <li>• Technical support price</li> </ul>

Legal Department	<ul style="list-style-type: none"> <li>• Contract review</li> <li>• HIPAA compliance</li> <li>• Security and privacy compliance</li> </ul>
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**RFP Responses**

The detailed RFP responses from EthosCE and The HealthStream Learning Center™® (HLC) are included in the appendices. The following table summarizes the overall scoring breakdown for each vendor based on their RFP responses and the criteria and weighting defined in the RFP:

Category	Criteria	Weight	Scoring Notes	RFP #1 - EthosCE	RFP #2 - HLC
<b><u>Software Product</u></b>					
	Functionality that supports RMC's initiatives	15	Overall score - all functionality section 8	13.9	14.1
	Customization	4	Section 8.6 only	4.0	4.0
	Reporting Functionality	6	Section 8.4 only	6.0	6.0
	Ease of Use	5	Section 8.3 and 8.5	4.7	4.8
	Tracking & Monitoring Functionality	5	Section 8.9 only	4.1	4.1
	<b><u>Section Total</u></b>	<b><u>35</u></b>		32.7	33.0
<b><u>Implementation Services</u></b>					
	Transition Plan	5		4	4
	Implementation Plan	12	HealthStream provided much more detail and appears more experienced in implementation project management	8	11
	Data Conversion	8	No data conversion planned	0	0
	Training	6		5	5
	Documentation	4		3	3
	Go-Live Support	5		4	4
	<b><u>Section Total</u></b>	<b><u>40</u></b>		24	27
<b><u>Pricing</u></b>					

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	Purchase Price	10	<b>EthosCE</b> = \$1,020,000 total 5 year cost (\$208,400 / year) <b>HealthStream</b> = \$1,303,000 total 5 year cost (\$260,600 / year) - includes optional patient Safety Library	8	6
	Maintenance Price	15		12	12
	<b><u>Section Total</u></b>	<b><u>25</u></b>		20	18
<b><u>Grand Total</u></b>		<b><u>100</u></b>		<b><u>76.7</u></b>	<b><u>78.0</u></b>

**Budget**

	<b>EthosCE</b>	<b>HLC</b>	<b>HLC plus optional Patient Safety Library</b>
One-time installation and service fees	\$22,000	\$4,000	\$4,000
Monthly per-user charge	\$17	\$15.95	\$21.65
Monthly Total (1000 users)	\$17,000	\$15,950	\$21,650
Annual total	\$204,000	\$191,400	\$259,800
First year total	\$226,000	\$195,400	\$263,800
Five year total cost	\$1,042,000	\$961,000	\$1,303,000
Average annual cost	<b><u>\$208,400</u></b>	<b><u>\$192,200</u></b>	<b><u>\$260,600</u></b>

Both systems come in reasonably close to the expected annual budget of \$200,000. Because both systems are hosted, software as a service (SaaS) systems the annual cost is basically flat over time and does not include initial one-time upfront license fees. The possible inclusion of the Patient Safety Library training content adds nearly 35% to the cost, but may be worth the value, and is a possible point for vendor negotiations. The initial installation fees for HealthStream Learning Center do not include user training and this should be factored in.

Overall, a budget for initial installation fees of \$25,000, plus annual license and support fees of \$200,000 continues to appear achievable.

## **Vendor Selection**

Based on the vendor RFP responses, two of the vendors were immediately eliminated due to several factors: 1. No required experience with healthcare organizations; 2. required reporting functionality not available for TJC compliance; 3. LMS not available in a hosted environment; 4. Small company, with very limited installations and support; 5. LMS does not have delivered healthcare content, must be customized or imported from 3<sup>rd</sup> party authoring content.

The elimination left two vendors to choose from: EthosCE and The HealthStream Learning Center™® (HLC). After careful evaluation of the RFP vendor responses and our scoring sheet, we have selected HLC as the vendor of choice for several reasons:

- HLC scored slightly higher than EthosCE and met the most important required items of the RFP.
- Although vendor experience and stability were not explicitly rated in the scoring, these are important criteria and both give HLC a sizable edge. HLC has been established since 1990 (11 years longer than EthosCE) and has proven experience with implementing in healthcare organizations (large and small hospitals) across the United States.
- HLC is publicly traded and financial data indicate a strong, increasingly profitable company.
- HLC has built-in, system-delivered healthcare content that is easily customized.
- HLC has delivered healthcare content that is in compliance with TJC National Patient Safety Goals and has helped achieve a “satisfactory” TJC rating at all sites where implemented.
- HLC appears to have a high success rate with their SaaS model.

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- Satisfactory discussions regarding implementation and support were held with HLC customer references.
- The HLC system is fully compatible with mobile devices (such as iPad and iPhone).
- Both systems appear to include easy tracking and monitoring of required training and reporting capabilities.
- Both systems appear to include industry standard compatibility (SCORM, AICC, etc.).
- The HLC system appears to be better prepared for scalability for future growth, based on the number of existing large installations.

Although we may potentially exceed our budget of \$200,000 by selecting HLC, we believe that HLC meets the needs of RMC's strategy to ensure employee compliance and improve patient safety through required educational training, certification and licensing.

To help reduce the cost of the system, we will negotiate the optional "Patient Safety Library" component to be included at no cost as part of the subscription fee. We look forward to a successful relationship with HLC through the entire installation and implementation process and beyond.

### **Acceptance Testing**

RMC will require acceptance testing at three stages throughout the system implementation process to guarantee the application complies with the business requirements. There will be an internal acceptance testing team comprised of employees from the vendor. The vendor will be responsible for creating test scripts and plans. The external acceptance testing team will be comprised of RMC's employees. RMC will create test plans and scripts in order to test the required functionality. The vendor will provide a support team to help troubleshoot, however,

RMC will conduct the testing and have final approval. The external acceptance testing will be divided into module testing, installation testing, and final system testing. Key stakeholders will be involved throughout all stages and the vendor will be required to have an action plan within two weeks for any issues that arise. Issues will be categorized as minor, major, or critical and be prioritized appropriately. The proposed resolution will be taken back for acceptance testing and will be considered resolved only after the identifying stakeholder has signed off. A percentage of the total license fee will be withheld until successful completion of each acceptance stage. Five percent will be paid upon successful module testing, 10 percent for installation testing, and 15 percent for final system testing. The application will be considered ready for installation only after successfully completing the final system testing stage.

<b><u>Stage</u></b>	<b><u>Time</u></b>	<b><u>Responsible Party</u></b>	<b><u>Functionality</u></b>	<b><u>Unacceptable Results</u></b>
Module Testing	120 days prior to go-live	<ul style="list-style-type: none"> <li>• Compliance Officer</li> <li>• Education Officer</li> <li>• Clinical Lead</li> <li>• Quality Assurance Officer</li> <li>• Final approval by the clinical committee</li> </ul>	<ul style="list-style-type: none"> <li>• Content module conversion</li> <li>• Content module customization</li> <li>• Content module development</li> <li>• Content module evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Content conversion is unacceptable</li> <li>• Customization limits RMC from achieving quality initiatives</li> <li>• Content development limits RMC from achieving quality initiatives</li> <li>• Evaluation methods are not comprehensive</li> </ul>
Installation Testing	60 days prior to go-live	<ul style="list-style-type: none"> <li>• Compliance Officer</li> <li>• Education Officer</li> <li>• Clinical Lead</li> <li>• Quality Assurance Officer</li> <li>• Human</li> </ul>	<ul style="list-style-type: none"> <li>• Module content is accurate</li> <li>• Ability to develop and create new modules</li> <li>• Ability to monitor and</li> </ul>	<ul style="list-style-type: none"> <li>• Module content is not consistent with paper records</li> <li>• Inability to easily create new modules in a timely fashion</li> <li>• Inability to</li> </ul>



		<p>Resource Officer</p> <ul style="list-style-type: none"> <li>• Final approval by the clinical and IT committees</li> </ul>	<p>track employee progress</p> <ul style="list-style-type: none"> <li>• Ability to produce accurate and consistent records</li> </ul>	<p>monitor and track employee progress</p> <ul style="list-style-type: none"> <li>• Inability to produce accurate and consistent records in a timely fashion</li> </ul>
Final System Testing	30 days prior to go – live	<ul style="list-style-type: none"> <li>• CNO</li> <li>• Human Resource Manager</li> <li>• Compliance Manager</li> <li>• Final approval by the CIO</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure functionality meets expectations</li> <li>• Record conversion</li> <li>• Module conversion and development</li> <li>• Tracking and monitoring functionality</li> <li>• Reporting functionality</li> </ul>	<ul style="list-style-type: none"> <li>• All issues identified in module and installation testing must be fully resolved</li> <li>• Functionality must meet all expectations to pass final system testing</li> </ul>

**Change Management**

The RMC project manager will be responsible for change management and make sure all proposed changes are clearly defined, reviewed, and if approved, be implemented without jeopardizing the project schedule. The change management process will ensure change requests are beneficial and within project scope, determine how the change will be implemented, and manage the change throughout the implementation process. The process detailed in this section will be used to handle all change requests for the entire project.

A change request can only be initiated by a designated member of the project team. This includes, the CNO, clinical lead, compliance officer, human resource manager, legal officer,

finance lead officer, or risk management officer. The project manager will then place the change request into one of the following categories:

- **Scope Change:** Change requests that are vital to meeting the quality initiative for the project. This may include but not limited to: functionality change, module development change, monitoring, tracking, or reporting changes.
- **Schedule Change:** Change requests that will affect the project schedule. This may include but not limited to: data conversion, user training timetables, or implementation schedule.
- **Budget Change:** Change requests that will affect the overall budget for the project: This may include but no limited: application enhancements, configuration or training hours needed.

In order to keep the project on track, it is imperative to consider how each change request will impact the overall status of the project. A submitted change request will be documented and presented to the change control board at the weekly change control meeting. The change control board will review all change requests to determine their validity and impact on project scope, risk, cost, and schedule, and either approve or deny the request. The board retains the right to defer the decision if more information is needed or ask for further explanation from the requestor. If a critical issue arises, the board can call an emergency meeting to approve the change.

The members of the change control board are the following.

<b><u>Position</u></b>	<b><u>Role</u></b>
CIO	Co-chair
CNO	Co-chair
Clinical Lead	Member

Human Resource Manager	Member
Risk Management Manager	Member
Compliance Manager	Member

Depending on the extent and impact of an approved change request, the project manager will provide communication to all stakeholders regarding the change and implementation plan.

Throughout the lengthy RFP process, the Human Resources manager has remained a major proponent of sticking to a paper-based training compliance tracking system. The HR manager, a long-time employee at RMC, could potentially drive the implementation process to fail by resisting the changes needed to make the system a success. However, the HR manager has recently announced her retirement (for reasons unrelated to the LMS process), clearing the way for implementation. Several candidates have been interviewed for the HR Manager position, including several internal candidates, however one external candidate has indicated some experience selecting and implementing a LMS. The selection committee will review the results with the incoming HR manager once they have been selected, in order to seek buy-in.

### **Conclusion**

After weighing all of the inputs of the sub-committees that reviewed each of the RFP responses and viewed system demonstrations, the RMC LMS selection committee has agreed to the selection of the The HealthStream Learning Center™® (HLC). HLC has demonstrated that it is capable to meet all desired system functionality, has been successfully implemented at a large number of healthcare organizations, and is a stable, sustainable company with which RMC can partner to further their quality and patient safety goals through continuing employee education and compliance.

**Appendix 1**

RFP response #1 from EthosCE. See attached.

**Appendix 2**

RFP response #2 from The HealthStream Learning Center™® (HLC). See attached.

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### References:

Project Management Docs. Retrieved 11, 24, 12 from

<http://www.projectmanagementdocs.com/project-planning-templates/change-management-plan.html>

National Patient Safety Goals. Retrieved on 11/25/12 from

[http://www.jointcommission.org/standards\\_information/npsgs.aspx](http://www.jointcommission.org/standards_information/npsgs.aspx)