

Managed Services Versus Staffing Decision Guide

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A guide for Healthcare IT leaders searching to balance resources, costs, and transformation.

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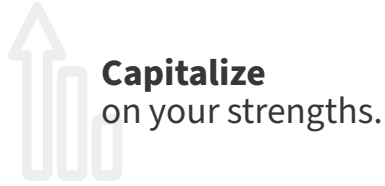
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Introduction

GUIDING PRINCIPLES



In 2013, CereCore began partnering with leaders from healthcare organizations through the decision-making process of partial IT outsourcing using managed services and staffing.

This guide is a collection of experience and insights gained through our legacy as both healthcare operators and IT services providers and is a tool to help you:

- + Understand what these services provide
- + Review the benefits and pitfalls of each
- + Weigh the options so you can make an informed decision about which model is right for you

MANAGED SERVICES

We outsourced to CereCore for the ability to have on-demand service. As we grow, CereCore can quickly flex to support increasing demand. The number of contacts and calls increases over time, and they can leverage their pool of resources and adapt. When we have spikes because of outages, I know the firm does cross-training between customers so they can back up agents when we have high call volume. We also like the 24/7 aspect.

| Director, January 2024, KLAS review

STAFFING

Working with CereCore for Epic staffing has been wonderful - from the responsiveness of the customer services and administrative team to the knowledge and professionalism of the staff we select for contract positions.

| Mary Moran, IT Director and Cogito Project Manager, Revenue Cycle & Business Intelligence at Cape Fear Valley Health System

CereCore is KLAS Rated in Managed IT Services with high scores in services spanning level 1, level 2 and application IT support. Visit [KLAS Research](#) for more client reviews and information.

Chapter 1: Managed Services Defined

WHAT ARE MANAGED SERVICES?

Healthcare IT managed services specialize in day-to-day technology operations such as help desk and IT support services, application maintenance, network, hardware and cloud management to name a few.

The landscape

Interest and adoption of a managed services or partial IT outsourcing model has been steadily increasing in healthcare organizations in recent years. According to a 2022 survey sponsored by CereCore and conducted by HFMA,

47%

of CFOs responded their health system is highly likely or likely to use an IT managed services provider for day-to-day operations.



[See Ch. 6 Outside Perspectives for more survey results](#)

HOW DO YOU INTEGRATE MANAGED SERVICES INTO YOUR ORGANIZATION?

Successfully working with a managed services provider and fostering a collaborative, strategic relationship requires deliberate actions:



Keep your mission at the forefront of the decision.

Bringing on a managed services team can cause uneasiness among employees and threaten the established culture. To avoid disruption within the workplace, communicate openly about how offloading operational IT tasks to a managed services provider can help employees grow professionally. With employees serving in more strategic roles, your organization can be better positioned to fulfill your mission.

Capitalize on your strengths.

First, understand your organization's core competencies and evaluate where your skillset gaps are. To achieve maximum value from a managed services partnership, set clear expectations for providers, and map out how managed services could help you better achieve long-term goals for your organization. Once you have decided which operational IT function to outsource, create criteria (like scope, price and quality) and compare and contrast whether it makes more sense to outsource the effort or to keep it in-house.



Prepare for growth.

The ability to scale technology resources and services is key to achieving and sustaining growth. As healthcare organizations take on digital transformation, merger and acquisition activities and more, partial IT outsourcing for functions like IT help desk and infrastructure services provide a mechanism for consistent, quality experiences for providers, clinicians and patients. This dependable, reliable experience breeds longevity of relationships that is critical to growth.



Years ago, we looked at the help desk as a commodity type service. It is actually the first contact with doctors and nurses, and so you have to be cautious about how you manage that, because it's your first line of defense for the organization. Managed services allow you and your team to start concentrating on innovation. Otherwise, your daily tasks are taken up with the help desk or ticket management.

| Kevin Olson, Chief Information Officer at Jupiter Medical Center

Chapter 2: Pros and Cons of Managed Services

PROS

Lower Operating Cost	Reduce Duplications
<ul style="list-style-type: none">• Economies of scale reduces number of resources needed to perform the task• Standardization leads to continuous improvement, saving time and money• Resources spend time on higher level work, converting non-productive time to productive	<ul style="list-style-type: none">• Cut out the cost of technology equipment and the resources needed to implement and maintain it• Alleviate the burden of hiring and training resources needed to maintain adequate staffing levels
24/7 IT Support	Quality Assurance
<ul style="list-style-type: none">• Healthcare doesn't stop so having support available when needed can drastically improve customer service and minimize disruptions in workflows	<ul style="list-style-type: none">• Outsourced services establish service level agreements and provide performance metrics that measure quality• Insights gained from reporting help uncover opportunities for improvement• Issue triage and project assignment to the appropriate level of subject matter expertise helps ensure timely and accurate resolution

CONS

Lack of On-Site Presence	Misaligned Objectives
<ul style="list-style-type: none">• The pandemic proved that IT functions could be done effectively while remote, lessening the dependence upon on-site resources	<ul style="list-style-type: none">• Ineffective communication with a managed services partner can cause confusion about the vision and goals
Scope	
<ul style="list-style-type: none">• Specialization of IT managed services providers can limit the scope of IT services they provide	

IT DEPENDS

Your organization's size and governance processes could influence these results:

Cost-Prohibitive Without Proper Scope
Without enough scale and standardization to create predictable outcomes and opportunities for improvements that can be demonstrated through tracking and metrics, then a managed service may seem cost-prohibitive.

Standardization
Although standardization is often perceived negatively when it comes to managed services, standardization creates more predictable outcomes and provides opportunities for reporting and metrics.

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Chapter 3: Short and Long-Term Gains of Managed Services

SHORT-TERM GAINS

Alleviate strain on staff.

Managed services take a weight off stressed-out staff by streamlining workflows and allowing employees to focus their energy on higher priority tasks. With the recent staffing shortages, this short-term gain has long-term benefits of reducing staff turnover.

Improve customer service.

Improvements in the quality of customer service are evident almost immediately because of the additional staff dedicated solely to that task. However, these quick results leave a lasting impact after the service is provided. Each positive interaction becomes the building block for a strong reputation.

LONG-TERM GAINS

Operate more efficiently.

A managed services model has proven efficient for healthcare operations functions such as laundry, food, surgical equipment, and lab to name a few. The management and maintenance of 24x7 IT operations can follow a similar successful model.

Enhance patient experience.

Managed services can directly improve patient care by providing quality customer service and expediting patient care. More stable technology and more issues resolved during the first call can go a long way when it comes to helping make sure providers and patients are happy.

Technology touches virtually every part of hospital operations. Through proper governance and controls, a partnership with a managed services provider enables you to do more without managing more yourself.

Improve reputation.

While improving customer service and system reliability can have immediate gains, they also contribute toward your reputation as a quality healthcare provider. Each positive customer service interaction matters and the right managed service partner should be just as concerned about quality as you are.

Expand your organization.

Shifting focus from managing routine operations grants leaders within your organization the freedom to reallocate the time and resources to be used more strategically. Time can be devoted to brainstorming about the future of your organization and working towards fulfilling the goals of your organization.

Chapter 4: Pros and Cons of Staffing Services

PROS

Cost-Friendly Solution	Timely Turnaround of Staff
<ul style="list-style-type: none">Accommodate the need for staff on short-term projects without a long-term commitment	<ul style="list-style-type: none">Staffing firms will do all of the time-consuming HR onboarding processes, allowing your organization time to focus on job specific requirements and training
Doesn't Require Commitment	Provide Niche Skill Sets
<ul style="list-style-type: none">Organizations can decide at any time that they no longer have a need for staffing service	<ul style="list-style-type: none">Specialized subject matter experts can be hard to find without the help of staffing services who can find the right person for the job

CONS

Sensitive Materials	More Complex to Manage
<ul style="list-style-type: none">Although all employees provided via staffing services must sign confidentiality agreements, they still are exposed to potentially sensitive materials	<ul style="list-style-type: none">Managers may need to approach managing temporary staff differently
Long-Term Cost Concerns	
<ul style="list-style-type: none">Extending billable consulting rates over time can create a tipping point that outweighs a managed services model	

CereCore, by placing Ismelda Garza as our IT Consultant, has had an excellent overall impact! She is the perfect fit for our organization with her knowledge of rural hospitals, networking and IT management. The impact was immediate. We have been able to update equipment and policies. She is ensuring that we are spending wisely. She also has been able to implement training of our management staff on security. Ismelda is doing everything wonderfully!!!!

| Alma Alexander, Chief Financial Officer at Cureo Regional Hospital

How will you achieve digital transformation?

2022 CHIME CIO SURVEY

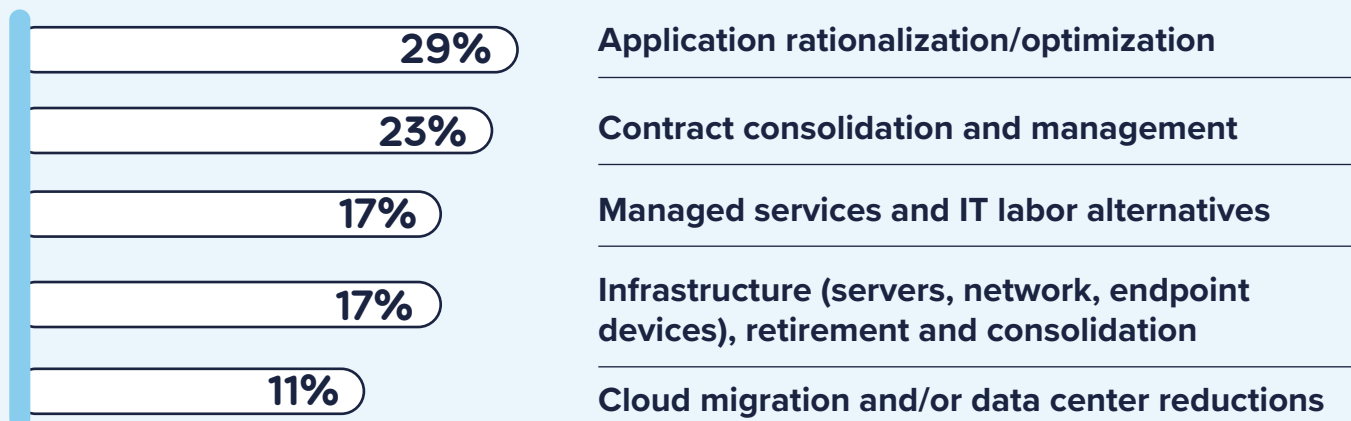
For the past three years, we have surveyed CIOs, all College of Healthcare Information Management Executives (CHIME) members, about the pressures they are facing.

How CIOs responded in the 2022 online survey

When asked about the most challenging barriers to IT operations and initiatives,

53% of CIOs said limited IT bandwidth and the ability to source specialized expertise was their number one challenge.

They are turning to a variety of tactics when it comes to finding ways to drive cost savings and efficiency within their organization:



More than half of the CIOs surveyed said the areas they thought would benefit most from a managed services delivery model were infrastructure, application management, and help desk.



[Read the Complete 2022 CHIME CIO Survey Results](#)

Chapter 5: Do you Choose Managed Services, Staffing, or a Hybrid Model?

Below are questions that can help guide internal discussions to decide if now is the right time to pursue an alternative IT staffing model: managed services, staffing services, or a hybrid approach using both.

- 1 | What are your short-term and long-term goals for your organization? What is your clinical technology focus for the next 3-5 years?
- 2 | Does your goal require a short-term or long-term solution?
- 3 | Do you need a specialized skill set?
- 4 | How will you fund the solution?
- 5 | When you consider the talent within your IT organization, do they have the appropriate training or skills needed for you to achieve those goals?
- 6 | Is your organization positioned for change?
- 7 | If your IT organization was structured differently, what would that look like?
- 8 | Are there individuals in your IT organization with potential to be high performing employees? With additional training would you be able to move them into more strategic roles?
- 9 | If you decided to move to a managed service, do you feel your employees and the organization would benefit from different opportunities to grow and contribute?
- 10 | Is your organization experiencing growth, acquisition, or diversification? Or is your organization a locally focused healthcare organization and your resources are more fixed or limited?
- 11 | Are key stakeholders within your organization expressing frustration with your current infrastructure?
- 12 | What is the culture of your organization like?
- 13 | Where are your core competencies currently and where *should* they be?

Bottom line:

- Short term funding translates well to a staffing model.
- Managed services is the route to take for more permanent, longer-term solutions.
- Ongoing operational costs make more sense for a managed services model.
- Both managed services and staffing services can provide a team with niche skill sets.

THE TIPPING POINT

Upcoming implementations

If your organization has upcoming implementations of new software, managed services can play a pivotal role in having smooth and thriving implementation by providing:



EXPERIENCE



RESOURCES



KNOWLEDGE

Navigating change

While negative feedback may prompt consideration of a different service model, other factors indicating that it is time for a change include:



COST



RESOURCES



PERFORMANCE

When we are comparing managed services with our capability to do the work internally,

I look at three big levers: scope, price and quality. We put together a benchmark to compare and contrast and see if it makes sense for us to start shifting workloads.

| Varun Gadhok, Senior Vice President and Chief Information Officer at Surgery Partners

Chapter 6: Outside Perspectives

Healthcare IT leaders are under maximum pressure to make the best decisions within a strained industry.

A research survey commissioned by CereCore and conducted by HFMA provided the following insight from 238 healthcare executives (CFOs, vice presidents and directors for accounting, finance, revenue and strategy departments) about better meeting patient expectations:

49.6% of respondents said their organization has a digital health strategy.

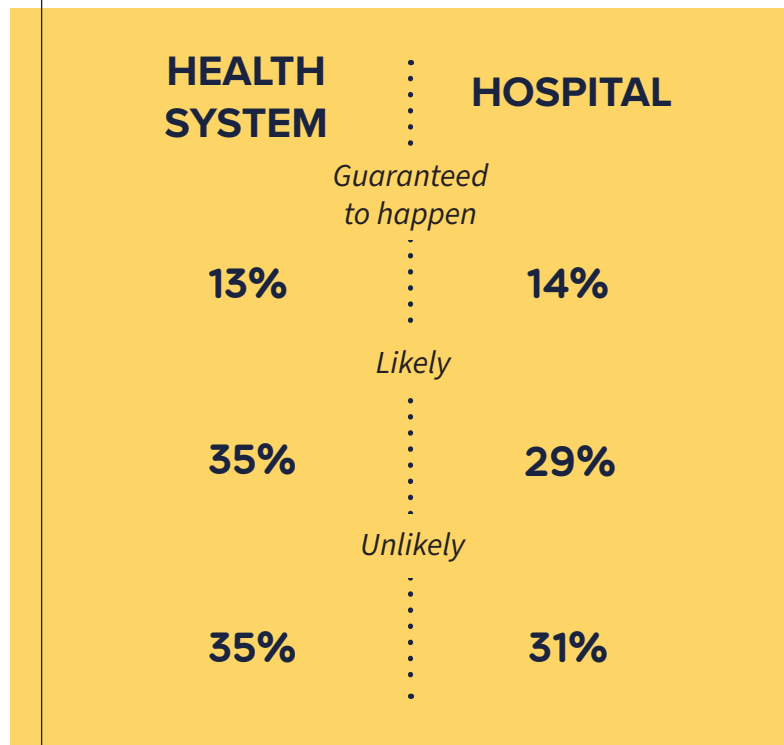
The most popular area of focus for those with a digital health strategy included:

- 1 - Virtual care
- 2 - Providing EHR/data to patients and caregivers
- 3 - Patient experience
- 4 - Providing more self-service options for patients

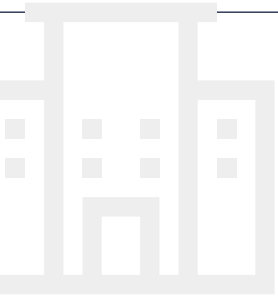
Organizations that *prioritize “Satisfaction”* to assess ROI are statistically *more likely* to use *IT managed services*.

This online survey consisted of 27 questions with the ability to skip any questions not relevant to the individual’s organization to reduce false responses.

When asked how likely their organization is to use IT managed services for everyday technology operations responses were:



Top factors needed for organizations to support outsourcing:



HEALTH SYSTEMS ONLY

- + High service levels
- + Consistent quality
- + Cost effectiveness



HOSPITALS ONLY

- + Cost savings
- + Consistent quality
- + High service levels

48.5%

of respondents do not track results or measure ROI for technology investments.

SO WHAT?

Bottom line: The value of managed services on a macro level includes predictability and cost of the service, because the cost is negotiated at the beginning. This allows organizations to operate with more informed plans, more accurate budget, and better metrics.

THE HYBRID MODEL

Case study: Staffing costs vs. support services

A community hospital has been using four MEDITECH consultants to support and maintain their MEDITECH environment and complete MEDITECH-related projects with a total budget of \$1M.

STAFFING

MEDITECH subject matter expertise required for projects

\$250K
consultant salary*

**current estimated market value for geographic location*

MANAGED SERVICES

Support and maintenance, primarily break-fix tasks

\$13.50
per incident using consultant time for issue resolution

The hospital could reduce their MEDITECH support budget by half.



Here's how:

- Retain two MEDITECH consultants for project implementation
- Outsource MEDITECH support using managed services.

Benefits of hybrid approach to Staffing and Managed Services

Focused expertise.

Consultants focus on optimizing software and delivering projects on time, on budget.

Lower cost of maintenance and support.

Transitioning to managed services model saves approximately \$500K.

Chapter 7: Conclusion

The information in this guide is based on CereCore’s history of successfully working with healthcare systems to provide timely and quality managed and staffing services. The overarching goal of these services is to improve experiences for both patients and providers and effectively serve as a link to life-saving care.

Patient care begins with supporting you

From EHR expertise and help desk to IT infrastructure and specialized staffing, we can support you in many areas seamlessly. Our best practices and sometimes “straight talk” comes from our experience as former CIOs, IT professionals, and clinicians who have served in major health systems. By leaning on us, you can focus on more strategic initiatives, find more value, and directly impact your organization’s ability to care for patients.



Video: Outsourced Level 1 IT Help Desk

Listen to Ardent Health’s CIO and IT Director discuss the decision to move to a managed service model for their Level 1 IT Help Desk.



Connect with us

to learn more about the ways we can support your goals.



[cerecore.net](https://resources.cerecore.net)



THE LINK TO LIFE-SAVING CARE

Sources:

<https://resources.cerecore.net/it-managed-services-in-healthcare-cerecore-cio-cohort-perspectives>

<https://resources.cerecore.net/a-healthcare-it-consultant-story-why-you-need-a-guide>

2022 HFMA Survey conducted by CereCore