

A CollaborateMD White Paper



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Hybrid SaaS Model Saves Medical Organizations Thousands in Economic Downturn

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Medical Organizations Face an Economic Shift



A few short years ago, physicians, hospitalists, and medical billers could afford to have only a general understanding of server-based versus Internet-based software (and sub-category iterations thereof) that would aid them in managing their medical practice and electronically submitting insurance claims. Unfortunately, the new economy dictates a vastly narrower grasp of these two core billing software platforms, their respective sub-classifications, the costs associated with purchase and long-term use, and the key elements of speed and flexibility each offers.

This white paper will not only discuss the differences between these two iconic platforms, but will delve deeper into two Internet-based sub-classifications: browser-based—more recently branded as Software as a Service (SaaS)—and its newer counterpart, the hybrid SaaS model. These two subsets hold the key to keeping money in the pockets of medical billers and physicians in the current economy, but only one does so without sacrificing a rich user experience.

A New Paradigm for a New Era of Medical Billing



Simply stated, the old way of thinking—that is to say, the commitment to making a large capital investment with server-based software to get started billing electronically—is just that; it's old, outdated, and costly. We have seen a recent change in the way physicians and billing departments think, and the growing trend is toward *finding innovative ways to save money while introducing greater flexibility and speeding up the payer payment cycle*. This trend has lent itself easily to the advancement of Internet-based software solutions over the past decade, but at what expense?

Many software users who invested heavily in a server-based solution years ago have found that IT and other hardware costs, not to mention the upgrade and new release costs associated with maintaining the software, have proven to multiply their initial investment without producing any return on investment. Others have chosen to sacrifice the speed and power of server-based solutions for a more affordable, though slower, Internet-based software. With this choice comes greater flexibility and convenience along with concerns about security, HIPAA compliance, and monthly license fees. Though these concerns are valid, they are not characteristic of all Internet-based software.

In years past, the decision for most medical practices and billing services came down to a few key factors: cost, speed, flexibility and security. Proponents of server- and Internet-based platforms will argue their strengths in most, if not all, of these categories; it's the long-standing battle of the "you get what you pay for" mantra of many server-based software providers versus the "convenience and flexibility" sell of Internet-based solutions.

Ultimately, in this new economy, the decision for many comes down to cost. Clearly, Internet-based software is typically the more affordable option; many software users, accustomed to the speed and power of their server-based solution, have re-prioritized their needs to fit their pocketbooks. But as with every paradigm shift, there will be new knowledge and new thinking, with new products and new solutions to quickly follow.

The Emergence of the Hybrid SaaS Model



Despite great attempts by many economic experts to paint a picture of despair and dollar devaluation, the recent economy has shed light on more creative software solutions that seek to provide high quality without high cost. More specifically, there is a great deal more to the Internet-based software solution than many initially realized. For instance, while the majority of Internet-based electronic medical billing solutions are browser-based (SaaS model), another option exists that merges the best of both worlds; a **hybrid solution** combines the convenience and flexibility characteristic of most browser-based applications with the speed, power, and rich user experience credited to many server-based, locally run applications.

Unlike with a browser-based application, hybrid SaaS users install a small application onto their computer. Once the program is running, it appears to the user as a normal Windows application; however, all data requests travel over the Internet to the software providers' data center. One of several unique advantages to this application includes its access to the user's local hard drive for real-time data caching. This proprietary data caching, not available in browser-based programs, allows the program to locally store commonly used data for instant retrieval of information without delays caused by Internet traffic, resulting in increased office efficiency at significantly lower costs.

Hybrid SaaS Indicates Strong Shelf-life



Though the great hope is that the current credit crunch will loosen in the foreseeable future, the sustainability of the hybrid SaaS model offers a long-term safety net to physicians, hospitalists and medical billers nationwide who seek an affordable alternative to traditional server-based and Internet-based solutions without sacrificing the respective speed and power or convenience and flexibility they've come to expect from these less comprehensive models. As it becomes more widely adopted in the future, the hybrid SaaS model will serve to buffer software users from rapid economic declines while still providing the benefits they require from an electronic medical billing software solution.