

The Lay of the Land

Welcome to the Healthcare Informatics 100 — a veritable who’s who of healthcare IT providers.

Welcome to the 14th annual Healthcare Informatics 100. Here you will find the top 100 companies ranked by 2006 healthcare IT revenue. Collectively, these companies sold over \$115 billion in IT products and services to health plans, provider organizations and other business entities, offering everything from highly specialized best-of-breed applications to comprehensive enterprise-wide solutions.

As you peruse our annual ranking, keep in mind that data is self-reported. As such, we rely on the honor system, asking companies to report only healthcare IT-generated revenues and to do it accurately. Though not perfect, we have faith our survey provides a valuable resource to the industry.

The always-changing composition of this annual list reflects the nature of a dynamic, mercurial industry fueled by strategic acquisitions, market consolidation, and the fierce entrepreneurial drive of newcomers. Some companies may have a significantly different ranking than previous years because of changes in how IT revenues were attributed or defined as a result of reorganization. And absent entirely are some large industry players due to limits on the granularity of information they are willing to share.

We rely on the vendors and service providers to make this list a solid resource. So for those companies that have a large presence in healthcare IT but decline to enter, we ask them to reconsider. And for those that entered but didn’t make the cut, we ask them to try again next year. Perhaps a suggestion from you — our readers/their customers — might bring about their appearance on next year’s list.

— **The Editors**

22
 '07

Spheris HEADLINER, NEXT PAGE

Franklin, TN
 (800) 368-1717
 www.spheris.com

19
 '06

Revenue:	\$207,100,000 (06)	\$209,000,000 (05)	\$153,000,000 (04)
HIT Revenue:	100%	Employees: 6202	Market: Private
			Founded: 1998

Spheris is a global outsource provider of clinical documentation technology and services to more than 500 health systems, hospitals and group practices throughout the United States.

Company Executives: Steven Simpson, president and CEO; Tony James, COO

Healthcare Informatics

100 Companies
by Revenue**Spheris, Franklin, Tenn.****RANK: 22**by **Anthony Guerra**

In May 2006, Spheris completed the acquisition of Vianeta Communications, a developer of enterprise clinical documentation technology for hospitals, health systems and group practices, transforming the company from a provider of medical transcription services to one with a first-class technology platform.

“We wanted a platform built on XML and able to work well in HL7 interface standards and enhance HIPAA compliance with security and privacy,” says Spheris CEO Steve Simpson. “We did the acquisition because we needed to have a solid, consistent platform that we could build off of and use as a foundation for continued development.”

The acquisition also put the company in a position to be able to offer a strict technology play, for those healthcare organizations that had their own staff of transcriptionists in house. “We can sell this separately if they don’t need the service behind it,” he says. “This put us in a position to compete and win head-to-head with technology-only companies.”

He says that now the company has the technology to go with its extensive workforce of transcriptionists.

From May to October, Spheris went to work enhancing its new platform, until it released the rebranded “Clarity” offering in late 2006. With the acquisition and integration



Steve Simpson

as a focus, Spheris’ financial performance was largely flat from 2005 to 2006, with revenues inching up and earnings moving ahead modestly. But that’s just fine with Simpson, who says 2006 was the year Spheris positioned itself for the future.

“We think 2006 was a transition year that has set us up for growth as we move through 2007,” he says.

A number of factors have Simpson bullish on the company’s future, not least of which is the aging of the baby boomer generation and the expectation that a greater number of elderly will increase the number of doctor and hospital visits. Additionally,

he notes that currently there are two ways for information to get into an electronic medical record (EMR), and the most prevalent is still medical transcription, now facilitated with speech recognition technology, supported by medical transcriptionists.

“We think we still offer the fastest way to get that information into an EMR,” he adds. ♦

The Spheris Clarity suite is made up of seven applications that can be deployed in an integrated solution or independently:

Clarity Capture:

Dictation capture system

Clarity Convert:

Front-end speech recognition and conversion system

Clarity Care:

View, edit, e-signature, voice file sharing tools for physicians

Clarity Complete:

Document management suite for HIM professionals

Clarity Cornerstone:

Production application for MLS professionals

Clarity Control:

Management and monitoring tools for MLS supervisors

Clarity Courier:

Automated document distribution via printers, fax and EHR/HIS

In April, Spheris joined the “Clinical Documentation Architecture for Common Document Types (CDA4CDT)” project, an industry effort designed to create universal guidelines and templates for the most prevalent dictated clinical documentation. Spheris signed on as a “benefactor” and contributor to CDA4CDT. The company will review and analyze clinical documents and provide abstract findings to CDA4CDT to guide the group’s efforts. The project was initiated by the American Health Data Institute (AHDl), American Health Information Management Association (AHIMA) and M*Modal, and is being managed by Alschuler Associates LLC.