

KLAS Klarification[®]

Re: IT Outsourcing

This notification is a clarification or correction of the public use of KLAS data where the use of KLAS data was unclear, partial or incorrect.

Today's Date: March 3rd, 2006

Who: KLAS Enterprises

What: IT Outsourcing article

When: February 2006

Where: HFM Magazine, article written by KLAS

Incorrect Data Claim:

1. KLAS stated the following: "An increasing number of healthcare organizations, both large and small, are outsourcing their IT operations."
2. The article subheading stated: "Study findings indicate many hospitals are turning to full IT outsourcing to achieve IT excellence."
3. The article heading stated: "Outside IT: the case for full IT outsourcing"

Data Klarification:

1. One hundred (100) organizations representing 317 hospitals or 6% of U.S. (non-Federal, non-prison) hospitals have fully outsourced IT. This can be compared respectfully to 101/320 in 2004 and 90/243 in 2003.
2. Study findings indicate that one of the reasons hospitals outsource IT is to achieve IT excellence.
3. KLAS did not attempt nor intend to make a case for full IT outsourcing. KLAS presents data and does not recommend a course of action.

Data Restatement:

1. The article should have stated: "A relatively stable number of healthcare organizations, both large and small, are outsourcing their IT operations. While some organizations have moved to outsourcing, others have moved away. The net impact: 90 in 2003, 101 in 2004, and 100 in 2005."
2. The article subheading should have stated: "Study findings indicate one of the reasons hospitals outsource IT is to achieve IT excellence."
3. The article heading should have stated: "Outside IT: the facts on full IT outsourcing"