

Top HIS Vendors By Revenue

By Vince Ciotti

Ever wonder how your hospital information system vendor ranks compared with the competition in terms of 2010 annual revenue? With so many “IT.” vendors selling multiple products to hospitals such as supplies, monitors, consulting and outsourcing, “Top Vendor” lists have become very confusing lately.

To set matters straight, *Health Data Management* asked industry experts at HIS Professionals LLC, to devote their decades of HIS experience to the issue, and come up with a list of Top HIS Vendors, whose revenue is comprised primarily of sales of hospital information systems, each word defined as:

- Hospital—their target market is primarily *hospitals*, not physician practices, managed care organizations, long term care facilities or other healthcare markets. Granted, many vendors sell to multiple markets, but we required the *majority* of their revenue to come from hospitals, which eliminates vendors like Sage that sell solely to physician practices.

- Information—the full suite of applications needed to automate all major departments in a hospital: financial (access, HIM, and revenue cycle), and clinical (EHR, nursing, and major ancillary departments). Thus, specialty vendors like Sunquest for laboratory, Kronos for time & attendance, and Lawson for enterprise resource planning are not included.

- Systems—the complete package of hardware, software and implementation needed to convert a hospital, and the ongoing software maintenance and support needed to keep it running. This excludes vendors whose billions in annual revenue are quite impressive, but offer hardware and consulting only, not software.

To obtain 2010 revenue figures, HIS Pros scoured government and financial web sites, published earnings reports and contacted vendors directly to come up with the following table showing leading HIT vendors’ 2010 revenue. In some cases, estimates had to be made for companies that are privately held and don’t publish such figures (HMS and

Keane), or are parts of large conglomerates whose revenue includes many non-healthcare sectors (Siemens and GE). These estimates were based primarily on past years when HIS revenue was reported and adjusted for market share growth or decline since.

Following the revenue tables, HIS Pros provides commentary about each vendor, highlighting product offerings, significant changes from last year, and explaining how estimates were made.

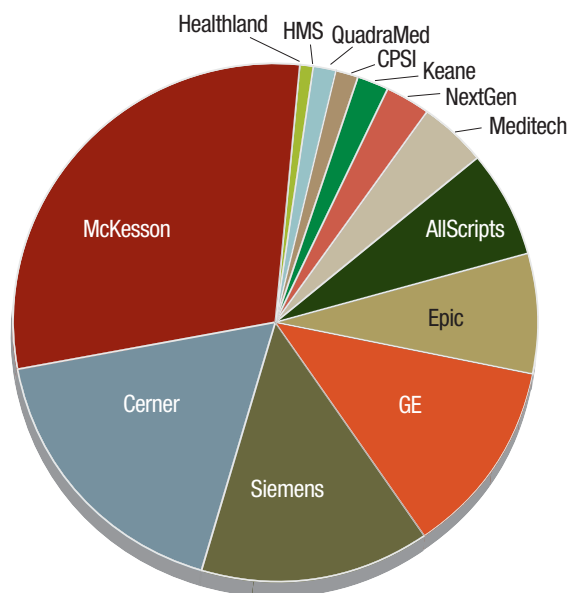
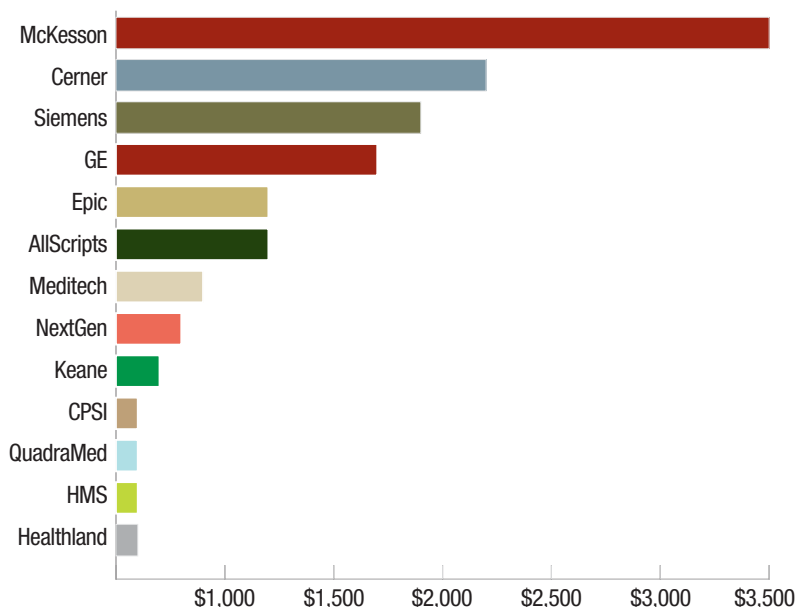
Vendors Commentary

1. McKesson Provider Technologies—who continued its dominance of the HIS market posting over \$3.1 billion in 2010 HIT revenue. In truth, their growth was minor: only up 2 percent (\$60 million) from 2009, most coming from their hot-selling Paragon system for small to mid-size community hospitals. McKesson’s HIS product line alone could create a mini-“Top 10” list, including dozens of Horizon products, such as Star, HERM, Series, and Practice Partners.

2010 HIS Vendors By Revenue (\$s in 000s)

Rank	Vendor	Source	Annual Revenue		HIT Headquarters	Company URL
			2010	2009		
1	McKesson Provider Technologies	SEC 10-K	\$3,124	\$3,064	Atlanta, GA	mckesson.com
2	Cerner	SEC 10-K	\$1,850	\$1,670	Kansas City, KS	cerner.com
3	Siemens	Estimate	\$1,500	\$1,450	Malvern, PA	medical.siemens.com
4	GE	Estimate	\$1,300	\$1,200	Seattle, Wash.	gehealthcare.com
5	Epic	Estimate	\$800	\$650	Vernoa, WI	epic.com
6	AllScripts (Eclipsys)	SEC 10-K	\$704	\$527	Chicago, IL	allscripts.com
7	Meditech	SEC 10-K	\$459	\$393	Boston, Mass.	meditech.com
8	NextGen (Quality Systems Inc)	Biz Wire	\$292	\$263	Horsham, PA	nextgen.com
9	Keane (NTT)	Company	\$190	\$178	Hauppauge, LI	keane.com
11	CPSI	SEC 10-K	\$153	\$127	Mobile, AL	cpsinet.com
10	QuadraMed	Company	\$150	\$145	Reston, VA	quadramed.com
12	HMS	Co. Estimate	\$100	\$75	Nashville, TN	hmstn.com
13	Healthland	Company	\$65	\$60	Glenwood, Minn.	healthland.com

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2. Cerner—whose revenue grew by 10 percent as sales of their Millennium suite of EHR products yielded annual revenues of \$1.85 billion, earning them a solid second place. They are selling strongly in the community hospital market through their remote hosted solutions via a new data center in Kansas City, and now even offer solutions to Critical Access Hospitals (CAH), under 25 beds.

3. Siemen—whose \$1.5 billion HIT revenue is *estimated* based on their complex parent organization, which does over \$140 billion in business worldwide. Siemens hottest-selling product is Soarian, and their future prospects are rosy due to their superb marketing organization, as well as hundreds of clients on Invision and MedSeries IV systems that are lucrative Soarian prospects.

4. GE Healthcare—whose Centricity product line includes the former IDX CareCast HIS and leading practice management systems, as well as MedicalLogic’s Logician ambulatory EMR. GE Healthcare overall had over \$17 billion in revenues (including monitors, MRIs, etc.), and we *estimate* their HIT revenue at around \$1.3 billion through sales of Centricity Enterprise (HIS) and Centricity EMR (practice system).

5. Epic—whose amazing growth has taken them from \$27 million when they first reported HIT revenue in 1996, to about \$800 million

last year: a truly *epic* achievement! We *estimated* the 2010 figure due to their being privately held, and when audited numbers are published, they could approach \$1 billion!

6. Allscripts—which reported \$704 million in 2010 revenues, thanks to their acquisition of Eclipsys in 2010, which alone had \$515 million in 2009 sales of their Sunrise HIS suite. Allscripts has been a major player in the physician practice market for years, merged with Misys temporarily, and we estimate their 2010 revenue was about 70 percent HIS and 30 percent practice.

7. Meditech—whose \$459 million would be even larger if it included hardware, as they and Epic are the only HIS vendors who do not sell servers directly. This is a 17 percent jump from their 2009 revenues of \$393 million, a testimonial to the amazing market acceptance of their new Release 6 HIS, which has more than 20 signed contracts in the first three years.

8. NextGen—a relative newcomer in HIS circles, this practice system vendor with \$292 million in 2010 acquired Opus’ modern and highly functional inpatient EHR, along with Sphere, a hospital financial system veteran. The combination of the three products has made them hot in the small hospital market.

9. Keane—which was sold to Nippon Telephone & Telegraph by Caritor in 2010, com-

plicating their HIT revenue figures. We *estimate* their 2010 HIT revenue at about \$190 million, up from 2009 due to their leading long-term care system, plus sales of their new Optimum HIS to their 100+ PatCom and First Coast clients.

10. CPSI—leader in the small (under 100 bed) hospital market, with \$153 million in revenue. This was up 17 percent from \$127 million in 2009, thanks to strong sales of their highly integrated CPSI System, and enabled them to pass QuadraMed for 10th place in vendor rankings.

11. QuadraMed—whose \$150 million reflects sales of their QCPR (QuadraMed Computerized Patient Record) EHR, acquired from Misys in 2007, to their Affinity client base, as well as a recent major sale of their leading HIM products to VA hospitals.

12. Healthcare Management Systems (HMS)—another leader among small hospitals that projected \$100 million in annual revenues when they announced the acquisition of MedHost, a premier ED system.

13. Healthland—the leader in the under 25-bed CAH (Critical Access Hospital) category, with \$65 million in 2010 revenues, due mainly to sales of EHR applications to their large client base of over 300 hospitals, as well as converting many clients of Advanced Professional Software, acquired in 2008. ■