



# CERNER ACQUISITION OF SIEMENS HEALTHCARE IT

## CURRENT ENVIRONMENT: CLIENT AND EMPLOYEE SURVEY RESULTS

SEPTEMBER 2014

This survey is designed to help stakeholders, investors, clients and employees of Cerner Corporation and Siemens Healthcare IT identify what other insider perceptions, employee insights and client experiences have formed, and are developing, as the acquisition progresses.

The purpose of the survey, requested by several Black Book customers (investment firms, research analysts and financial firms) is to determine if there low-hanging opportunities to improve patient care via information technology from the merger of the corporations, and get a pulse on the outlook for increasing marketshare, cementing both staff retention and client loyalties, and leading the industry post-EHR era innovation through effective use of combined health care information technologies.

Black Book polled the leadership from 249 current Cerner and Siemens inpatient EHR & medical HIT clients, and 303 non-Cerner/non-Siemens inpatient EHR provider organizations to ascertain the sentiments and outlook for information platforms to support the exchange of information and provision and coordination of the most appropriate health care delivery, supplies, equipment and venue of services, as well as the operational, technological and financial road blocks, both current and projected for Cerner Corporation's acquisition of Siemens Healthcare IT. The survey was distributed online via [www.blackbookrankings.com](http://www.blackbookrankings.com) as well as through business social media sites and telephone interviews from August 6, 2014 until September 12, 2014.



## PART ONE: CERNER CORPORATION CLIENT & SIEMENS HEALTHCARE IT CLIENT SURVEY RESULTS

**TOTAL HIT AND INPATIENT EHR USER/CLIENT RESPONDENTS: 552**

**SURVEYED INPATIENT EHR PROVIDER CLIENTS BY VENDOR:**

159 CERNER (29%)

90 SIEMENS (16%)

303 OTHER: EPIC SYSTEMS 78, MEDITECH 64, MCKESSON 52, GE HEALTHCARE 51, ALLSCRIPTS 25, NEXT GEN 12, CPSI 10, HMS 4, OTHER 7 (TOTAL OTHER 55%)

**SURVEYED HIT AND INPATIENT EHR USER/CLIENTS BY JOB TITLE:**

49 CHIEF EXECUTIVE OFFICER/EXECUTIVE DIRECTOR/CHIEF OPERATING OFFICER/ADMINISTRATOR/DIRECTOR (9%)

43 CHIEF FINANCIAL OFFICER/CONTROLLER OR CFO REPRESENTATIVE (8%)

135 CHIEF INFORMATION/TECHNOLOGY OFFICER OR CIO REPRESENTATIVE (24%)

72 CLINICIAN/NURSING OFFICER/MEDICAL DIRECTOR (13%)

253 OTHER INFORMATION TECHNOLOGY OR FINANCE MANAGER/DIRECTOR/LEADER (46%)



**RESPONDENTS BY PROVIDER/FACILITY TYPE:**

**99 SMALL, RURAL &/OR CAC HOSPITAL UNDER 100 BEDS (18%)**

**247 COMMUNITY HOSPITAL 101-250 BEDS (45%)**

**125 LARGE HOSPITAL &/OR ACADEMIC MEDICAL CENTER OVER 251 BEDS (23%)**

**47 CORPORATE OFFICE, CHAIN, SYSTEM, IDN &/OR ACO (9%)**

**30 PHYSICIAN OFFICES, CLINICS, GROUP AS PART OF HOSPITAL NETWORK OR ACO (5%)**

**4 OTHER INPATIENT HEALTHCARE DELIVERY SITE, OR NOT IDENTIFIED**

**TOP RESPONSES PER SURVEY QUESTION ARE HIGHLIGHTED IN PALE ORANGE**



**1. DO YOU CONSIDER THE CERNER CORPORATION ACQUISITION OF SIEMENS HEALTHCARE IT TO BE HAVING A POSITIVE OR NEGATIVE IMPACT ON YOUR ORGANIZATION IN TERMS OF CUSTOMER SERVICE AND CLIENT SUPPORT FROM CERNER?**

<b>CERNER CLIENT RESPONDENTS</b>	<b>POSITIVE (IMPROVEMENT)</b>	<b>NEGATIVE (DECLINE)</b>	<b>DON'T KNOW OR NO CHANGE</b>
<b>SMALL HOSPITALS</b>	<b>43%</b>	<b>50%</b>	<b>7%</b>
<b>COMMUNITY HOSPITALS</b>	<b>11%</b>	<b>10%</b>	<b>79%</b>
<b>LARGE HOSPITALS</b>	<b>4%</b>	<b>6%</b>	<b>80%</b>
<b>HOSPITAL CHAINS &amp; OTHERS</b>	<b>72%</b>	<b>10%</b>	<b>18%</b>



**2. DO YOU CONSIDER THE CERNER CORPORATION ACQUISITION OF SIEMENS HEALTHCARE IT TO BE HAVING A POSITIVE OR NEGATIVE IMPACT ON YOUR ORGANIZATION IN TERMS OF CUSTOMER SERVICE AND CLIENT SUPPORT FROM SIEMENS?**

<b>SIEMENS CLIENT RESPONDENTS</b>	<b>POSITIVE (IMPROVEMENT)</b>	<b>NEGATIVE (DECLINE)</b>	<b>DON'T KNOW OR NO CHANGE</b>
<b>SMALL HOSPITALS</b>	<b>75%</b>	<b>16%</b>	<b>9%</b>
<b>COMMUNITY HOSPITALS</b>	<b>85%</b>	<b>15%</b>	<b>0%</b>
<b>LARGE HOSPITALS</b>	<b>6%</b>	<b>66%</b>	<b>28%</b>
<b>HOSPITAL CHAINS &amp; OTHERS</b>	<b>77%</b>	<b>14%</b>	<b>9%</b>



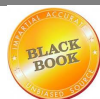
**3. DO YOU CONSIDER THE CERNER CORPORATION ACQUISITION OF SIEMENS HEALTHCARE IT TO BE HAVING A POSITIVE OR NEGATIVE IMPACT ON YOUR ORGANIZATION IN TERMS OF FUTURE INNOVATION & TECHNOLOGY ADVANCES FROM A COLLABORATIVE CERNER/SIEMENS?**

<b>CERNER CLIENT RESPONDENTS</b>	<b>POSITIVE (IMPROVEMENT)</b>	<b>NEGATIVE (DECLINE)</b>	<b>DON'T KNOW OR NO CHANGE</b>
<b>SMALL HOSPITALS</b>	<b>92%</b>	<b>0%</b>	<b>8%</b>
<b>COMMUNITY HOSPITALS</b>	<b>96%</b>	<b>0%</b>	<b>4%</b>
<b>LARGE HOSPITALS</b>	<b>90%</b>	<b>0%</b>	<b>10%</b>
<b>HOSPITAL CHAINS &amp; OTHERS</b>	<b>98%</b>	<b>0%</b>	<b>2%</b>



**4. DO YOU CONSIDER THE CERNER CORPORATION ACQUISITION OF SIEMENS HEALTHCARE IT TO BE HAVING A POSITIVE OR NEGATIVE IMPACT ON YOUR ORGANIZATION IN TERMS OF FUTURE INNOVATION & TECHNOLOGY ADVANCES FROM A COLLABORATIVE CERNER/SIEMENS?**

<b>SIEMENS CLIENT RESPONDENTS</b>	<b>POSITIVE (IMPROVEMENT)</b>	<b>NEGATIVE (DECLINE)</b>	<b>DON'T KNOW OR NO CHANGE</b>
<b>SMALL HOSPITALS</b>	<b>84%</b>	<b>1%</b>	<b>15%</b>
<b>COMMUNITY HOSPITALS</b>	<b>87%</b>	<b>2%</b>	<b>11%</b>
<b>LARGE HOSPITALS</b>	<b>53%</b>	<b>22%</b>	<b>25%</b>
<b>HOSPITAL CHAINS &amp; OTHERS</b>	<b>94%</b>	<b>0%</b>	<b>6%</b>



**5. WHAT IS THE LIKELIHOOD THAT YOUR ORGANIZATION WILL INVEST IN CERNER CORPORATION PRODUCTS & SERVICES, POST-ACQUISITION OF SIEMENS?**

<b>SIEMENS CLIENT RESPONDENTS</b>	<b>NO PLANS TO CHANGE EHR OR HIT VENDOR</b>	<b>WILL PROBABLY CONSOLIDATE OR SHIFT FROM SIEMENS TO CERNER</b>	<b>WILL PROBABLY SEEK NON-CERNER/NON-SIEMENS EHR</b>	<b>INVESTIGATING CERNER/SIEMENS ADDITIONAL PRODUCTS</b>
<b>SMALL HOSPITALS</b>	<b>93%</b>	<b>7%</b>	<b>0%</b>	<b>54%</b>
<b>COMMUNITY HOSPITALS</b>	<b>78%</b>	<b>20%</b>	<b>2%</b>	<b>60%</b>
<b>LARGE HOSPITALS</b>	<b>44%</b>	<b>23%</b>	<b>33%</b>	<b>51%</b>
<b>HOSPITAL CHAINS &amp; OTHERS</b>	<b>95%</b>	<b>5%</b>	<b>0%</b>	<b>53%</b>





6. IF YOU ANSWERED, “WE INTEND TO SEEK NON-CERNER/NON-SIEMENS EHR/HIT POST-ACQUISITION”, WHICH VENDOR DOES YOUR ORGANIZATION/YOU LEAN MOST TOWARDS AT THIS TIME?

SIEMENS CLIENT RESPONDENTS	EPIC	ALLSCRIPTS	GE HEALTHCARE	OTHER/DON'T KNOW
<b>LARGE HOSPITALS &amp; ACADEMIC MEDICAL CENTERS OVER 251 BEDS</b>  (Total Respondents n= 30 )	20%  (n=6)	33%  (n=10)	7%  (n=2)	23%  (n=7)
<b>PREFERRED VENDORS</b>				
SIEMENS CLIENT RESPONDENTS	POPULATION HEALTH	EHR	REVENUE CYCLE	OTHER/DON'T KNOW
<b>WHICH SYSTEM WOULD YOU MOST LIKELY CONSIDER AS AN ALTERNATIVE TO CERNER/SIEMENS PRODUCTS FROM ANOTHER VENDOR</b>	8%	52%	86%	62%



**7. WHICH PRODUCT LINES DO YOU/YOUR ORGANIZATION ANTICIPATE ADVANCING TO BEST-IN-BREED THROUGH CERNER IN A POST-ACQUISITION CERNER-SIEMENS COLLABORATION IN YOUR HOSPITAL CATEGORY?**

CERNER AND SIEMENS RESPONDENTS COLLECTIVELY	REVENUE CYCLE MANAGEMENT	VALUE-BASED ACCOUNTABLE CARE & POPULATION HEALTH	CLINICAL DECISION SUPPORT	BUSINESS DECISION SUPPORT	HIE & INTEROPERABILITY	QUALITY REPORTING	EHR
HOSPITALS UNDER 250 BEDS	70%	96%	87%	24%	67%	92%	44%
HOSPITALS OVER 250 BEDS	72%	93%	80%	18%	74%	91%	79%
CHAINS, SYSTEMS, NETWORKS, ACOS	83%	90%	83%	20%	69%	94%	86%



## PART TWO: CERNER CORPORATION EMPLOYEES & SIEMENS HEALTHCARE IT EMPLOYEE SURVEY RESULTS

**TOTAL EMPLOYEE RESPONDENTS: 297**

**SURVEYED EMPLOYEE BY VENDOR:**

123 CERNER (41%)

174 SIEMENS (59%)

**SURVEYED EMPLOYEES BY JOB TITLE:**

122 TECHNOLOGY & IT SUPPORT STAFF

50 CLINICIANS

27 ADMINISTRATIVE STAFF & SUPPORT

68 MARKETING & SALES

30 OTHER

**RESPONDENTS BY EMPLOYER WORK LOCATION:**

39 SIEMENS CORPORATE



**135 SIEMENS FIELD**

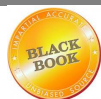
**21 CERNER CORPORATE**

**102 CERNER FIELD**



**8. IS THE ACQUISITION ENVIROMENT AND CERNER CULTURE PERCEIVED AS POSITIVE OR NEGATIVE TO YOU/YOUR CAREER IN COMPARISON TO POSSIBILIITES AND POTENTIAL WITH SIEMENS PRE-ACQUISITION OR COMPETITOR HIT COMPANIES?**

<b>SIEMENS EMPLOYEE RESPONDENTS</b>	<b>POSITIVE (CAREER ENHANCING/OPPORTUNITIES)</b>	<b>NEGATIVE (BETTER BEFORE)</b>
<b>TECHNOLOGY</b>	<b>86%</b>	<b>14%</b>
<b>CLINICIANS</b>	<b>96%</b>	<b>4%</b>
<b>ADMINISTRATIVE &amp; SUPPORT</b>	<b>87%</b>	<b>13%</b>
<b>MARKETING &amp; SALES</b>	<b>89%</b>	<b>11%</b>
<b>OTHER</b>	<b>96%</b>	<b>4%</b>



**9. IS THE ACQUISITION ENVIROMENT AND CERNER CULTURE PERCEIVED AS POSITIVE OR NEGATIVE TO YOU/YOUR CAREER IN COMPARISON TO POSSIBILIITES AND POTENTIAL WITH SIEMENS PRE-ACQUISITION OR COMPETITOR HIT COMPANIES?**

<b>CERNER EMPLOYEE RESPONDENTS</b>	<b>POSITIVE (CAREER ENHANCING/OPPORTUNITIES)</b>	<b>NEGATIVE (BETTER BEFORE)</b>
<b>TECHNOLOGY</b>	<b>94%</b>	<b>6%</b>
<b>CLINICIANS</b>	<b>100%</b>	<b>0%</b>
<b>ADMINISTRATIVE &amp; SUPPORT</b>	<b>62%</b>	<b>38%</b>
<b>MARKETING &amp; SALES</b>	<b>77%</b>	<b>23%</b>
<b>OTHER</b>	<b>82%</b>	<b>18%</b>



**PART THREE: FOUR YEAR COMPARISON OF CERNER CORPORATION AND SIEMENS HEALTHCARE IT ON BLACK BOOK'S 18 KEY PERFORMANCE INDICATORS**





2014 – 2013 – 2012 – 2011 (FOUR YEAR BLACK BOOK SURVEY AWARD PERIODS)

**INPATIENT PRACTICE EMR/EHR VENDORS: COMMUNITY HOSPITALS 100-299 BEDS**

Top 10 Electronic medical/health record vendors, Inpatient Hospitals 100-299 Beds & Network Physicians and Group Practices

ANNUAL SURVEY RANK POSITION	2014	2014	2013	2013	2012	2012	2011	2011
	EMR VENDOR	MEAN SCORE	EMR VENDOR	MEAN SCORE	EMR VENDOR	MEAN SCORE	EMR VENDOR	MEAN SCORE
<b>1</b>	<b>CERNER</b>	<b>9.72</b>	<b>CERNER</b>	<b>9.46</b>	<b>CERNER</b>	<b>9.59</b>	<b>CERNER</b>	<b>9.26</b>
2	<b>SIEMENS</b>	<b>9.54</b>	MCKESSON	8.91	EPIC	9.21	MEDITECH	9.11
3	MCKESSON	9.37	EPIC	8.83	MEDITECH	9.03	CPSI	8.43
4	EPIC	9.13	PROGNOCIS	8.74	MCKESSON	8.62	GE	8.28
5	ALLSCRIPTS	8.97	RAZORINSIGHTS	8.65	<b>SIEMENS</b>	<b>8.57</b>	ALLSCRIPTS	8.15
6	CPSI	8.69	CPSI	8.52	GE	8.47	HMS	8.01
7	GE HEALTHCARE	8.45	HMS	8.49	ALLSCRIPTS	8.41	<b>SIEMENS</b>	<b>7.56</b>
8	NEXTGEN	8.41	<b>SIEMENS</b>	<b>8.46</b>	CPSI	8.36	QUADRAMED	7.22
9	MEDITECH	8.29	QUADRAMED	8.39	QUADRAMED	8.32	EPIC	7.20
10	QUADRAMED	8.12	HCS	8.38	HMS	8.29	3M	6.84

Source: Black Book Rankings

SCALE: 0 = DEAL-BREAKING DISSATISFACTION/UNDERACHIEVES 10= OVERWELMING SATISFACTION/EXCEEDS EXPECTATIONS



Indicates Four Year Consecutive #1 Top Vendor Ranking COMMUNITY HOSPITALS 100-299 BEDS





**SUMMARY OF CRITERIA OUTCOMES 2014: COMMUNITY HOSPITAL EHR VENDORS**

<b>Summary of criteria outcomes</b>		
<b>Total number one criteria ranks</b>	<b>Vendor</b>	<b>Overall rank</b>
<b>12</b>	<b>CERNER</b>	<b>1</b>
<b>3</b>	<b>SIEMENS</b>	<b>2</b>
<b>2</b>	EPIC SYSTEMS	<b>4</b>
<b>1</b>	MCKESSON	<b>3</b>
Source: Black Book Rankings		





## 2014 Top score per individual Back Book criteria

KPI	Criteria	EHR Vendor	Overall rank
1	Vendor overall preference/vertical industry recommendations MU1 & MU2	CERNER	1
2	Innovation	CERNER	1
3	Training	CERNER	1
4	Client relationships and cultural fit	CERNER	1
5	Trust, Accountability and Transperancy	CERNER	1
6	Breadth of offerings, client types, delivery excellence	SIEMENS	2
7	Deployment and outsourcing implementation	CERNER	1
8	Customization	EPIC SYSTEMS	4
9	Integration and interfaces	SIEMENS	2



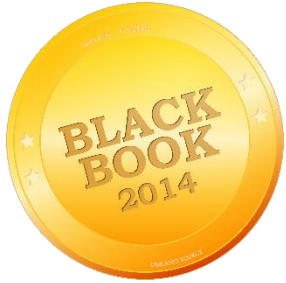
10	Scalability, client adaptability, flexible pricing	CERNER	1
11	Compensation and employee performance	EPIC SYSTEMS	4
12	Reliability	CERNER	1
13	Brand image and marketing communications	CERNER	1
14	Marginal value adds	MCKESSON	3
15	Viability and Managerial Stability	CERNER	1
16	Data security and backup services	SIEMENS	2
17	Support and customer care	CERNER	1
18	Best of breed technology and process improvement, includes MU3	CERNER	1



2014 INPATIENT HOSPITALS & AFFILIATED MEDICAL PRACTICES, Top Ranked Electronic Health Records Vendors – raw scores Hospitals 100 – 299 Beds

2014 Rank	INPATIENT EHR VENDOR	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	MEAN
1	CERNER	9.90	9.81	9.72	9.77	9.84	9.77	9.64	9.31	9.74	9.34	9.76	9.87	9.87	9.04	9.85	9.86	9.95	9.83	9.72
2	SIEMENS	9.74	9.54	9.64	9.31	9.77	9.80	9.21	9.70	9.79	9.18	9.63	9.22	9.44	9.53	9.23	9.87	9.50	9.59	9.54
3	MCKESSON	9.71	9.39	9.62	9.67	9.46	9.52	8.77	9.36	9.51	9.28	9.43	8.83	9.19	9.82	9.56	9.06	9.05	9.47	9.37
4	EPIC SYSTEMS	8.98	9.05	9.13	9.43	9.09	9.54	8.84	9.82	9.13	8.97	9.78	8.60	9.30	8.38	8.52	9.50	8.79	9.52	9.13
5	ALLSCRIPTS	9.07	8.44	9.03	8.91	8.82	9.29	9.02	9.75	9.49	8.86	8.24	8.32	8.18	9.53	9.13	9.27	8.95	9.09	8.97
6	CPSI	8.62	8.76	8.65	8.99	8.50	9.10	8.74	9.66	7.17	9.20	9.21	9.36	9.20	9.43	8.77	8.49	6.16	8.49	8.69
7	GE HEALTHCARE	8.73	9.50	6.31	8.21	9.63	9.49	8.44	8.55	9.33	8.51	8.06	8.16	7.99	8.82	9.12	9.06	9.27	9.11	8.68
8	NEXTGEN	8.54	9.09	8.09	9.05	8.17	8.99	8.37	5.73	8.37	8.17	9.16	9.74	8.38	7.70	8.64	8.49	8.91	8.55	8.45
9	MEDITECH	7.28	8.76	9.10	7.90	8.54	7.67	8.91	7.84	8.16	8.43	9.35	7.64	8.79	9.13	8.16	9.28	7.81	8.58	8.41
10	QUADRAMED	7.92	8.74	9.40	8.21	8.31	7.55	8.18	8.69	7.35	8.03	8.62	8.04	7.74	7.98	8.76	8.04	8.96	8.65	8.29
11	OPTUM	7.88	7.41	7.99	8.41	8.29	6.85	8.40	8.05	8.39	7.71	8.18	8.13	8.56	8.21	8.52	7.84	8.80	8.45	8.12
12	HEALTHLAND	8.07	6.46	8.62	8.37	7.47	7.74	8.07	8.74	8.65	6.92	7.16	8.43	8.64	7.80	8.25	8.47	8.19	7.77	7.99
13	HMS	8.38	8.50	7.59	6.75	7.59	8.15	6.75	7.41	7.84	7.69	8.30	8.97	8.18	8.29	8.92	7.09	8.49	8.43	7.96
14	ATHENAHEALTH	8.49	7.26	8.75	7.37	6.93	6.61	8.87	7.86	7.05	7.86	7.71	7.39	6.94	8.98	8.41	7.99	9.33	8.14	7.89
15	ECARESOFIT	7.74	6.56	7.85	8.37	8.45	6.71	8.26	7.91	8.09	7.57	8.04	7.99	8.42	6.80	8.38	7.70	8.66	8.31	7.88
16	VERSASUITE	8.24	7.56	7.63	7.42	7.45	8.24	6.79	7.36	7.70	7.64	8.32	8.92	7.20	8.38	7.97	7.18	8.89	8.35	7.85
17	IATRIC	8.78	7.08	7.09	7.49	6.96	6.88	8.04	8.10	7.57	7.29	7.50	8.79	8.30	9.04	7.66	8.08	8.16	8.03	7.82
18	PROGNOSIS	8.51	7.46	7.71	7.89	8.42	7.22	7.38	8.32	8.23	8.85	8.15	6.45	7.04	7.62	5.58	8.91	7.79	7.87	7.74
19	VISTA	6.89	6.94	7.52	8.04	8.12	6.38	7.93	7.01	6.77	7.24	5.44	5.79	8.09	6.47	8.05	7.37	8.33	7.98	7.24
20	HCARE	7.66	8.01	7.05	6.84	6.87	7.66	6.21	6.78	7.12	7.06	6.58	8.34	5.72	7.80	7.28	6.60	8.41	7.77	7.21





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