

# InsidePerspective

ACHIEVE THE POWER OF MEDITECH

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## Self Hosting versus Remote Hosting: What are the real costs?

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All things considered, a major strategic advantage for MEDITECH is that they consistently provide clients with one of the lowest total costs of ownership. If you're contemplating migrating from MAGIC to the Client/Server environment to realize the benefits of the enhanced functionality, you're also probably analyzing the overall financial picture of your MEDITECH infrastructure. There are some obvious costs, such as the capital cost of the servers and storage. There are also other direct expenses, such as Microsoft software licenses, sales tax, and shipping costs.

But the true total cost of ownership for the MEDITECH environment is not calculated just by adding up the costs of the hardware and software licenses. You'll also need to factor in the operational costs of self-hosting your MEDITECH infrastructure.

For starters, if you're moving from MAGIC to Client/Server, you're going to need more servers. And although rack-optimized servers reduce your floor space, they'll increase the electricity demand of watts per square foot in your data center. Many hospitals with data centers that were built two or more years ago are running out of the power capacity in their current data center and having to invest substantial capital for increased power sources backed up by larger UPS systems and larger capacity generators.

The trend towards "global warming" of the data centers is also of growing concern to CIOs who are looking for new and creative ways to protect their server investment. With the increased demand for power comes an increased demand for cooling in the data center. When you stop to think that every watt of power consumed equals a demand of 3.41 BTUs per hour, it's no surprise that data centers are becoming hotter. Many servers today are equipped with sensors that will put the server into shutdown mode when the temperature reaches the maximum threshold. However, this is hardly an effective solution, given today's need for 24/7 access to the EMR and other HCIS functions!

As you move to the Client/Server environment, you may need additional FTEs to support the daily care and feeding of the Microsoft Windows operating system. There are frequent operating system updates, security updates, and critical updates for Microsoft Windows, and these need to be planned and implemented—in addition to the daily operational activities such as back-ups, rotating tapes off-site, and updating the anti-virus definitions.

### **We can help with the analysis.**

In order to effectively analyze the total cost of ownership, we have developed a *Total Cost of Ownership Tool* that is available to our clients to assist them with analyzing the true costs of self hosting versus remote hosting for their MEDITECH environment. This tool will detail the operational costs such as additional electricity and HVAC, additional FTE costs, data center improvement costs (where required), data center maintenance costs, and tape operation costs.

Most organizations also realize that there are "soft costs" associated with many decisions. The Total Cost of Ownership Tool takes these into account, too—guaranteed uptime, physician loyalty, and potential repurposing of

the existing data center space along with guaranteed backups, among others. What value would you place on having an operational recovery plan and a disaster recovery plan in place that meets various compliance and governance directives such as HIPAA and JCAHO requirements?

**We can help with hosting, too.**

MSite, our MEDITECH Managed Remote Hosting solution, provides both operational recovery plans and disaster recovery plans that are tailored to meet the needs of individual organizations, including yours.

MSite also provides the MEDITECH infrastructure as part of the monthly operational expense, giving you an alternative to a capital purchase. So your organization not only avoids the initial capital investment, but also avoids the continuing costs of technology refreshes that are required over time.

As your organization grows, there is often an increased demand for servers and storage capacity to operate your MEDITECH platform. MSite offers “just in time” hardware availability that saves you from having to invest today in technology that you won’t need until 18-24 months down the road. The Total Cost of Ownership Tool takes this into consideration, too.

So, what does it really cost to self-host your MEDITECH infrastructure? Are there economic advantages to remote hosting for your MEDITECH infrastructure that you might not have considered? To find out, please contact your JJWild sales rep and they can arrange an appointment to discuss the *Total Cost of Ownership Tool* or email me at [editor@jjwild.com](mailto:editor@jjwild.com).

*Ken Brasch has over 25 years of IT infrastructure experience including over 10 years of experience with remote hosting and data center operations.*