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*Total Practice Performance*



# **A Primer on Cloud-based Solutions**

*A Guide Prepared by ACOM Health*

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## Who should read this primer?

Forward-thinking organizations of all sizes are rapidly adopting cloud-based solutions to manage finances, human resources, office administration and other critical business needs. More than 1,500 different solutions are available, and the worldwide market is expected to exceed \$50 billion in 2018.<sup>1</sup>

Among the firms most eagerly adopting cloud-based technology are small and mid-sized chiropractic offices and other health care providers. They recognize the benefits and advantages of engaging expert resources to manage technology, allowing them to concentrate on their professional practice.

This primer is intended for chiropractic offices that are considering deploying a cloud-based solution and require an introduction to this mode of computing. It describes the basic characteristics of cloud-based solutions and the potential advantages over older, on-premises applications.

## What is a “cloud-based” solution?

A cloud-based solution is a method of running software and storing data on a remote computer server. This server “in the cloud,” along with the software and data, is managed by a third party. The software and data are accessible via the internet, and users reach them through a web browser on their PC, tablet, or smartphone.

Cloud-based solutions are sometimes referred to by other terms including “web-based” solutions or “software-as-a-service” solutions.

## What makes cloud-based solutions different?

Cloud-based solutions are characterized by several common features that distinguish them from on-premises and older methods of delivering technology.

### *Solutions run on remote servers*

Cloud-based solutions run on remote computer servers maintained in a secure location. They are fundamentally different from traditional “on-premises” solutions in which the software runs on computer servers maintained by the user themselves, typically sitting inside a chiropractor’s office.

<sup>1</sup> IDC, [Worldwide SaaS Enterprise Applications](#), December 2014

**Comparison of Cloud-based Solutions and On-premises Applications**

	Cloud-based solutions	On-premises applications
<b>Hosting, Management &amp; Maintenance</b>	Hosted & managed “in the cloud” by the solution vendor. Vendor provides all hardware and support	Hosted & managed by the customer on-premises. Customer provides hardware and support
<b>Payment model</b>	Term subscription	One-time perpetual license fee, annual maintenance fee
<b>Upgrades</b>	Included in subscription fee. Delivered to all users on regular basis	Major upgrades are less frequent and require new license fee & re-deployment effort

**Data stored offsite**

Data associated with the cloud-based solution is stored offsite in a secure computer storage system. It is instantly accessible to the user via the internet. The data is backed-up regularly and protected from unauthorized access. Unlike an on-premises application, the data is not stored in a local computer hard drive.

**Vendor responsible for hosting, management, and maintenance**

Cloud-based solutions are hosted, managed, and maintained by the solution vendor. They provide the hardware, software, networks and professional IT expertise. Unlike older, on-premises solutions, the customer is no longer responsible for installing, maintaining and upgrading the solution.

**Purchased via a subscription, not perpetual license**

Cloud-based solutions are most commonly purchased via a subscription for a specified term. The term may extend for one month or over several years, and renewal terms are typically spelled out in the contract. This is in contrast to on-premise applications’ one-time, perpetual license cost and on-going maintenance fees.

**Upgrades delivered automatically**

With a cloud-based solution, the vendor delivers updates over the life of the subscription. These updates might include minor improvements or significant new capabilities. The cost is included in the subscription price, and the updates are delivered automatically.

**Configured, not customized**

Cloud-based solutions can be tailored to suit the particular requirements of individual chiropractic offices. These are usually configured when the solution is initially implemented. The core of the system is not changed, however, which allows the solution provider to deliver more rapid enhancements, faster deployment, better support and lower costs.

## How can Chiropractic Offices Benefit from Cloud-based Solutions?

Cloud-based solutions present several advantages to chiropractic offices:
Lower initial costs
Lower ongoing costs
HIPAA-compliant security
Faster deployment
Automated backup
Instant recovery
Quick connection to complementary services
Automatic, hassle-free updates
Access to information from anywhere

### Lower initial costs

Most cloud-based solutions are sold via a subscription model, payable in increments over the life of the subscription. As a result, initial costs are generally substantially less than the cost of a perpetual software license, which is paid up-front, for a traditional on-premises application.

The subscription model allows organizations to account for the cost of the cloud-based solution as an operating expense as opposed to a capital expense.

Initial costs are also lower as chiropractic offices have no need to purchase dedicated hardware on which to run the solution. Though the office needs its own PCs, tablets, or smartphones to access the solution, the large-scale computers, storage devices, and other infrastructure are provided by the vendor.

### Lower ongoing costs

Cloud-based solutions generally incur lower ongoing costs than traditional on-premise applications. The costs of maintaining and updating software and hardware are the responsibility of the vendor, not the customer.

## Comparison of Total Cost of Ownership: On-premises Applications vs. Cloud-based Solutions

Expenses	On-premises	Cloud-based
Software application	One-time, upfront perpetual license	On-going subscription, payable incrementally
Maintenance	Annual fee	Included
Upgrades	New perpetual license	Included
Hardware (servers, etc.)	Required	Included
Infrastructure (facilities, network, storage, etc.)	Required	Included
IT support staff to deploy, monitor, maintain, upgrade, etc.	Internal or external support expertise required	Included
Training	Required	Included
Customer help	Required	Included

Comparing cloud-based solution subscription costs to the on-premises license cost is not a “lease vs. buy” comparison. Though a simple calculation can identify when the cloud-based subscription cost will exceed the on-premises license cost, this comparison is often incomplete and inaccurate. That calculation does not necessarily account for all the costs, including:

- Hardware required to run the application and store data
- Personnel costs to install and maintain an on-premises application
- Costs of periodic updates to the on-premises application – updates that are included in the cloud-based subscription price
- Opportunity costs and lower ROI due to slower deployment of on-premises applications.

### **HIPAA-compliant security**

With a cloud-based solution, the vendor is responsible for the security of patient data. Instead of sitting in hard-drives on computers in the chiropractor's office, the data is protected securely off-site, safe from unauthorized access.

Using the latest in security technology and with the support of teams of experts, cloud-based solution vendors can provide substantially greater security than small chiropractic offices can afford to pay for themselves.

### **Faster deployment**

Because cloud-based solutions are already up and running and ready-to-use, chiropractic offices can usually deploy the solution more quickly than they can deploy an on-premises solution. There is no need to install the application on each computer. New users point their browsers at the solution - already running in the cloud - enter their login information, and it is instantly accessible.

Though cloud-based solutions usually require some initial configuration, data input and training, chiropractic offices can avoid the expensive and months-long deployment process typical of many on-premises applications. Faster deployment means a more rapid return on the investment.

### **Automated backup**

Cloud-based solutions automatically back-up systems and data, eliminating the need for someone in the office to manually back-up information. Moreover, the information is stored off-site in a secure location and is not at risk of loss or damage should the office suffer a disaster.

### **Instant recovery**

Cloud-based solutions are typically supported by redundant hardware and software, minimizing the risk of downtime. While a failure in on-premises systems can shut down a chiropractor's office, a cloud-based solution provides an instant back-up. Data is not lost and the system remains up and running.

### **Quick connection to complementary services**

With a cloud-based solution, chiropractic offices can easily add on related services, such as appointment reminders or online patient registration. The solution can also be integrated with automated billing and payment solutions.

Unlike on-premises solutions, connecting to complementary services does not require reconfiguring software on individual computers sitting in the office. Professionals with the cloud-based solution provider can manage the set-up remotely.

### **Automatic, hassle-free updates**

Cloud-based solutions are generally updated regularly over the course of the subscription. As the vendor enhances the solution, the new features are incorporated into the service and made available automatically to each customer. There is no need for a chiropractic office to purchase new licenses or undertake major application overhauls.

### **Access to information from anywhere**

Cloud-based solutions are accessed via standard web browsers. Chiropractors and office administrators can access the solution to update patient records, review reports, or conduct any other function from anywhere that they have access to the internet.

The ability to access solutions anytime, anywhere, through the internet makes cloud-based particularly attractive to organizations with several offices or with doctors and administrators who need access to critical information even when they are not in the office.

## Glossary of Common Terms

**Activation:** The time at which the customer is given access to the cloud-based solution. The term of the subscription and billing typically begin upon activation.

**Cloud Computing:** The delivery of computing as a service rather than a product. Software and data are accessible to computers and other devices over the Internet.

**Down-time:** The time a cloud-based solution is not available to the customer's organization. Under most service level agreements, down-time excludes scheduled system maintenance and interruptions beyond the control of the solution provider.

**On-Premises Applications:** Software installed on the user organization's own servers and maintained by its own staff.

**Perpetual license:** The right to use a particular application in perpetuity. This is the most common license model for on-premises applications.

**Renewal:** The process of re-subscribing to a cloud-based solution for another term. Renewal policies are typically specified in the contract. Subscriptions often renew automatically unless the customer explicitly cancels.

**Software-as-a-service (SaaS):** A solution hosted in the cloud and accessed via a browser. This term is often used synonymously with cloud-based solution.

**Subscription:** The right to access a cloud-based solution for a defined period of time.

## About Acom Health

Thousands of chiropractors rely on Acom Health for cloud-based solutions, expert advice, and on-going guidance to help them run a more efficient and profitable practice. Trusting Acom Health to efficiently prepare accurate documentation and streamline billing and collections, chiropractic offices can devote themselves to providing high quality patient care.

Unlike products that consist of a confusing array of disjointed features and functions, each chiropractor's relationship with Acom Health is crafted to suit their particular needs. It may include the company's EHR and Practice Management software with its built-in step-by-step guidance. The solution can also integrate with ACOM's Claims Management, Billing and Collection Service, a complete suite of services designed to increase reimbursements and take the headaches out of chiropractic billing and insurance claims reconciliation.

All chiropractic practices benefit from Acom Health's expert configuration advice and training, in addition to on-going guidance from a dedicated customer success manager and experts with first-hand experience as doctors and billers.

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