

OVERVIEW OF THE EHR INDUSTRY

With over 300 companies providing Electronic Medical Record Software, it is not at all surprising that many experts, including ourselves, believe that there will be a substantial amount of consolidation in the near future.



Estimates on the size of this market range widely.

However, it is likely to be between \$500 Million and \$2 Billion dollars annually in total EHR Sales.

Most other industries with gross revenues of a billion dollars have a small handful of market leaders, and a few dozen followers. This market remains substantially more fragmented, with hundreds of competitors.

EHRVA, or the Electronic Health Records Vendors Association claims that their 42 members represent at least 90% of the EHR market.

The remaining vendors, which are not EHRVA members, are splitting a very small pie. Some of these companies will do very well in the future, while others may be at risk of being acquired, or worse yet, of discontinuing operations. Yes, of course there are many smaller companies that fit a particular niche, and this can be said most particularly of many of the companies which market to one or two very specific specialties or care groups. Companies which specialize in marketing to long term care facilities, for instance, may not need to be Fortune 500 companies to survive. A more general EHR which is not selling millions of dollars of software annually is likely to be a take-over target in the near future. And those which are selling that much are even more likely to be acquired.

In the last 3 years EMRConsultant.com has seen 30% of the original 250 companies in its database disappear. Some were purchased by larger companies and others went bankrupt.

Who knows, maybe a small company with great technology will become a takeover target by a larger company looking for just the right mix of features.

EMRConsultant.com reviews financial information for companies listed in this Compendium. We utilize credit rating services such as Dun and Bradstreet and others. While we have not been given the authority to publish some of this financial information, we do utilize it in making our recommendations when consulted privately.

The original list of companies in 2004 bears some resemblance to the current list. However mergers, acquisitions, bankruptcies and other corporate changes make the differences rather notable. We will discuss some of these major changes in the articles provided monthly, and there will be more subtle changes in the listings of the various companies as well. We hope you enjoy EHR Scope, and we'd be delighted to hear from you at scope@emrconsultant.com if you have any comments you care to share with us.



○ | 2004 EMRConsultant.com lists 250 EHR Vendors on its Website

○ | In the intervening 36 months, 75 of the original 250, or 30% of these companies either closed, were acquired, or changed product lines.

○ | And yet there are new companies entering the market on a monthly basis..

○ | EMRConsultant.com is a magnet for people who have interesting questions about the industry.

○ | Not a month goes by without fielding a request from a well intentioned entrepreneur with a few dollars who wants to produce an EHR.