How does your HIS vendor rank in terms of annual revenue? With so many "HIT" vendors selling diverse products and services such as hardware, imaging, consulting and outsourcing, "Vendor" lists have become very confusing. For example, is it fair to include hardware vendors like IBM, niche players like CareFusion, or consulting firms like CSC?

To set matters straight, industry experts at HIS Professionals, LLC, devoted their 25 years of consulting experience to come up with a true list of HIS vendor revenue, comprising business with large ($1 billion and up) or mid-size ($500 million and up) or small (under $500 million) business. Its primary hospital information systems are defined as follows:

- **HOSPITAL**: The target market is primarily hospitals, not physician practices, management consulting, life sciences, or other niches. Granted, many vendors sell to multiple markets, but the majority of their revenue should come from hospitals.

- **SYSTEMS**: The complete package of software, hardware, and implementation that is needed, plus the ongoing software maintenance and support to keep it running. This excludes vendors like Dell and Hewlett Packard whose billions in annual revenue are quite impressive, but offer hardware and consulting only, not HIS software.

To obtain 2012 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 HIS vendors’ 2012 revenue. In some cases, estimates had to be made for companies that are privately held and don’t publish such figures (e.g., Epic and HealthLand), or are a part of large conglomerates whose revenue includes many non-health care sectors (e.g., Siemens and GE). These estimates were based on past years when HIS revenue was reported and adjusted for market share growth/descent since.

HIS Pros also provides commentary about each vendor, highlighting product offerings, significant changes from previous year’s operations and explaining how any revenue estimates were made.

**1. McKesson**: Its Provider Technologies division was only 3 percent of the parent company’s $122 billion revenue, but a far larger ratio of profits. The $3.6 billion in technology revenue includes non-hospital divisions such as InterQual and Relay Health; therefore we estimated their pure HIS revenue at about $3.2 billion, slow growth from last year due to a sad sunset on the Horizon, despite which they are still the Paragon of HIS vendors.

**2. Cerner**: Revenue grew by 21 percent as sales of its Millennium suite of HIS products yielded annual revenue of $2.6 billion, again earning the company a solid second ranking. Cerner is selling strongly in the community hospital market through its remotely hosted solutions, has a large international presence and now even offers CommunityWorks to critical access hospitals with less than 25 beds.

**3. Siemens**: The $1.8 billion HIS revenue is estimated based on its complex parent organization, which does over $108 billion worldwide, of which 17 percent is attributable to health care, primarily through sales of imaging equipment. Soarion is selling very well, and future prospects are rosier due to a superb sales organization as well as hundreds of clients on its aging Invision and MedSeries4 systems that are lucrative Soarion prospects.

**4. Epic**: This tidal wave in the HIS industry has won virtually every major integrat ed delivery system and academic medical center contract over the past several years, topping 2012 with the win at New York City’s Health and Hospitals Corp. We project his hospital revenue, at $5.5 billion, co- incidentally equal to what their CEO Judy Faulkner was recently valued at in Forbes magazine. Future prospects are equally rosy as the “lemming effect” seems to be taking hold in large HIS decisions.

**5. Allscripts**: Slipped from 4th place in 2011 due to a year of turmoil in its C-Suite, boardroom and stock market. Nevertheless, Black from Cerner may represent a Sunrise in their future. Allscripts has been a leader in the physician EMR and practice man agement market for years, so combined with the HIS it acquired from Eclipsys, it’s now a major player in the interoperability/ACO world.

**6. GE**: Slipped again this year due to losing many Centricity Enterprise (hospit al) clients and not winning a single large hospital sale in many years. We estimate HIS revenue has dropped to $850 million, although parent GE is still the 6th largest firm in the United States by gross revenue, and its health care division, which sells myriads of technology products in radiology (HIS/PMCS) and other niches (CVIS) is still going strong.

**7. Meditech**: The $979 million revenue figure would be even larger if it included hardware, Meditech and Epic being the only HIS vendors that do not sell servers but rather pass that revenue to Perot (which acquired Hit Tools). Net income was $130 million. While it only had 21 percent revenue growth, we assign this to its ability to juggle three product platforms with hundreds of hospitals on each. Magic, Client/Server and Release 6. Wonder when Release 7 is coming out?

**8. NextGen**: A relative newcomer in HIS circles and a division of Quality Systems, Inc., it acquired the Opus hospital EMR and Sphere’s financial systems, creating a total HIS to go along with strong physician EMR/practice management products. We estimate its 2012 revenue at $375 million, mostly in the small hospital market where most of our competitors struggle with the underlying concepts.

**9. Computer Programming & Systems (CPSI)**: The leader in the small (under 100 bed) hospital market with $183 million in revenue and a 36 percent net profit margin. Revenue was up only 5 percent from 2011’s $174 million, but profits rose to $30 million, thanks to sales of its highly integrated CPSI System and upgrades in its client base of over 600 small hospitals, many of which are upgrading to EMR modules.

**10. Healthcare Management Systems (HMS)**: The company from Nashville (not the other “HMS” based in NYC providing managed care software), another leader among small hospitals that we estimate had $175 million in annual revenue last year, much of it from its acquisition of Med-Host, a premier EDIS, and a new ambula tory EMR system. The company is owned by Primus Capital, a private equity firm.

11. NTT Data (formerly Keane): The company’s parent (Nippon Telegraph & Telephone) is a $33 billion worldwide giant. The IT subsidiary, NTT Data Inc., posted more than $1.25 billion in worldwide revenue in 2012, of which we estimate HIS revenue at about $150 million, thanks mainly to its indus try-leading long-term care system plus other NTT Data IT acquisitions.

12. QuadraMed: The $106 million revenue is down from last year’s $175 million, due to the sale of the Quantum and HIM system to Nuance, which had been a large chunk of their business. The company’s QPCR EMR at New York City’s Health and Hos pital Corp. will be replaced over the next few years. In 2011, we listed only $36 million in 2012 rev enues, due mainly to sales of EMR applica tions to the large client base of 400+ hos pitals, as well as upgrading many Classic clients to the newer Centric EMR.

About the Authors
The authors are principals with the firm HIS Professionals, LLC. 

- **Vince Ciotti** has over 40 years of HIS industry experience, including 15 years working for leading vendors like SMS and Epic. Contact vince@hispros.com.

- **Bob Alcaro** focuses on health care fi nancial systems and has been with HIS Pros for over 20 years. He can be reached for comment at balcaro@hispros.com.