

InterOptic

By Advantage Optics

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◆ APPLICATION NOTES:

HOW OPTICAL TRANSCEIVERS HELP HEALTHCARE PROVIDERS

Federal policy puts increasing pressure on healthcare provider organizations (HPO) to conform to a government view of medical data and efficiencies. Most HPOs now comply with Electronic Medical Record (EMR) and Health Information Exchange (HIE) initiatives.

Yet HPOs need a complete Information Technology (IT) solution to drive real business improvement. That means they need to address more components. HPOs must fully implement Activity Based Costing (ABC), Patient Reported Outcomes (PRO) and an Enterprise Data Warehouse (EDW), says Dale Sanders of Health Catalyst.

These IT initiatives are expensive. HPOs need new software components, plus compute, storage and networking hardware that often surpasses all their existing hardware. The result: healthcare organizations are reassessing how to select data equipment vendors.

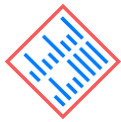
Progressive CIO's and IT leads see the need to unbundle vendor offerings. They drive a line-item analysis of each major cost element in the IT network.

Many are surprised to discover that the largest cost component is not the compute, storage or networking devices. It's the optical interconnection paths among devices, which uses optical fiber or copper wiring.

Even more expensive are the transceiver devices on each end that terminate into the equipment. The average cost of 10Gb data interconnections is 50% to 60% of the overall equipment cost.

THE 5 CRITICAL INFORMATION SYSTEMS

- ◆ **An Electronic Medical Record (EMR)** is used in a consistent and meaningful way across the accountable care enterprises. It documents patients' healthcare status and treatment and supports safe, evidence-based care.
- ◆ **A Health Information Exchange (HIE)** enables sharing of patients' clinical data across disparate EMRs in the accountable care enterprise.
- ◆ **An Activity Based Costing (ABC)** system enables detailed, patient-specific collection of cost data. That data enables the accountable care organization to precisely understand cost of production and revenue margins in capitated payment models.
- ◆ **A Patient Reported Outcomes (PRO)** system enables the complete understanding of clinical outcomes and quality from the patient's perspective. It's not a patient satisfaction system but a clinical outcomes assessment system that is tailored to the patient and the protocols of treatment.
- ◆ **An Enterprise Data Warehouse (EDW)** is central to enabling the analysis of data collected in the information systems described above—and more. Without an EDW, the data collection systems described above are relegated to small or non-existent ROI. The exposure and integration of the data in the EDW liberates ROI from those systems. It is common for EDWs to realize an ROI as high as 450% in as little as 2 years.



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Given the major cost impact, many organizations now bypass OEM transceivers to seek a better solution that:

1. Perform as good as or better than OEMs.
2. Achieve support levels and expertise that surpass the OEM.
3. Fund progress on other IT needs, such as the 5 discussed above.

InterOptic (IO) offers a broad range of OEM-equivalent

transceivers, specified, tested, assembled and programmed to equal or exceed OEM optics.

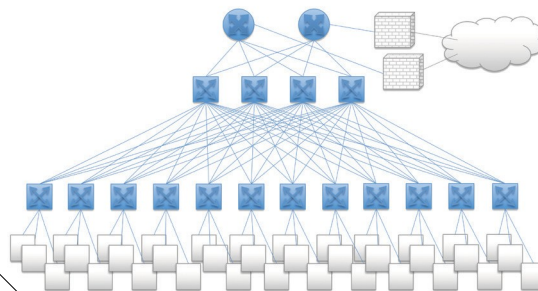
In addition, InterOptic's optical heritage and expertise is a critical value component for many customers. That's because optics are becoming the de facto interconnect for all IT networking needs.

Data equipment OEM vendors do not emphasize optics, but optics is InterOptic's only business. Our high-performance organization with reduced overhead enables us to deliver high-quality, high-performance products that offers savings of 25% or more. This combination makes InterOptic the premier Tier 1 supplier of optical transceivers. For example, note the typical spine-leaf architecture with optical interconnect, and compare the costs of an OEM versus InterOptic.

One example of value realized with

InterOptic OEM-equivalent transceivers is shown in the access-aggregation network below. This network is typical of a large metro campus where services are delivered, and data is shared across multiple sites.

Compare the cost of a standard OEM deployment versus a deployment with InterOptic transceivers. Healthcare organizations save more than 20% of overall equipment costs, which can be applied to higher priority IT needs.



This comparison (right) reflects the latest, lowest

price OEM offerings. These savings grow because InterOptic can handle all your optical transceiver needs, including parts OEMs have discontinued. That means healthcare organizations can keep network equipment in service longer.

The bottom line: InterOptic can meet all optical transceiver needs with zero impact on performance and quality.

ITEMS	COUNT	PRICE	EXTENDED
N6004EF w/2 40Gb Line Cards	4	\$49,000	\$196,000
N6001 1U Frame	12	\$28,000	\$336,000
40Gb LR4L	96	\$3,117	\$299,232
10Gb LR-S	576	\$988	\$569,088
10Gb SR-S	576	\$338	\$194,688
OEM Transceiver Cost Percentage: 66.6%			

ITEMS	COUNT	PRICE	EXTENDED
N6004EF w/2 40Gb Line Cards	4	\$49,000	\$196,000
N6001 1U Frame	12	\$28,000	\$336,000
AO 40Gb LR4L	96	\$2,150	\$206,400
AO 10Gb LR-S	576	\$690	\$397,440
AO 10Gb SR-S	576	\$230	\$132,480
TOTAL:			\$1,268,320
IO Transceiver Savings: 30.7%			
Overall Data Center Savings: 20.5%			