

A new document strategy for healthcare

Helping Meet Cost, Care and Compliance Mandates



Hospitals, clinics and other healthcare delivery organizations have a big enough job in carrying out the important, complex work of saving lives and improving patient health. Yet along with fulfilling their principal charge, these organizations must also deal with a raft of day-to-day business and operational issues.

Resources, from people to facilities to funds, are growing scarcer, while uninsured populations burgeon. Government mandates and regulations consume an ever greater portion of staff time and attention. And competition exerts unrelenting pressure to control costs.

Add to these challenges an increased focus on improving patient safety, and the ceaseless introduction of new technology, and there is little wonder that healthcare providers are desperate for ways to improve efficiency and streamline operations.

Increasingly, these organizations are turning to outsourcing providers for a broad range of services to help meet the growing demands on their systems, processes and people. One of the most promising new areas in which to capture the opportunities provided by outsourcing is document production and management.

A range of outsourcing activities

Outsourcing is not new to the healthcare industry. Third parties routinely handle such administrative operations as coding, claims submission and receivables management.

Healthcare organizations also are entrusting customer-facing activities to outsourcing providers. These include inbound and outbound patient call centers, as well as enrollment assistance for the key customer group of physicians and other providers.

Clinical processes, from radiology to clinical trials, are emerging as outsourcing candidates as well. Indeed, healthcare providers are finding that almost any activity beyond their core competencies and mission can be considered an outsourcing candidate. If someone else can do the work as well or better at a reasonable cost, few business processes are off limits.

As outsourcing spreads into more healthcare operations, a companion development is the emergence of variable-cost pricing. Historically, outsourcing arrangements have imposed long-term contracts and fixed equipment and staffing costs on healthcare organizations. Variable-cost pricing, also known as utility pricing, is an alternative to fixed-cost arrangements that is fast gaining traction, particularly in the information technology (IT) arena.

Organizations are now paying for IT processing power on a consumption basis – on the meter – rather than for the capacity of the computers. In addition to impressive costs savings through better alignment of usage and expenses, utility computing services keep organizations from being saddled with obsolete equipment, as well as providing the benefits of the best available technology.

Document production – new opportunities in outsourcing

Whenever a gurney rolls down the hospital hallway, a doctor picks up an instrument or a nurse tends a patient, paper is nearby. The central role that documents play in healthcare is captured in a single statistic: According to the American Hospital Association, every 30 minutes to one hour of patient care results in one hour of accompanying paperwork that must be properly documented and communicated.

Documents can have a sizable financial and operational impact on hospitals and other healthcare institutions, making them a prime candidate for outsourcing. According to a CAP Ventures study, the healthcare industry prints more than 100 billion pages annually, largely attributable to the industry's voluminous use of forms. The number of documents and the time people must spend to create and handle them generates significant costs.

Along with being a big budget item for hospitals, documents can also be a big headache. With increasing paperwork comes greater potential for human mistakes. And lost paperwork can lead to non-reimbursed services, with hospitals and other healthcare organizations absorbing the cost.

Document usage drivers

The reasons for healthcare's heavy reliance on paper are well known. First, there is the sheer volume of healthcare regulations. CAP Ventures reports that Medicare alone accounts for an estimated 130,000 pages.

Regulations also are changing at a dizzying pace, requiring frequent document revisions and updates. And with the enactment of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), document accuracy and security have become of paramount importance to anyone associated with the healthcare profession.

Healthcare also is an increasingly competitive industry. As a result, effective marketing and clear communication with patients, healthcare professionals and other constituencies are imperative.

A broad array of documents

According to CAP Ventures, about 75 percent of the documents in a hospital are primarily black and white forms such as standing orders, preprinted orders, patient care maps and hundreds of other documents vital to tracking, scheduling and administering patient care.

Along with forms for tracking patients and treatment, and meeting administrative and regulatory requirements, other document types further reveal their pervasiveness in the healthcare setting:

- **Publication documents** – Directories, manuals, user guides and newsletters.
- **Transaction documents** – Invoices, statements, evidences of coverage, contracts and policies.
- **Utility documents** – Forms, labels, stationery, envelopes and business cards.
- **Office documents** – Memos, reports and presentations.
- **Promotional documents** – Brochures, catalogs and direct mail.
- **Patient-specific materials** – Educational, correspondence and identification materials.

Traditionally, healthcare organizations have relied on on-site print facilities to produce many of these documents.

The case for variable-cost document outsourcing

- As variable-cost outsourcing continues to gain favor, document production is emerging as one of the best candidates for the new approach.
- Document solutions have historically required healthcare organizations to lease copiers, printers and other devices for use in centralized reproduction, at the department level for walk-up use and on the desktop. These systems generally come with rigid requirements, such as three- to five-year contracts for equipment and service that dictate minimum usage fees and place fixed costs on the books. Purchasing contracts for machine supplies and maintenance agreements for upkeep have compounded the problem, as have rapid technological advancements that render equipment obsolete.
- Organizations also tie up human capital in running the print shop. Fixed costs for training employees and keeping them in jobs not related to the core business, coupled with the expense of real estate dedicated to non-core activities, contribute to inefficiency.
- Additionally, traditional solutions frequently offer a limited scope of print technology tied to a single vendor's equipment and service offerings. Finally, inefficient fulfillment processes result in turnaround times that rarely keep up with the quick pace of the daily business routine.
- By contrast, with the variable-cost approach, an organization turns to a document specialist to oversee document production and management. It then pays only for documents that are produced, rather than set monthly minimums and other embedded costs. Depending on the circumstances, the document specialist can deploy equipment and personnel on-site at the healthcare facility, handle production at local or near-site locations, or a combination of both.
- By taking fixed costs for real estate, equipment and labor of on-site print shops off their books and transitioning to a variable-cost outsourcing model, healthcare institutions can realize substantial savings in printing expenses.

On-demand solutions offer savings and operational improvement

Replacing the costs and inefficiencies of the in-house print shop with the print-on-demand capabilities of a document service provider can provide healthcare organizations with an array of benefits. Instead of producing and storing large quantities of documents that ultimately become obsolete and go unused, organizations can employ online catalogs, centralized content management and other service provider capabilities to create, manage and maintain a broad range of document types. Forms, training manuals, marketing brochures and other documents can be produced in whatever quantities needed, with significant savings in paper, printing and storage.

With print-on-demand, healthcare organizations can:

- Reduce the cost of document management.
- Enhance control over forms versioning.
- Simplify document revisions.
- Ensure timely document distribution.
- Improve information control.
- Secure document management and transmission.

As healthcare organizations continue to implement print-on-demand solutions, print service providers serve as valuable partners in analyzing document workflow and identifying areas for improved efficiencies and cost reductions. For example, legacy documents can be scanned and integrated into databases. From a database, documents are sent for printing as required and then delivered when and where they are needed. Document management software allows for easy reprinting of documents.

Forms production presents major opportunity

An area that offers potentially dramatic savings for hospitals is the production of forms, the essential documents that capture and communicate critical patient and other information.

Continuing growth, changes in regulations and the drive for cost control have provided the impetus for a dramatic shift in forms production from offset printing to print-on-demand solutions. Because of continual content changes, forms typically are printed in shorter runs than in the past, a requirement ideally suited to print-on-demand approaches.

Print-on-demand solutions harness the power of electronic storage and distribution capabilities to create significant value for a healthcare organization. The ability to create, revise, update, order, distribute and print forms electronically offers significant cost and productivity improvement benefits, including:

- Electronically managed document storage and distribution in a rapidly changing environment.
- Elimination of the need for expensive warehousing programs.

- Quick and easy revision and updating of printed documents when necessary, reducing inventory obsolescence.
- Standardized work processes to realize greater cost efficiencies and return on investment.
- Production of targeted and personalized materials that can be distributed to patients, healthcare professionals and other constituents.
- Production of time-critical materials in long runs for mass distribution or in short runs of customized pieces.

According to CAP Ventures, it is estimated that forms printed on-demand can save on average 25 to 45 percent of the total costs incurred using offset. Along with the significant savings resulting from forms no longer being warehoused and obsolete, productivity improves as forms are now available online, enabling users to access, view and retrieve them quickly and conveniently.

In addition, forms content receives greater emphasis, as healthcare professionals focus less on printing and more on communication and patient care. Finally, human error is minimized as improved version control ensures only current forms are accessible for capturing and disseminating essential patient information.

Other print-on-demand opportunities

Along with forms, other documents that are excellent candidates for print-on-demand include:

- Course materials and training handbooks, produced as-needed with timely and accurate content.
- Marketing documents such as brochures, newsletters, manuals and fundraising materials to promote services and specialties, raise healthcare awareness and grow market share.
- Reports and presentations to support both business administration and marketing requirements.
- Stationery, letterhead and envelopes needed for business communications.
- Booklets including physician directories, benefits explanations and volunteer handbooks.
- Patient-specific materials.

Bottom-line benefits

Variable-cost documents solutions can deliver significant savings in labor, shipping, equipment and inventory over fixed-cost models. Additionally, a document specialist can help healthcare organizations analyze document needs, identify the most appropriate services, and tailor documents for the greatest impact, instead of relying on standard package offerings. The result is an enterprise-wide document strategy that replaces the proliferation of printers, copiers and related document expenses commonly found at the departmental or workgroup level.

The print-on-demand capabilities of a document specialist also eliminate the need for large print runs, which often result in production and storage of documents that ultimately become obsolete and go unused. Additionally, turning documents over to a specialist allows an organization to reallocate the time of employees previously involved in managing document services to more productive activities.

The pressures on the healthcare industry to contain costs while delivering quality care show no signs of abating. Instead, providers are challenged to wring even greater efficiency out of their operations. By capitalizing on the opportunities of variable-price, on-demand printing solutions, healthcare institutions can take a major step toward that goal, while maintaining their focus on healing and health.