ROI: From Outsourcing to In-house

Webinar
February 24, 2009

Practical Tools for Seminar Learning
The American Health Information Management Association makes no representation or guarantee with respect to the contents herein and specifically disclaims any implied guarantee of suitability for any specific purpose. AHIMA has no liability or responsibility to any person or entity with respect to any loss or damage caused by the use of this audio seminar, including but not limited to any loss of revenue, interruption of service, loss of business, or indirect damages resulting from the use of this program. AHIMA makes no guarantee that the use of this program will prevent differences of opinion or disputes with Medicare or other third party payers as to the amount that will be paid to providers of service.

As a provider of continuing education the American Health Information Management Association (AHIMA) must assure balance, independence, objectivity and scientific rigor in all of its endeavors. AHIMA is solely responsible for control of program objectives and content and the selection of presenters. All speakers and planning committee members are expected to disclose to the audience: (1) any significant financial interest or other relationships with the manufacturer(s) or provider(s) of any commercial product(s) or services(s) discussed in an educational presentation; (2) any significant financial interest or other relationship with any companies providing commercial support for the activity; and (3) if the presentation will include discussion of investigational or unlabeled uses of a product. The intent of this requirement is not to prevent a speaker with commercial affiliations from presenting, but rather to provide the participants with information from which they may make their own judgments. This seminar's faculty has made no such disclosures.
Faculty

Carol Ann Quinsey, RHIA, CHPS

Carol Ann Quinsey, RHIA, CHPS, has over 30 years experience in the HIM profession, including time spent as a manager in community hospitals and specialty settings; an organizational leader for medical records, transcription, quality improvement, utilization management, and medical staff services in acute and corporate care settings; and a practice manager for AHIMA. Ms. Quinsey is currently serving as president of the Washington State Health Information Management Association.

Maria Watts

Maria Watts is director of HIM at Bayfront Medical center in St. Petersburg, FL. Ms. Watts has over 20 years experience in operations and account and financial management in healthcare. Her experience encompasses creating ROI best practices including work flow assessment, productivity improvement, and monitoring; and developing procedures and tools that standardized processes in all departments that handled and released personal health information.
# Table of Contents

Disclaimer ................................................................................................................... i
Faculty ...................................................................................................................... ii

**Background and Introduction**
- ROI Outsourcing Vendors ............................................................................. 1
- Polling Question #1 ....................................................................................... 1
- ROI In-house .................................................................................................. 2
- Polling Question #2 ....................................................................................... 2
- What is at Stake? ......................................................................................... 3

**Reasons to Consider Change**
- Getting Started: Research ........................................................................... 3
- Implementation of the Electronic Record ....................................................... 4
- Revenue Capture ........................................................................................... 4
- Polling Question #3 ..................................................................................... 5

**Research and Tools**
- Gather Vendor Information ......................................................................... 5-6
- Identify ......................................................................................................... 6-7
- Polling Question #4 ..................................................................................... 7
- Preparation ................................................................................................... 8
- Calculating Averages .................................................................................... 8
- Calculating Projected Monthly Revenue ..................................................... 9

**Workflow and Staffing**
- Identify Tasks and Perform Time Studies ................................................... 10
- Develop Job Descriptions .......................................................................... 10
- Identify Positions and Requirements ......................................................... 10-11
- Identify Salary Ranges ................................................................................ 11
- Identify ROI Positions ................................................................................ 11
- FTE’s .......................................................................................................... 11-12
- Polling Question #5 ................................................................................... 12
- Options for Training Staff ......................................................................... 13

**Budget**
- Compile Your Budget .................................................................................. 13-15
- Budget Considerations ............................................................................... 16

**Evaluation and Decision**
- Evaluating the Results ................................................................................ 16
- Making a Decision ......................................................................................... 17
- Current Models in the Pacific NW ............................................................... 17
- Results/Decision/What Next? .................................................................... 18

**Next Steps**
- After Successful Implementation ................................................................. 18-19
- Resource/Reference List ............................................................................ 19-20

(Continued)
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience Questions</td>
<td>20</td>
</tr>
<tr>
<td>Audio Seminar Discussion and Audio Seminar Information Online</td>
<td>21</td>
</tr>
<tr>
<td>Upcoming Audio Seminars</td>
<td>22</td>
</tr>
<tr>
<td>AHIMA Distance Education online courses</td>
<td>22</td>
</tr>
<tr>
<td>Thank You/Evaluation Form and CE Certificate (Web Address)</td>
<td>23</td>
</tr>
<tr>
<td>Appendix</td>
<td>24</td>
</tr>
<tr>
<td>Resource/Reference List</td>
<td>25</td>
</tr>
<tr>
<td>CE Certificate Instructions</td>
<td></td>
</tr>
</tbody>
</table>
ROI: From Outsourcing to In-house

- ROI Outsourcing Vendors have been in existence for more than twenty-five years. These vendors range in size from large National Companies to smaller Local Companies. Over the years, they have expanded their service offerings to include document imaging, coding and HIM outsourcing as well as adding Radiology and Physician services. They have merged with or acquired other companies in order to offer these expanded services as well as to control a larger share of the market.

Polling Question #1

Does your facility outsource ROI today?
  a) Yes
  b) No
ROI: From Outsourcing to In-house

- These vendors have employed HIM professionals who brought their knowledge, experience and peer group to them which had enabled them to grow to where they are today.
- The purpose of this Webinar is to explore the possibility and feasibility of bringing ROI In-house. You will learn the advantages of bringing ROI In-house and what you will need to do in order to be successful.

Polling Question #2

Are you considering bringing ROI back In-house?

a) Yes
b) No
ROI: From Outsourcing to In-house

**What is at Stake?**
- Better control of the process and result
- Increased revenue for the HIM Department

**Getting Started: Research**
- Identify the reasons you want to in-source. You will need to do this in order to “sell” the concept to your senior leadership, especially if your facility has outsourced for an extended period of time.
  - HIPAA
    - Ability to control the risks associated with wrongful releases.
    - Complete documentation of exactly what has been released, when, why and to whom.
  - Identify Theft
    - With the mandatory implementation of Red Flag rules in May 2009, auditing of who and what has been accessed in every patients’ medical record will require more stringent control of the ROI processes.
ROI: From Outsourcing to In-house

Research, (cont’d)

Implementation of the Electronic Record
- Identification and management of the “Complete Record”
  - Managing the information in a fully electronic environment that includes disparate systems (OB/GYN, Lab, etc.) and multiple media formats (PACS images, Cardiac tracings, Video, etc.)
  - Managing the information in a hybrid environment that may include paper, microfilm/fiche and multiple electronic medias
  - Ability to create “Standardized Release Packages” within the electronic record
  - Increased productivity
  - Increased audit capability

Revenue Capture
- The shrinking Healthcare Dollar has resulted in budgetary reductions, hiring freezes, expanded departmental responsibility, etc.
- The implementation of the Electronic Record may have resulted in the potential displacement of trained, knowledgeable employees and possibly supervisory level employees.
- The ROI vendors have been successful in managing the ROI process to be profitable – you can too!
Polling Question #3

Do you receive payment from your outsource vendor today?

a) Yes  
b) No

ROI: From Outsourcing to In-house

• Research, (cont’d)
  • Gather Vendor Information
    • Document any issues your vendor has had
      – Wrong record releases
      – Backlogs
      – Employee turn over
      – Customer Service complaints
      – Interdepartmental complaints
      – Delayed or missed deadlines (subpoenas, RAC, etc.)
  • Review your contract carefully
    – Identify how much notice you will have to give for termination of the contract
    – Covered reasons for termination
    – Financial penalties for hiring their employees
    – How request log information will be returned to you
    – How outstanding requests (commonly referred to as Pre-billed requests) and records not received but paid for are handled
• **Research, (cont’d)**
  - If your vendor routinely provides you with Volume Statistics, you will need to gather at least 6 months data, preferably 12 months
  - If your vendor does not provide this information and you have to request it, be prepared
    - Vendors consider this information proprietary when in actuality this information is yours.
    - The vendor employees will undoubtedly be suspicious and notify their superiors which will usually result in a call or visit.
    - Depending on your relationship with the vendor, you may or may not want to explain why you are requesting this information at this time.
      - Safe response: “I need this information for my Joint Commission or Departmental PIP report”

• **Identify what you will be able to charge**
  - State regulated fees, if applicable
  - If your state is not regulated, you will need to see what other hospitals and/or vendors are charging
  - State Disability Rates (usually you will charge the rates identified within the request. Note: if you cannot provide this information electronically, you will be responsible for postage and envelopes)
  - Workman’s Compensation
ROI: From Outsourcing to In-house

- Subpoena (some states have different rates by type of subpoena)
- Patient Access
- Managed Care (check with your contracts department, these should be defined in every contract)
- Miscellaneous fees such as Notary Public for certification of records, postage, sales tax, etc.
- Some states regulate fees for different types of media: electronic record reproduction to CD, slides, PACS images, radiology film, itemized bills

- This link lists all states, regulated or not and the regulated fees:
  http://www.lamlawoffice.com/medical-records-copying-charges.html

Polling Question #4

Does your vendor provide reports at a minimum, weekly?

a) Yes
b) No
ROI: From Outsourcing to In-house

Preparation

- Using the Volume Statistics Worksheet, you will calculate your average monthly volumes of each type of request.
  - Some vendors may enter Continued Care Faxes as a ‘bulk entry’ and not as individual entries resulting in a single entry per day with a total number of pages faxed.
  - If bulk entry is used, you will need to obtain a daily average of outbound faxes (the vendor will usually have this information, but again, asking for clarification may raise suspicion).
  - Do not be mislead by your electronic record giving direct access to your physicians. Depending on the level of electronic record you have (CPOE, Progress notes, etc.) will have an impact on when they access vs. when they receive faxed information.

<table>
<thead>
<tr>
<th>Request Source: Billable</th>
<th>Total Number Requests</th>
<th>Total Number Pages</th>
<th>Average Monthly Requests</th>
<th>Average Monthly Pages</th>
<th>Average Pages Per Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney</td>
<td>3000</td>
<td>180000</td>
<td>250</td>
<td>15000</td>
<td>60</td>
</tr>
<tr>
<td>Disability</td>
<td>3000</td>
<td>72000</td>
<td>250</td>
<td>6000</td>
<td>24</td>
</tr>
<tr>
<td>Insurance</td>
<td>1200</td>
<td>18000</td>
<td>100</td>
<td>1500</td>
<td>15</td>
</tr>
<tr>
<td>Managed care</td>
<td>600</td>
<td>18000</td>
<td>50</td>
<td>1500</td>
<td>30</td>
</tr>
<tr>
<td>Patient Access</td>
<td>1200</td>
<td>30000</td>
<td>100</td>
<td>2500</td>
<td>25</td>
</tr>
<tr>
<td>Subpoena</td>
<td>600</td>
<td>150000</td>
<td>50</td>
<td>12500</td>
<td>250</td>
</tr>
<tr>
<td>Workmans Compensation</td>
<td>300</td>
<td>6000</td>
<td>25</td>
<td>500</td>
<td>20</td>
</tr>
<tr>
<td>Government (OIO, RAC)</td>
<td>1200</td>
<td>300000</td>
<td>100</td>
<td>25000</td>
<td>250</td>
</tr>
<tr>
<td>Billable Total</td>
<td>11100</td>
<td>77400</td>
<td>925</td>
<td>64500</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Request Source: Non-Billable</th>
<th>Total Number Requests</th>
<th>Total Number Pages</th>
<th>Average Monthly Requests</th>
<th>Average Monthly Pages</th>
<th>Average Pages Per Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Office</td>
<td>1200</td>
<td>120000</td>
<td>100</td>
<td>10000</td>
<td>100</td>
</tr>
<tr>
<td>Insurance</td>
<td>600</td>
<td>12000</td>
<td>50</td>
<td>1000</td>
<td>20</td>
</tr>
<tr>
<td>Risk Management</td>
<td>96</td>
<td>24000</td>
<td>8</td>
<td>2000</td>
<td>250</td>
</tr>
<tr>
<td>Other In House</td>
<td>500</td>
<td>24000</td>
<td>42</td>
<td>2000</td>
<td>48</td>
</tr>
<tr>
<td>Subpoena Nonbill</td>
<td>300</td>
<td>6000</td>
<td>25</td>
<td>5000</td>
<td>200</td>
</tr>
<tr>
<td>Non-Billable Total</td>
<td>2696</td>
<td>240000</td>
<td>225</td>
<td>20000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Request Source: Continued Care</th>
<th>Total Number Requests</th>
<th>Total Number Pages</th>
<th>Average Monthly Requests</th>
<th>Average Monthly Pages</th>
<th>Average Pages Per Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correction Facility</td>
<td>1200</td>
<td>24000</td>
<td>100</td>
<td>2000</td>
<td>20</td>
</tr>
<tr>
<td>Hospitals</td>
<td>1800</td>
<td>36000</td>
<td>150</td>
<td>3000</td>
<td>20</td>
</tr>
<tr>
<td>Patient Access</td>
<td>1200</td>
<td>30000</td>
<td>100</td>
<td>2500</td>
<td>25</td>
</tr>
<tr>
<td>Physician</td>
<td>1000</td>
<td>20000</td>
<td>83</td>
<td>1667</td>
<td>20</td>
</tr>
<tr>
<td>Other Continued Care</td>
<td>1000</td>
<td>20000</td>
<td>83</td>
<td>1667</td>
<td>20</td>
</tr>
<tr>
<td>FAXES</td>
<td>28000</td>
<td>420000</td>
<td>2,333</td>
<td>35000</td>
<td>15</td>
</tr>
<tr>
<td>Continued Care Total</td>
<td>34200</td>
<td>555000</td>
<td>2850</td>
<td>45833</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>4000</td>
<td>130333</td>
<td>4000</td>
<td>130333</td>
<td>33</td>
</tr>
</tbody>
</table>

- Calculating Averages
  - Enter the number of months represented
  - Enter the Totals by Source
  - Modify source names
  - Averages will auto calculate
  - (worksheet is included in download)
**ROI: From Outsourcing to In-house**

**Preparation**

- Using the fees you will be charging and the average monthly volumes from the Volume Statistics Worksheet, you will calculate projected revenue by entering this data into Revenue Forecast Worksheet.
  - HIPAA allows patient to be charged a per page fee only. If your state is regulated and has both a clerical fee and a per page fee, you can charge only the per page fee. If your state is not regulated, you can charge a per page fee that covers the cost to produce the record.

### Release of Information Revenue Forecast

<table>
<thead>
<tr>
<th>Request Source</th>
<th>Average Monthly Requests</th>
<th>Average Monthly Pages</th>
<th>Clerical Fee</th>
<th>Per Page Fee</th>
<th>Average Request Fee</th>
<th>Projected Monthly Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney</td>
<td>250</td>
<td>15000</td>
<td>$10.00</td>
<td>$0.75</td>
<td>$55.00</td>
<td>$13,750.00</td>
</tr>
<tr>
<td>Disability</td>
<td>250</td>
<td>5333</td>
<td>$12.00</td>
<td>$0.00</td>
<td>$12.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>100</td>
<td>1500</td>
<td>$10.00</td>
<td>$0.75</td>
<td>$21.25</td>
<td>$2,125.00</td>
</tr>
<tr>
<td>Managed care</td>
<td>50</td>
<td>1500</td>
<td>$0.00</td>
<td>$1.00</td>
<td>$30.00</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Patient Access</td>
<td>100</td>
<td>2500</td>
<td>$0.00</td>
<td>$0.75</td>
<td>$18.75</td>
<td>$1,875.00</td>
</tr>
<tr>
<td>Subpoena</td>
<td>50</td>
<td>12500</td>
<td>$10.00</td>
<td>$0.75</td>
<td>$197.50</td>
<td>$9,875.00</td>
</tr>
<tr>
<td>Workmans Compensation</td>
<td>25</td>
<td>500</td>
<td>$5.00</td>
<td>$0.75</td>
<td>$20.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>Government (QIO, RAC)</td>
<td>100</td>
<td>25000</td>
<td>$0.00</td>
<td>$0.12</td>
<td>$30.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td><strong>Billable Total</strong></td>
<td><strong>925</strong></td>
<td><strong>63833</strong></td>
<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>Billable Total:</strong></td>
<td><strong>$35,625.00</strong></td>
</tr>
</tbody>
</table>

**Calculating Projected Monthly Revenue**

- Enter Average Monthly Requests and Pages by Type
- Enter the Allowed Clerical Fee by Type
  - Most state disability agencies pay a flat fee per request. Enter this fee under Clerical Fee
- Enter the Allowed Per Page Fee by Type
  - QIO, RAC, etc. allow $0.12 per page and no clerical fees.
- Average Request Fee and Projected Monthly Fees will auto calculate
- (worksheet is included in download)
ROI: From Outsourcing to In-house

**Preparation**

- Identify tasks that will be completed
  - Will some clerical tasks be completed by existing employees?
    - Reception
    - Chart Retrieval and Re-file
    - Ordering Off-site charts
  - Will all clerical tasks be completed in the ROI section?
  - Will collection activity be done in HIM or PFS?

- Perform time studies for each task as needed

**Development Job Descriptions**

- *ROI requires a higher level of training!*
  - Increased possibility of HIPAA Breach
  - Extensive knowledge of State and Federal law
  - Increased level of Customer Service skills

**Identify Positions**

- **ROI Technician**
  - Level 1 – Reception, chart retrieval/refile
  - Level 2 – Chart Abstraction, Copying
  - Level 3 – Invoicing, Collections, Section Supervision or Lead
ROI: From Outsourcing to In-house

**Preparation**

- Identify position requirements
  - Education
  - Certification
    - RHIT
  - Experience
- Identify Salary ranges
  - Higher level positions merit higher level of salary!
- Identify ROI positions in departmental organization chart
  - Career path for clerical employees!

**Preparation**

To calculate how many FTE’s you will need, consider:

- Hybrid based records: complete ROI averages 3 - 4 requests/hour
- EMR: complete ROI averages 4 - 6 requests/hour

- How many FTE’s does the Vendor have?
  - Will your employees do the same or more tasks?
  - Will your processes be the same or different?

- **157.5 Average Monthly Productive Hours per FTE**

<table>
<thead>
<tr>
<th>Total Monthly Requests:</th>
<th>1667</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests Processed per Hour:</td>
<td>3</td>
</tr>
<tr>
<td>Productive Monthly Hours:</td>
<td>157.5</td>
</tr>
<tr>
<td>Total FTEs Needed:</td>
<td>3.52804</td>
</tr>
</tbody>
</table>
ROI: From Outsourcing to In-house

- Preparation
  - Calculate STAT faxing positions separately
    - For paper based records, an average of 4-6 requests/hour
    - For AMR, an average of 6 - 10 requests/hour
  - How many FTE's does the Vendor have?
    - Will your employees do the same or more tasks?
    - Will your processes be the same or different?
  - 157.5 Average Monthly Productive Hours per FTE

<table>
<thead>
<tr>
<th>Total Monthly Requests:</th>
<th>2333</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests Processed per Hour:</td>
<td>6</td>
</tr>
<tr>
<td>Productive Monthly Hours:</td>
<td>157.5</td>
</tr>
<tr>
<td>Total FTEs Needed:</td>
<td>2.46878</td>
</tr>
</tbody>
</table>

Polling Question #5

Does your facility offer incentive for employees to attain higher level of education and/or certification (tuition reimbursement, higher pay grade, etc.)?

a) Yes
b) No
ROI: From Outsourcing to In-house

- Options for Training Staff
  - Formal vs. on-the-job
  - Credentials from AHIMA
  - Classes at local colleges

ROI: From Outsourcing to In-house

- Preparation
  - Compile your Budget!
    - Identify Initial, One time expense

<table>
<thead>
<tr>
<th>Number</th>
<th>Initial Cost Each</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Computer(s)</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Fax Machine(s)</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Scanner(s)</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Printer(s)</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Initial Expenses</strong></td>
<td><strong>$0.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
ROI: From Outsourcing to In-house

• Preparation
  • Compile your Budget!
    • Identify Recurring Expenses
      – You will need to obtain costs from Accounting or Purchasing

<table>
<thead>
<tr>
<th>Recurring Expenses:</th>
<th>Number</th>
<th>Cost Each</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy Machine Lease</td>
<td>2</td>
<td>$190.00</td>
<td>$380.00</td>
</tr>
<tr>
<td>Per Copy Charge</td>
<td>94,667</td>
<td>$0.0160</td>
<td>$1,514.67</td>
</tr>
<tr>
<td>Copy Paper per Case (5000)</td>
<td>28</td>
<td>$30.00</td>
<td>$840.00</td>
</tr>
<tr>
<td>Standard Envelope per Box (500)</td>
<td>2</td>
<td>$20.00</td>
<td>$40.00 up to 20 pages/envelope</td>
</tr>
<tr>
<td>10 X 13 Envelope per Box (500)</td>
<td>6</td>
<td>$80.00</td>
<td>$480.00 up to 200 pages/envelope</td>
</tr>
<tr>
<td>Tyvec Envelope per Box (100)</td>
<td>2</td>
<td>$125.00</td>
<td>$250.00 up to 300 pages/envelope</td>
</tr>
<tr>
<td>Printer/Fax Toner Cartridge</td>
<td>6</td>
<td>$300.00</td>
<td>$1,800.00 up to 7500 pages/cartridge</td>
</tr>
</tbody>
</table>

ROI: From Outsourcing to In-house

• Preparation
  • Compile your Budget!
    • Identify Monthly Labor Expenses
      – Obtain benefit % from Human Resources
      – Monthly hours based on 21 working days @ 8 hours/day

<table>
<thead>
<tr>
<th>Monthly Labor Expenses</th>
<th>ROI Reception</th>
<th>ROI Abstractor</th>
<th>ROI Specialist</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees</td>
<td>2.5</td>
<td>2</td>
<td>1.5</td>
<td>6</td>
</tr>
<tr>
<td>Hourly Rate</td>
<td>$11.00</td>
<td>$13.00</td>
<td>$15.00</td>
<td></td>
</tr>
<tr>
<td>Monthly Hours</td>
<td>420</td>
<td>336</td>
<td>252</td>
<td>1008</td>
</tr>
<tr>
<td>Base Labor</td>
<td>$4,620.00</td>
<td>$4,368.00</td>
<td>$3,780.00</td>
<td>$12,768.00</td>
</tr>
<tr>
<td>Benefits @ 22%</td>
<td>$1,016.40</td>
<td>$960.96</td>
<td>$831.60</td>
<td>$2,808.96</td>
</tr>
<tr>
<td>TOTAL LABOR</td>
<td>$5,636.40</td>
<td>$5,328.96</td>
<td>$4,611.60</td>
<td>$15,576.96</td>
</tr>
</tbody>
</table>
ROI: From Outsourcing to In-house

• Preparation
  • Compile your Budget!
    • Identify Percentage of Forecasted Revenue that will be collectable
      - 75% - 85% is an average collection rate (higher if more billable releases are pre-billed)

<table>
<thead>
<tr>
<th>Request Source</th>
<th>Average Monthly Requests</th>
<th>Average Monthly Pages</th>
<th>Clerical Fee Per Page</th>
<th>Average Request Fee</th>
<th>Projected Monthly Fees</th>
<th>Projected Collection Percentage</th>
<th>Projected Collected Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney</td>
<td>250</td>
<td>15000</td>
<td>$10.00</td>
<td>$0.75</td>
<td>$13,750.00</td>
<td>80.00%</td>
<td>$11,000.00</td>
</tr>
<tr>
<td>Disability</td>
<td>250</td>
<td>3333</td>
<td>$12.00</td>
<td>$0.00</td>
<td>$3,000.00</td>
<td>80.00%</td>
<td>$2,400.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>100</td>
<td>1600</td>
<td>$10.00</td>
<td>$0.75</td>
<td>$1,250.00</td>
<td>80.00%</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Managed care</td>
<td>50</td>
<td>1000</td>
<td>$0.00</td>
<td>$1.00</td>
<td>$0.00</td>
<td>80.00%</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>Patient Access</td>
<td>100</td>
<td>2500</td>
<td>$0.00</td>
<td>$0.75</td>
<td>$1,875.00</td>
<td>80.00%</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Subpoena</td>
<td>50</td>
<td>2500</td>
<td>$10.00</td>
<td>$0.75</td>
<td>$197.50</td>
<td>80.00%</td>
<td>$150.00</td>
</tr>
<tr>
<td>Workmans Comp.</td>
<td>25</td>
<td>500</td>
<td>$5.00</td>
<td>$0.75</td>
<td>$20.00</td>
<td>80.00%</td>
<td>$16.00</td>
</tr>
<tr>
<td>Government</td>
<td>100</td>
<td>25000</td>
<td>$0.00</td>
<td>$0.12</td>
<td>$0.00</td>
<td>80.00%</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Billable Total</td>
<td>925</td>
<td>63833</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL:</td>
<td>$35,625.00</td>
<td></td>
<td>$28,500.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Billable Postage</td>
<td></td>
<td>$864.00</td>
<td>$864.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL:</td>
<td>$29,364.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ROI: From Outsourcing to In-house

• Preparation
  • Compile your Budget!
  • Put it all together

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy Machine Lease</td>
<td>$380.00</td>
</tr>
<tr>
<td>Copies Expense</td>
<td>$1,514.67</td>
</tr>
</tbody>
</table>
| Copy Expense          | $1,894.67| 6.45%  
| Copy Paper Expense    | $1,640.00| 2.86%  
| Standard Envelope     | $40.00  
| 10 X 13 Envelope      | $480.00  
| Tyvek Envelope        | $250.00  
| Envelope Expense      | $770.00| 2.62%  
| Toner Expense         | $900.00| 3.06%  
| Postage Average/Envelope | $1.28  
| Envelopes mailed      | 1366   
| Postage Expense       | $1,748.48| 5.95%  
| Basic Office Supplies | $100.00| 0.34%  
| Total Expenses        | $23,572.27| 80.28%  
| Total Operating Income| $5,791.73| 19.72%  
| Basic Office Supplies | $100.00| 0.35%  
| Total Expenses        | $23,572.27| 82.71%  
| Total Operating Income| $4,927.73| 17.29%  

ROI: From Outsourcing to In-house

- **Budget Considerations**
  - Is your department charged for postage usage?
    - If Yes, include
    - If No, exclude
  - Office Supplies in excess of Copy Paper is minimal, do you budget separately for these?
    - If Yes, include minimal amount
    - If No, exclude
  - If you are relocating existing positions (reception), do not include the labor expenses separately.
    - Move the headcount(s) from your primary HIM budget to ROI

- **Evaluating the results of research**
  - Revenue potential
  - Workflow changes necessitated
  - Staffing implications
ROI: From Outsourcing to In-house

• Making a Decision
  • Who makes the final decision?
    • Is there corporate policy?
    • Do you have bigger issues to resolve?
  • Put it all together and obtain approval for bringing ROI In-house
    • Timeline for Hiring/ training of employees
    • Timeline for purchase/ lease of equipment, software, etc.
    • Timeline for termination of Vendor Contract

ROI: From Outsourcing to In-house

• Current Models in the Pacific NW
  • Informal survey results
    • Hospitals and large Clinics
ROI: From Outsourcing to In-house

Results / Decision / What next?
- Negotiate new contract
- Notify of intent to change
  - Be prepared to change immediately
  - Revising workflow and staffing
  - Training

After successful implementation, consider:
- Facility Wide Centralized Release for all departments
  - Radiology - (Films and/or PACs images are routinely released for both billable and non-billable requesters)
  - PFS - (Itemized statements are routinely released for both billable and non-billable requesters)
  - Clinics who maintain their own records
  - Lab - (specialty reports and slides)
- Why? HIM is the “INFORMATION EXPERT” and it is ALL information!
  - Improved Customer Service - requesters contact one department for all ROI needs
  - Increased Control
ROI: From Outsourcing to In-house

After successful implementation, consider:

- Using some or all of the Operating Income to benefit HIM
  - External Education
    - Seminar costs for advance education of Management staff
  - Internal Education
    - HIM hosted educational seminars for other departments
    - HIM hosted educational seminars for Allied Health Professionals
    - HIM hosted educational seminars for Physicians and their staff
- Bi-Annual HIM Recognition
  - Privacy and Security Week
  - HIM Week

Resource/Reference List

Resource/Reference List


Audience Questions
Audio Seminar Discussion

Following today’s live seminar
Available to AHIMA members at
www.AHIMA.org

“Members Only” Communities of Practice (CoP)
AHIMA Member ID number and password required

Join the e-HIM Community from your Personal Page. Look under Community Discussions for the Audio Seminar Forum

You will be able to:
• discuss seminar topics
• network with other AHIMA members
• enhance your learning experience

AHIMA Audio Seminars and Webinars

Visit our Web site http://campus.AHIMA.org for information on the 2009 seminar schedule. While online, you can also register for seminars and webinars or order CDs, Webcasts, and *MP3s of past seminars.

* Select Audio Seminar/ Webinars only.
Upcoming Webinars

Understanding the Red Flag Rules - Hot Topic
March 10, 2009

The Impact of the Stimulus Act on HIPAA Privacy and Security - Hot Topic
March 12, 2009

Fundamentals of Workflow Analysis: Implementing New Systems
March 17, 2009

AHIMA Distance Education

Anyone interested in learning more about e-HIM® should consider one of AHIMA’s web-based training courses.

For more information visit http://campus.ahima.org
Thank you for joining us today!

Remember – visit the AHIMA Audio Seminars/Webinars Web site to complete your evaluation form and receive your CE Certificate online at:


Each person seeking CE credit must complete the sign-in form and evaluation in order to view and print their CE certificate. Certificates will be awarded for AHIMA CEUs.
Appendix

Resource/Reference List ................................................................. 25
CE Certificate Instructions
Appendix

Resource/Reference List

AHIMA HIM Body of Knowledge (BoK) - http://library.ahima.org
To receive your

**CE Certificate**

Please go to the AHIMA Web site


click on the link to

“Sign In and Complete Online Evaluation”
listed for this webinar.

You will be automatically linked to the
CE certificate for this webinar **after** completing
the evaluation.

*Each participant expecting to receive continuing education credit must complete the online evaluation and sign-in information after the webinar, in order to view and print the CE certificate.*