



## Ten Economic Reasons for Hosted Document Imaging Solutions in Healthcare

Among the major service industries in the U.S., which include banking and finance, law, customer service, management and healthcare, most have replaced paper-based systems in favor of technologies that enable the creation, storage and distribution of information digitally. More than any sector, service industries were among the first to benefit from increased productivity of the paperless office in terms of lower labor costs, decreased human error and reduced expenditures on storage real estate, paper, printing, copying and related office supplies.

Yet among the service industries, healthcare stands alone in its reluctance to adopt technologies such as document imaging and digital archiving that begin the weaning from legacy paper-based systems to electronic medical records. Healthcare faces a unique obstacle that keeps it behind the business automation curve of other service industries: in general, hospitals comprise autonomous departments with individual needs and objectives that often run up against, or compete with, longer-term corporate strategic initiatives. For example, patient billing may have a different vision of the paperless office than radiology, and neither may coalesce with hospital administration and its selection of an enterprise-wide automation platform that may be several years in its implementation.

Recently, the healthcare obstacle has been solved with the advent of hosted approaches to document imaging that effectively outsource the technical responsibilities and database requirements of paperless technologies to a third party. Typically these nimble solutions require less training and expense than their enterprise-wide variants while providing consolidated and consistent electronic information and images that can port seamlessly to the enterprise platform as needed. As such, hosted document imaging provides a welcome solution for healthcare departments that want to realize the economic benefits of the paperless office without alienating themselves from a corporate-wide health information strategy.

What follows is a description of the top economic reasons why hosted document imaging minimizes costs and risk on the road to the paperless office in healthcare.



1. Paper-based systems are labor intensive. A series of studies on workplace efficiency posted an average cost of labor of paper-based systems in what has become known as the “rule of 20s”. In general, enterprises spend \$20 in labor to file a paper document, \$120 in labor to find a misfiled document and \$220 in labor to reproduce a lost document. Additionally, certain documents are copied as many as 20 times. What these studies fail to measure is the susceptibility to human error and wasted labor costs that occur in a system that has poor version control in which employees may be working from obsolete documents.

When the Health Information Management (HIM) department of a mid-size community hospital in Michigan transitioned away from a paper-based system to a hosted document imaging application, its staff of 23 was able to be reduced by six positions for an estimated labor savings of \$200K annually.

2. Paper costs money. It’s not a small point, and the costs associated with using paper add up significantly. Legacy paper-based systems also require printers, copiers and service contracts for those machines, toner, pens, clipboards, folders, labels, boxes and filing systems. There are also facility costs of housing and storing paper documents both on and off site. Using the same healthcare provider example as above, the HIM department realized operational cost reductions of more than \$50K annually on such items as paper, toner and storage when they implemented a hosted document imaging solution.

In addition, document imaging contributes to environmental green initiatives by greatly reducing the consumption of physical resources.

3. Faster document retrieval translates to better care. Not only are document imaging applications easier to manage and operate, file retrieval is instantaneous and eliminates the time associated with pulling and faxing records. Hosted document imaging solutions in particular specialize in ease-of-use to be more intuitive and flexible than the large enterprise software platforms they compete with, enabling multiple users to find their records quicker by using many different and customized key-word searches.

As a result, patient financial services has faster access to billing records, human resources has faster access to employee files, and caregivers have faster access to patient health records so that there is no longer a delay in administering care.

4. Hosted document imaging costs less than enterprise software systems. The savings of hosted solutions goes well beyond sticker price, which can be less than half the cost of enterprise applications. By their very nature, hosted solutions offload all hardware and IT requirements to a third party, who then assumes all responsibilities for the maintenance and smooth running of the system. What this translates to in terms of real money is a sharp reduction of IT labor costs and a virtual elimination of new hardware investment, particularly if system users already have PCs, web browsers and access to the Internet.
5. Hosted document imaging applications are easier to use. This reason more than anything else explains the successful rise of hosted solutions over their more rigid and unforgiving enterprise platform counterparts. A common complaint of bigger, all-encompassing systems is that they can be cryptic, difficult to learn and even harder to use. Often when a system is too challenging, employees will not use it. Hosted document imaging solutions fill a market need for a faster, friendlier and more flexible user experience, which presents further cost savings in terms of less training hours required and fewer IT resources spent fixing user errors.
6. Hosted document imaging applications are faster to implement. Enterprise-wide business automation software can take years to plan and implement, and years more to work the bugs out of the system. By contrast, hosted document imaging solutions are in a sense already live and waiting to be accessed by means of a web browser, which significantly reduces implementation time and any accompanying disruption of daily workflow.

7. Hosted document imaging applications support data integration. In fact, among the best-of-breed hosted solution providers, their applications support clinical information systems such as those from Cerner, Siemens and McKesson, as well as specialized systems like Lawson, Emergisoft, and other EKG, and OB Charting systems. In addition, some support all major transcription systems, as well as provide HL7 support and other interfaces including ADT.

What this interface ability and flexibility means is that there is no risk or penalty in terms of lost data when using a hosted document imaging application in lieu of, or as a bridge solution to, the implementation of enterprise-wide platforms. Individual departments can begin realizing the substantial savings and increased productivity of the paperless office irrespective of long-term enterprise software strategies, and provide cleansed and consolidated data in support of these platforms as needed.

8. Hosted document imaging solutions can be enterprise-wide. Some of the better hosted solution providers have already taken into consideration and designed their applications to support every department in the healthcare enterprise. Not only can they solve the varied document imaging needs of the Health Information Management department, they have solutions for patient registration, patient financial services, accounts payable, materials management and human resources.

This inter-departmental support means that some of the leading hosted document imaging solutions can outperform enterprise platforms at the one thing they do best: automate and integrate business automation processes across the enterprise. As mentioned above, they already outperform their enterprise application counterparts in terms of price, flexibility and ease-of-use.

9. A good provider brings solid HIM expertise. One of the largest sources of value that often goes overlooked is the vast amount of experience in health information management that a healthcare document imaging vendor can bring to the table. The process of transitioning to a paperless office is as much a needed exercise in streamlining common workflow and business automation methods as it is applying a new technology to an old problem.
10. It’s startling what can be recovered in the process. Sometimes it’s just a matter of rolling up your sleeves and getting started. At a Michigan hospital, during an early assessment of the hospital’s readiness to transition to a document imaging solution, the CareTech team of HIM experts unearthed a multimillion-dollar backlog in unbilled accounts that couldn’t be coded or billed because of workflow bottlenecks inherent to paper-based systems. The one-time discovery only sweetened the estimated mid-six-figure savings the iDoc hosted document imaging solution was slated to deliver, which easily paid for the implementation.

These top ten economic reasons of hosted document imaging are only the most observable and measurable benefits that can be realized on the road to modernizing the healthcare workplace. They shouldn’t overshadow the less tangible gains of adopting an enabling technology, such as its positive impact on employee morale and the sheer excitement of what can be accomplished when creativity and enthusiasm are supported by a technology that allows for such speed, flexibility and accuracy. iDoc clients often report that they can’t imagine how they got by without it.

Clearly the economic benefits of hosted document imaging solutions in healthcare offer a compelling argument for the lone holdout of the services industry to embrace the paperless workplace. Not only are hosted solutions faster, easier to use and quicker to implement than enterprise-wide automation platforms, they are far less expensive to license and less taxing on IT resources. Yet whether a hospital chooses an iDoc hosted solution from CareTech or a Cerner-type in-house enterprise platform, any digital environment promises to be vastly superior to a legacy paper-based system.