

## **DO IN-HOUSE WHAT YOU DO BEST, OUTSOURCE THE REST:**

*The Shared Services Model for Release-of-Information (ROI)  
Processing that Lets Healthcare Organizations Maintain Control,  
Work Efficiently, and Generate Revenue*

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The release-of-information (ROI) process has always been a burden to health information management (HIM) departments and physician office managers. Traditionally, hospitals and medical groups have either fully outsourced the ROI process to a vendor or improvised their own internal system.

To date, the results have been mixed; though the issue isn't a top priority, delays and back-logs are common. The need to accommodate more demanding requirements from requesters and regulators, however, has combined with advances in technology to spur a transition away from the traditional approaches.

In this paper, we explore how an emerging business model, the shared services model, will affect ROI processing. Organizations currently handling ROI requests in-house can use, Web-based technologies to transmit medical records more efficiently, more securely, and in full confidence that they are in compliance. Facilities currently using an ROI vendor will be compelled by the promise of greater control and net ROI revenues to move part of their ROI processing in-house. Over the past few years, this approach has become more 'mainstream,' and we expect the adoption rate of shared ROI services to continue to grow.

### The front-end: Doing in-house what you do best

In today's environment, there are many reasons why HIM professionals and office managers like the idea of processing release-of-information requests in-house. The HIM department can establish and manage a consistent level of control, for example, and perhaps generate modest revenues. Facilities with electronic medical record (EMR) systems can leverage that investment. And with today's focus on patient privacy, it is advantageous to have the HIM staff directly responsible for controlling the release process.

It is a core competency of any HIM department to locate and provide accurate copies of medical record information for use by clinical and financial operations. Providing copies for third-party requesters is a natural extension of this capability.

### The back-end: Outsourcing the rest

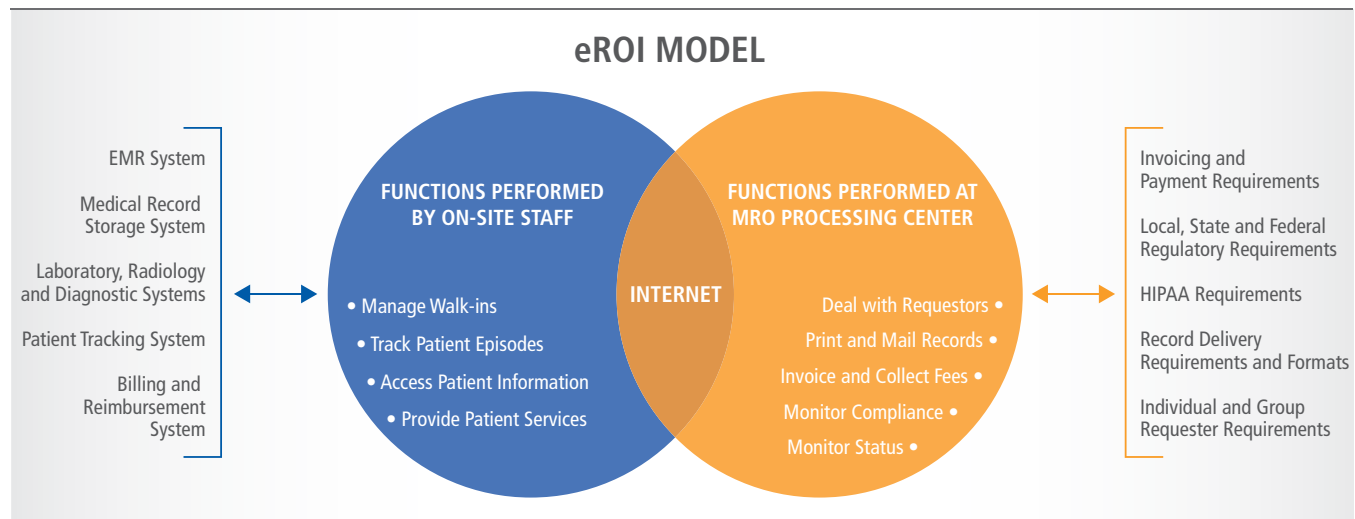
So why don't all medical facilities today process ROI requests in-house? Providing a copy of a medical record is only one of the many workflow and service issues associated with ROI. The HIM department must understand all state-regulated fees, which change frequently. They must be able to apply these fees to specific record sets for specific types of requesters. Invoices must be calculated, tracked and paid<sup>1</sup> prior to release. Before records are mailed, some must verify addresses, check pages, and apply proper postage. Furthermore, paper copies of records are becoming less acceptable<sup>2</sup> and, in some cases, not allowed. Handling phone calls from requesting parties and their record retrieval agents can become a full-time job. Some retrieval services will make at least two calls for every request sent to a facility, the first to verify receipt and the second to find out why it has not been sent.



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These invoicing and fulfillment requirements are *not* core competencies of the HIM department. And they're certainly beyond the scope of a physician practice's capability. Setting up a call center for requesting law firms, insurance companies and record retrieval services is not normally covered in HIM training.

**Figure 1** illustrates how the shared services model, with its in-house front-office tasks and outsourced back-office tasks, changes ROI processing.



### A changing landscape creates a need

From regulatory changes to complex billing requirements to cash-flow concerns, industry trends are creating a need for HIM departments to re-evaluate ROI processing:

**Regulatory requirements.** Most professionals are aware of the original HIPAA and new HITECH Act requirements affecting ROI processing. But in addition to these broad changes, there is a steady stream of changes at the state level regarding fee structures and allowable requester protocols for ROI. Some requesters pay a regulated rate – but you cannot pre-bill them, which creates collection issues. Some public-sector requesters have their own special rates and will only pay with one check per month, which creates issues with invoice tracking. These complex requirements are better handled by specialists using systems developed to process ROI requests.

**Delivery formats and protocols.** Nearly all state disability offices now require delivery of electronic medical evidence (EME). Three different protocols – fax, Web and bulk transfer – have been stipulated. For cost-efficiency and security, requirements are being forced on facilities by requesters. Law firms today require records on CD-ROM in both TIFF and PDF formats<sup>3</sup>. Many record retrieval services require record delivery directly into their systems via FTP or Web portal. As requester systems become more sophisticated, it will be possible to deliver medical records via secure COLD feed, XML streams and other protocols.

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While these demands might create headaches for the average hospital or health system, these technological changes represent an opportunity for cost savings to a firm that specializes in fulfillment.

### **Evolving technologies drive a new business model**

Fortunately, a number of technologies have reached a level of maturation that can support an ROI process that combines the best of both worlds: in-house for front-end tasks and outsourced for back-end tasks:

**Electronic medical record systems.** The evolution of the EMR has set the stage for eliminating paper in the ROI process. Many EMR systems come with an ROI tracking module that can be useful for tracking and integration with the main MPI (master patient index) database. But these modules, when compared to dedicated ROI back-end systems, typically do not provide robust invoicing and fulfillment functions for delivering records in a variety of formats and media. More importantly, they don't address the requester communications issues that come with in-house ROI processing, such as inbound and outbound phone calls. A key aspect of any shared model back-end system is its ability to capture medical record information directly from the EMR without printing to paper.

**The Internet.** The Internet has become a viable infrastructure for implementing HIM functions and workflow, including ROI. HIPAA Internet Security Requirements for the transmission of patient health information established an environment for the development of Internet-based systems to handle the ROI workflow. These systems can now provide all parties – HIM departments, vendors, and requesters – secure access to the same database and electronic medical records.

**Desktop scanners.** The availability of commodity priced, easy to use, “image capable” scanners has made it feasible and economical to scan medical records at the departmental level. By scanning both request paperwork and actual records to be released into a Web-based workflow, a new level of processing efficiency is enabled.

### **Looking ahead**

What will the world of ROI look like in five years? Transaction volumes will probably rise, especially with the rise of payer audits such as RACs, MICs, etc. Requirements will increase in complexity. And, ROI processing will be done differently.

To fully understand how this will play out and why, it helps to categorize ROI processing steps into “front-end” or front-office tasks and “back-end” or back-office steps. The front-office functions include opening the mail, logging each request, accessing the records to be released, and providing customer services to walk-in requesters at the front desk.

Back-office functions include request compliance checking, quality control checks, fee calculation, pre-billing determination, transmitting invoices, collections, formatting, and delivery. Another important, time-consuming back office job is requester communications. This customer service, necessary for resolving the issues inherent ROI processing, consumes an inordinate amount of time and attention.

### For facilities currently using an ROI vendor

For facilities outsourcing ROI handling, the traditional on-site vendor model will change. Fees in most states rarely increase, but the associated costs do. Feeling this squeeze, vendors are being forced to either lower service levels or negotiate new terms with the facility.

These days, having on-site, remotely-managed vendor personnel print paper from your EMR and scan into another system doesn't make sense. Since the HIM department already knows how to use the EMR, however, it does make sense to have HIM staff transfer the data directly. This is a logical step to bring in-house. The same is true for all of the front-office ROI functions described above. From managing the personnel responsible for greeting walk-ins to accessing requested patient records, these are core competencies more efficiently performed and directed by the HIM department.

The back-office ROI functions, on the other hand, lend themselves to automation. Here, hospitals, medical practices and health systems can benefit from economies of scale. Individual organizations don't need to build their own interfaces to the disability EME system, for example. It's inefficient to develop individual Web-based systems for tracking ROI requests or to develop ROI-specific accounts receivable collection systems when these are already available.

Through automation and Web-based systems, ROI vendors can now provide only the back-office functions. And they can do it at a lower cost, with a higher level of service than an individual facility.

Looking forward, HIM departments will take control of front-office ROI functions while outsourcing the back-office steps and sharing the revenue generated.

### For organizations currently processing ROI in-house

Why would an organization want to give up a portion of its ROI revenue and move back-office functions to a shared-services ROI vendor with a Web-based system?

First and foremost, the facility's net ROI revenue will either remain static or *actually increase*. The effectiveness of the centralized back-office workflow typically increases the gross "found" ROI revenue. This is accomplished by vendor's ability to more accurately bill and collect the proper fees from the requesting organizations.

Figure 2 shows the results four actual organizations experienced by moving from in-house to a shared services model.

FACILITY	CHANGE IN MONTHLY ROI REVENUE RECEIVED
Facility 1	+ 10%
Facility 2	- 4%
Facility 3	+24%
Facility 4	+7%

These results reflect only fee revenue received. Provider organizations will also see hard savings from a reduction in labor and consumables for processing and fielding phone calls. A more efficient, organized ROI workflow also yields soft savings internally.

**“Web-based, back-office workflow typically increases the gross ‘found’ ROI revenue.”**

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Second, the main back-office functions – invoicing, collections, printing, mailing and call center operations – can be provided at a lower cost and with a high level of service.

Third, a centralized system with electronic interfaces designed specifically for the purpose best meets the need to provide customized, online status and other more advanced features requesters expect.

**Compliance.** Web-based shared ROI services offers a unique opportunity for healthcare organizations to ensure the correct health information is being sent to the appropriate organizations. By bringing all the requests through a centralized processing center, Quality Control checks can be performed on 100 percent of all requests. And, any errors can be resolved before they become breaches.

### Summarizing

The changing landscape in healthcare and advances in information technology are combining to create an opportunity. Hospitals, health systems, physician practices and other healthcare organizations can now use the shared services model to turn what was once a costly hassle into professional customer and patient service that generates a consistent, if modest, income.

HIM departments are reclaiming front-office ROI functions and bringing them in-house because these are core HIM competencies. As such, this is the most efficient way to manage these functions while maintaining control over service levels. At the same time, back-office functions, which require expertise and resources, benefit from centralization via outsourcing. This automation can elevate performance and maintain or improve your ROI revenue.

### FOOTNOTES

1. Staff often bypass this step “just to get the request out the door and stop the phone calls.”
2. It is estimated that more than 60 percent of all lawyers and insurance companies prefer records on CD-ROM.
3. Tagged Image File Format and Portable Document Format