



Outsourcing Release of Information Services: How to Build and Maintain a Vital Partnership

A white paper by G. Michael Bellenghi

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Outsourcing the release of information (ROI) function can provide significant benefits to today's busy health information management (HIM) departments. Outsourcing vendors offer the spare hands needed to extend department resources while bringing to bear the focused knowledge and expertise that allow both process improvement and progress on new initiatives. A successful outsourcing relationship begins when a healthcare organization determines what it needs and what vendors have to offer, then makes a careful selection that weighs vendors' references, experience, flexibility, fees, technology and policies governing training, personnel and quality control. The continuation of a successful relationship depends on clear communication and understanding of mutual goals, combined with constant assessment.

There was a time when health information management (HIM) directors could master all the skills required to run a first-rate medical records department. Now, as healthcare grows more complex and highly regulated, staying abreast of the medical, legal, financial and technological changes that affect HIM functions is difficult, if not impossible. Therefore, many HIM professionals turn to outside resources as a way to obtain expert knowledge, improve day-to-day operations and jump-start needed innovations.

Outsourcing offers many choices. Large HIM departments typically outsource technical and specialized tasks such as coding and transcription services, while small clinics or physician practices may outsource the entire HIM function. Forward-thinking managers may turn to outside experts to mastermind major initiatives such as converting from paper to electronic medical records or tackling chronic problems in the department.

Release of information (ROI) services have long been a prime candidate for outsourcing. Governed by state and Health Insurance Portability and Accountability Act (HIPAA) regulations that carry heavy fines for violation, the ROI function is a time-consuming yet sensitive function that lies outside a healthcare organization's core responsibilities. Faced with hundreds of requests per day, nearly 80 percent of hospital HIM departments choose to outsource some or all of the ROI process.

Whether limited or extensive, the best outsourcing relationships are collaborative partnerships that help bring a new dimension to the role of HIM services in the healthcare organization. What to outsource and why as well as how to find the right vendor and build a mutually beneficial relationship are questions to pursue when seeking a new vendor or outsourcing for the first time.

Outsourcing Defined

Strictly speaking, outsourcing involves entering into an agreement with an outside vendor to perform a specific function on an ongoing basis, on your site or theirs, with roles,

responsibilities and deliverables spelled out in a contract that is renewable after one or more years. However, the term “outsourcing” is often used to cover a wide range of vendor services, from consulting engagements to temporary staff support during periods of peak activity.

ROI outsourcing may be time-limited, but usually it is ongoing. Vendor services can be used to reduce immediate backlog, handle a specific phase of the ROI process or manage the entire process end to end.

The ROI Process: More than Just Copying

Although many may consider ROI services to be a straightforward photocopying process, HIM professionals are well aware of the complexity involved. Fulfilling an ROI request involves a series of steps, each with its own challenges:

- Logging and tracking the request
- Verifying the authorization is compliant with state and federal laws
- Retrieving the patient record from multiple locations in multiple formats
- Identifying the information needed to fulfill the request
- Requesting additional authorization, if needed
- Reviewing every page for sensitive information
- Copying, packaging and mailing
- Invoicing and following up on overdue payments

As designated “business associates” under HIPAA, outsourcing vendors share the risks and responsibilities of ROI with their clients. They train their employees on how to screen records to help prevent the release of highly sensitive information that could constitute a serious breach of confidentiality. Smaller firms have access to legal counsel, and larger ones may have attorneys on staff.

Benefits of Outsourcing ROI

HIM departments have evolved from archival resources to vital participants in the success of the healthcare organization. They help obtain financial reimbursement, safeguard patient confidentiality and introduce new processes and technology to ensure that patient information is delivered when and where it is needed to enhance patient care.

As HIM specialists, outside vendors are well positioned to be partners in meeting these challenges. Outsourcing ROI can help HIM directors:

- Focus on core HIM responsibilities by off-loading labor-intensive ROI tasks
- Gain access to skilled personnel with special training and experience in ROI
- Ensure adherence to the latest HIPAA and other federal and state regulations that have an impact on patient privacy during information release
- Improve productivity, quality, efficiency and timeliness in fulfilling ROI requests
- Reduce the cost of personnel and equipment related to ROI

In short, through a partnership with a knowledgeable vendor, HIM departments can reduce the hassle and stress of managing the ROI function, improve their responsiveness to ROI requestors and introduce best practices into medical records processes.

Outsourcing Options

The first step in exploring outsourcing is to conduct a needs assessment. What is your primary goal in outsourcing: To reduce expenses? Improve turnaround time? Solve a chronic problem? By documenting your current ROI operations and expenses, you will be in the best position to justify outsourcing to higher-level management and articulate your needs to potential vendors.

ROI vendors range from small companies that focus on understanding the requirements of a specific state or region to large national companies that process thousands of ROI requests daily through a centralized system. Most ROI vendors offer a range of options. Some are paper-based companies; others have developed ROI-related technology that may be a powerful bonus and operate with your organization's computer platform and strategy. Outsourcing options to consider include the following:

- **Full or partial service:** You may choose to outsource one or two labor-intensive tasks, such as document reproduction or billing, or the full ROI function. Most vendors will tailor the contract to your needs.
- **Paper or electronic:** Paper-based vendors use photocopying techniques. Electronic-based vendors offer imaging solutions that enable workers to scan the paper chart into an electronic system and either deliver information electronically or print and mail it. With outsourcing, you can gain access to the latest imaging technology without making a capital investment. Scanning makes the record viewable from different terminals and easy to reproduce for repeat ROI requests. However, safeguards must be built in to protect misuse of electronic information.

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- **Complementary technology:** Many vendors have developed special technology to streamline the ROI process. ROI tracking software makes it easy to learn the status of each request. Disclosure reporting software gives patients a HIPAA-compliant account of who has viewed their records, when, where and for what reason. Some vendors may offer full migration to electronic medical records. If your healthcare organization plans to migrate to electronic medical records, outsourcing with an ROI vendor may be the way to initiate the process. You can acquire the technology through a service contract, without competing for a piece of the hospital's capital expense budget.
 - **Complementary services:** Purging of medical records, conversion of files to your electronic system, backlog filing projects, storage services and microfilm preparation projects are examples of services that could be added to the ROI outsourcing contract to meet your specific needs.

Choosing the Right Vendor

Although choosing the vendor most familiar to you is tempting, it's wise to solicit proposals from at least three vendors. Each proposal will deepen your understanding of the available options and the services you can request. In narrowing the field, don't hesitate to inquire about every aspect of a vendor's services, methodology and experience. A thorough checklist includes the following:

- **References:** Talk to your colleagues at both the beginning and the end of the selection process. To get started, ask for vendor names from individual colleagues or from professional associations. After you've identified your short list, ask each vendor for a list of its clients, and interview these clients to learn about their experiences. You'll learn much about the "dos and don'ts" of vendor selection and management.
- **Experience:** Although any vendor can claim to have certain capabilities, hands-on experience is what counts. Ask what the vendor has done for other clients, for how many clients and for how many years. If the vendor's employees have past experience working in a HIM setting like yours, that will be a positive.
- **Training:** How does the vendor keep its employees informed of the latest state and federal regulations and how to apply them? Are the employees credentialed and trained in the skills needed to perform effective ROI? How much training will be given to help employees understand your environment?
- **Personnel policies:** Ask about the wages, benefits and average years of experience of the vendor's employees. What is the turnover rate? This may appear to be confidential information, but if employees are treated much less generously than your own staff, the quality of their work may not be as high.

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- **Methodology and quality control:** What processes does the vendor use? Can it introduce enhancements to your operations? Does it actively seek better ways of getting the job done? How does it ensure quality, accuracy and patient confidentiality in its work?
 - **Flexibility:** Is the vendor willing to adapt to your systems and needs, or do you sense that you will be force-fitted into a standard methodology? How much flexibility does the vendor demonstrate in discussing deliverables and financial arrangements? Does the vendor have a collaborative style?
 - **Technology:** If you're interested in using technology to streamline the ROI function and other aspects of patient-record management, investigate the total solution that each vendor offers. Work with your healthcare organization's information technology department to determine the compatibility of any solution with existing technology. Determine who will support the software and fund upgrades.
 - **Fees:** Who pays for the copying machine, paper, toner, maintenance, mailing, envelopes and postage? The vendor needs to make a profit, while you need to control costs. How will you and the vendor create a win-win situation? The vendor's income must come from billable requests, but if the percentage of non-billable requests is too high, the vendor will fail. Many vendors specify a limit to the number of non-billable requests that they will fulfill. The healthcare organization may be asked to fund the extras.

Managing the Vendor Relationship

In a successful outsourcing partnership, both parties work together through the various phases of the relationship to build trust, introduce enhancements in the ROI process and establish mutual goals:

- **The contract:** At the heart of any successful outsourcing partnership is a contract that clearly defines the responsibilities of each party, including any financial obligations. In addition, effective April 14, 2004, all covered entities will be required to have a business associate agreement in place with contractors that handle protected health information; in the case of outsourced ROI, the contract is the perfect place for that business associate language.
- **The transition:** Successfully transitioning from an insourced to an outsourced service requires everyone's cooperation. Your staff and the vendor's local management team should get together before start-up to review the responsibilities identified in the contract and make sure all parties understand the new division of tasks. Also early in the process, you should ensure that you understand the current state of your ROI function, and identify whether an initial

backlog of requests will require additional vendor staffing at the onset to get current.

- **Deliverables:** When meeting with ROI vendors, be clear, concise and direct with your expectations. Having an open and honest dialogue with a potential outsourcing partner helps to cement a working relationship. Nobody likes surprises, so spell out exactly what is required, and evaluate responses carefully.
- **Reporting:** Establishing measurable indicators of performance is essential, such as request turnaround times, a summary of releases completed in a designated period or information on requests denied because of missing information. These reports will help you to measure the quality of service your vendor is delivering to your customers.
- **Managing:** Trust the vendor. Don't micromanage, but do conduct periodic reviews and maintain communication to resolve problems as soon as they arise.

Conclusion

Outsourcing gives you access to specialists who focus on one function and know it inside and out. When outsourcing ROI, you shed a large chunk of supervisory responsibility and acquire greater resources in staff, quality control, technology and expertise.

In the best relationships, your vendor becomes an extension of your staff, expanding your knowledge and helping you introduce innovations into patient record management. From working with scores of healthcare customers in different settings, your vendor has developed a broad perspective on HIM's challenges. You can leverage that experience, working with your vendor as a trusted advisor to help advance your HIM goals and initiatives.

About G. Michael Bellenghi

As executive vice president of AHIOS, G. Michael Bellenghi works directly with the Association President to administer the Association's business affairs and to coordinate the operations of the Association under the general policy guidelines of the Board of Directors.

Mr. Bellenghi has over 30 years of diversified experience working with a broad range of healthcare organizations. He is presently co-owner and director of BF Healthcare, a privately held physician staffing company in Philadelphia, and is a shareholder and director of Home Health Corporation of America, Inc., a privately held, Medicare-certified provider of home care services. Mr. Bellenghi was a founder of and remains a director of the former FYI, Inc., now SOURCECORP, Inc., a national provider of business process outsourcing solutions for the healthcare industry as well as other information-intensive industries. Before this, he was chairman and CEO of Recordex Services, Inc., one of seven founding companies of FYI.

Mr. Bellenghi also co-founded and served as managing partner of a management consulting firm that provided a vast array of strategic planning, operating, financial, and business development support to various sectors of the healthcare industry. He began his career in the public accounting profession, where he spent more than 20 years with the firm Deloitte & Touche. A partner in the firm's audit function, he was partner-in-charge of the Philadelphia office's healthcare practice for 10 years.

Mr. Bellenghi is a certified public accountant and holds a BS degree in accounting from LaSalle University. He is a member of both the American and the Pennsylvania Institutes of Certified Public Accountants, a former chairman and current member of the board of trustees of The Center for Autistic Children of Philadelphia, and advisor and director on numerous other boards.

About the Association of Health Information Outsourcing Services (AHIOS)

Established in 1996, AHIOS exists to promote, strengthen and enhance the health information management outsourcing industry while ensuring excellence in the handling and dissemination of confidential patient-identifiable information. Its goals are to:

- Increase awareness of the value, importance and complexity of the industry's services, particularly ROI services
- Establish standards of excellence for the industry of health information management outsourcing
- Pursue fair and equitable treatment of the industry through legislative, regulatory and legal processes
- Create educational and networking opportunities for members

For further information, please visit www.ahios.org.