

Document Imaging Solutions, Inc.

Bringing digital imaging systems to a new standard

How Much is a Paper-Based Filing System Costing Your Practice?

University of Massachusetts Medical Center Study

The following analysis was performed by the University of Massachusetts Medical Center to measure the actual dollar value of lost information to the medical center. Their findings are shocking, indicating that medical practices need to seriously consider installing a document imaging system in their practices.

Study Dated August 20, 1992

Over a two-week period, the file staff filled out a form for each request to retrieve a document from the storage room. The staff documented the total number of files requested and the result of each request.

Number of Documents Requested (in 2 weeks)	716
Total dollar value requested	\$361,050
Average files pulled per day (6 day work week)	60
Average lag time between request and pull	31days
Average dollar value per day	\$30,087
Average dollar value per document	\$501
Number of batches in file	664
Number of batches not in file	52
Percentage of batches not in file	8%
Number of EOB's in batch	643
Number of EOB's not found	73
Percentage of EOB's not found	11%

The current files **average 11% of the documents missing** (This figure is slightly higher than the 10.5% figure in the Cooper & Lybrand study). Based on the two-week study resulting in 73 missing documents, there would be 146 document requests each month that would go unfiled due to lost documents.

The dollar value of each document shown in the table above is the amount charged on the claim that was not paid. The most common reason for non-payment is co-

- *98% of the medical information you deal with will arrive on paper, by mail or fax.*
- *Save thousands in annual storage and administration costs.*
- *11% of documents are missing and impact your billings.*



Document imaging systems provide a quick return on investment.

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insurance (spouse policies and automobile policies) and re-insurance. These non-payments are usually resolved in favor of the medical center once the proper documentation is sent to the correct third party payer. Procedure code disputes also occur and are often resolved in the medical center's favor. Overall, approximately 80% of the dollar value of each document can be collected.

The results are shocking

The impact of missing documents is significant. According to the data, the Medical Center would be unable to locate 146 documents per month. Assuming that the missing documents average the same value as the found documents (\$501 each), there is a probable loss of **\$58,517 per month** (146 x \$501 x 80%) or **\$702,000 annually** using the paper filing system!

Cost of a Paper Filing System Per Physician

The following calculations are based on one physician in the practice seeing 300 patients a month. These figures are based on one chart-pull per visit at six minutes each and compensation at \$17 per hour including benefits. Although the mix of office visits, lab reports, and file pulls to research billing questions may vary from the example provided here, this illustration should provide an approximate cost to a medical practice that uses a paper filing system.

Chart-pulls

Based on one chart pull per visit at 6 minutes each and compensation at \$17 per hour including benefits. 300 visits x 6 minutes = 1800 minutes / 60 minutes in an hour = 30 hours a month x 12 months = 360 hours x \$17 per hour = \$6,120

Coding

Based on 3600 patient visits per year x two codes. Assume 15% need to be researched. 3600 visits x 2 codes = 7200 codes x 15% researched = 1080 chart pulls x 6 minutes = 6420 minutes / 60 minutes per hour = 108 hours at \$17 per hour = \$1,836

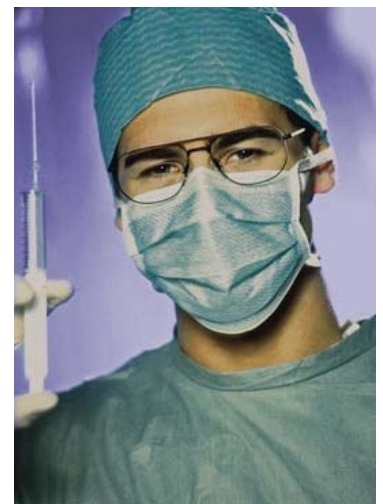
Lab results

Based on 1,625 lab tests done annually. 1625 lab tests x 6 minutes per chart-pull = 9750 minutes / 60 minutes per hour = 162.5 hours x \$17 per hour = \$2,762

Billings

The primary function of the file staff for the billing/accounting department is to retrieve explanation of benefits, charges and operative notes for a variety of account receivable functions. According to the University of Massachusetts Medical Center study, they had to retrieve files on 52% of their billings to research information for bill payment.

- *Electronic backups of documents can be created and stored off-site.*
- *\$214,838 multiplied by the number of physicians in a practice is the amount that a paper filing system is costing your practice.*
- *Our electronic medical record system will improve office efficiencies and support better medical care for patients.*



Increased efficiencies allow a physician to see more patients daily and provide better health care.

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Chart-pulls

Assume 3600 patient visits per year x 2 codes x 50% billings that need to be researched equals 3600 chart-pulls.

3600 chart-pulls x 6 minutes = 21,600 minutes / 60 minutes per hour = 360 hours x \$17 per hour = **\$6,120**

Lost account receivables because of missing documents:

3600 charts to be researched x 11% missing = 396 lost billings x \$500 = **\$198,000**

Summary

The following summary reveals how much a paper filing system is costing a medical practice per year. If your medical practice is looking for ways to cut costs, increase productivity, and improve patient medical care, our document imaging system may be the answer.

Chart pulls per visit	\$6,120
Chart pulls for coding	1,836
Chart pulls to file labs	2,762
Chart pulls billing	6,120
Lost Account Receivables	<u>198,000</u>
Total Per Physician	\$214,838

Our document imaging system is designed to overcome the problems of a paper-based system, allowing a physician and his/her staff to quickly and easily find, retrieve and share patient information from any networked PC or handheld pen-tablet device. It was carefully designed with the input of physicians to be a stand alone system, so that it supports, but does not interfere, with your office procedures. Our system is best viewed as a replica of your paper files but the image of the paper document resides on your network and can be viewed for any workstation or mobile device.

- *Lost and misplaced documents are a thing of the past.*
- *Our system is best viewed as a replica of your paper files but the image of the paper document resides on your network*
- *It was carefully designed with the input of physicians so that it supports, but does not interfere, with your office procedures*
- *Have access to the electronic documents at any time and from any location.*



Are you looking for a way to cut costs, increase productivity, and improve patient care?

