

Reducing The Cost of Release of Information



Introduction

ChartSwap recently performed a case study of a local orthopedic practice to determine the per-record cost in processing a medical records request under the current process versus managing their chart request through ChartSwap.

Business situation

Currently, chart requests are received via US Mail. Once the request is logged in and reviewed, an invoice is mailed to the requesting party. The records are printed and/or copied once the payment (check) is received in the mail and mailed via US mail, certified, return receipt requested.

This clinic receives fifty (50) requests per week on average. These requests range from insurance/underwriting, referring providers, patients, litigation/claims, workers compensation/disability, research and audits (RAC, et al). For our calculations, we assumed that the clinic could charge a fee on 50% of the requests. Many requests are received from other providers, insurers and even patients that are not charged.

Labor Expense: $\$30 \times 45 \text{ minutes} = \22.50

Copy Expense: The records are either printed from their EMR and/or copied (if they have legacy paper charts) and this copy expense (including disposable items such as toner and paper was calculated at \$.15/page). Each chart released contains 35 pages on average.

Copy Expense: $35 \text{ pages} \times \$.15 = \$5.25$

Due to the HIPAA liability associated with unauthorized disclosures, the practice in question sends all records certified mail with return receipt requested. Some charts are picked up by patients or faxed to other providers, so we assumed that 50% of all charts released include postage expense.

Postage Expense:

Standard postage- 3 oz. flat envelope	\$1.28
Certified mail fee	\$2.30
Return receipt	\$2.85
Total	\$6.43

Again for our calculation, we assume each chart includes 45 minutes labor, an average \$5.25 copy expense and 50% of the charts will require postage of \$6.43/request. These amounts total \$30.96/request. At fifty charts per week, this is a total expense of \$74,304 per year for this practice. This is consistent with another recent study that found a cost of \$17,800/year for a single physician practice.

Custodian Fee/Revenue: Providers are able to charge some requestors for a copy of the chart and these fees are commonly referred to as custodian fees. The State of Texas allows physicians to charge \$25 for the first twenty pages of records and \$.50/page thereafter. Most providers don't charge other providers, insurers and sometimes even patients for copies of the records. In our study, we assumed that 50% of the records resulted in a custodian fee, resulting in total revenue generated from the release of records of:

Release of Information Revenue: $\$32.50 \text{ (custodian fee)} \times (2400 \text{ requests} \times 50\%) = \$39,000 \text{ Revenue/Yr.}$

Total Revenue \$39,999- Total Expense \$74,304= (\$35,304) Loss

The ChartSwap solution

Since all requests are received through ChartSwap, there is no mail to open, requests to input or phones to answer. All forms can also be completed electronically, which saves additional time. Providers simply review the request on-line, populate the custodian fee and upload the records all in one to touch. Our time trials found that it takes 10 minutes on average to process a request received through ChartSwap. Again, we used the same fully burdened \$30/hour labor cost.

Labor/ChartSwap: \$5/request. 2400 x \$5= \$12,000 year

ChartSwap totally eliminates all postage and copying expense, limiting the providers' total expense to \$5/request. The same 50 charts used in our study will still generate the same revenue (\$39,000), but now at a profit of \$27,000 per year as compared to a loss of \$35,304 using the current process.

\$39,000 (revenue) - \$12,000 (ChartSwap cost)= \$27,000 (profit)

We understand that many of these numbers will vary by practice, so we have created an online calculator to determine the cost savings your practice could achieve by adopting ChartSwap.

<http://www.chartswap.com/benefits>