



**A better way**

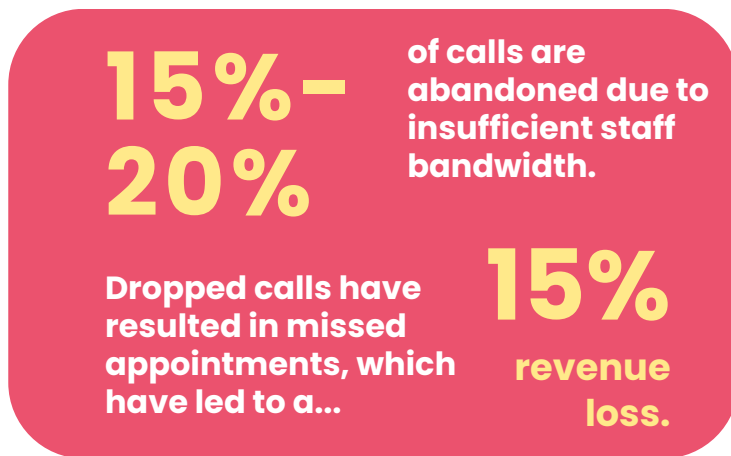
# Enhancing Operational Excellence for Multi-Location Medical Practices through Outsourcing

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## Staffing Affecting the Patient Experience

With the patient experience increasing in focus across healthcare, an Experian Health 2024 report<sup>1</sup>. The survey highlights that “87% of providers believe that staff shortages are the primary reason for the worsening patient experience. This is supported by the finding that 82% of respondents report that patient experience has deteriorated due to fewer staff.”



In the healthcare industry, challenges extend beyond patient care. Abandoned calls due to staff limitations lead to missed appointments and revenue loss. Long insurance authorization hold times affect doctors' productivity and patient care timeliness.

**To overcome these challenges, it is essential to find a solution that allows practices to regain the time and energy required to concentrate on their core strengths. This whitepaper delves into how outsourcing can serve as that solution.**

## Defining Healthcare Provider Outsourcing

Healthcare provider outsourcing entails delegating non-clinical tasks and responsibilities to an external party to reduce the strain felt by healthcare providers. These services can include administrative functions like patient care and coordination, appointment scheduling, billing and coding, insurance verification, and revenue cycle management.

Outsourcing allows healthcare providers to access specialized expertise, comply with regulatory requirements, and adapt to changing industry dynamics more effectively. Outsourcing exists in various forms but due to the challenges facing the US talent market, we will specifically focus on the opportunity of nearshore and offshore locations, such as Latin America and Southeast Asia, for cost-saving gains.

## The Advantages of Healthcare Provider Outsourcing

Healthcare providers can benefit from outsourcing tasks that are traditionally managed in-house. These advantages include:

- **Enhanced Patient Experience:** Outsourcing administrative responsibilities provides medical and wellness practices with a skilled team dedicated to delivering personalized patient care around the clock. This increased availability can lead to higher satisfaction levels and foster strong patient relationships.
- **Scalability and Flexible Staffing:** A reliable outsourcing partner can offer diverse skill sets and locations for hiring, enabling healthcare practices to adjust their operations according to their requirements. This flexibility allows practices to adapt to changing business conditions without the challenges of recruitment or layoffs.
- **Cost Efficiency and Time Optimization:** By outsourcing to specialized service providers, medical practices gain access to cost-effective and highly skilled global resources, which include training and technological advancements. Utilizing these resources can alleviate pressure on overburdened teams, streamline operations, and result in time and cost savings.
- **Access to Skilled Healthcare Professionals:** Outsourcing companies have a vast pool of experienced customer support and back-office professionals, along with certified healthcare experts in their domestic and international locations. This specialized knowledge ensures precision and compliance with industry standards, reduces errors, and maximizes revenue potential.

## Choosing Outsourcing Destinations

Nearshore outsourcing involves contracting services to neighboring or nearby countries, often with similar time zones and cultural affinities, while offshore outsourcing entails contracting services to distant countries, often with significant geographical, cultural, and time zone differences.

The choice between nearshore and offshore outsourcing depends on various factors, including cost considerations, the complexity of the services required, cultural compatibility, and the level of risk tolerance of the outsourcing company.

### Offshore Outsourcing

Popular Destination: Among offshore outsourcing destinations, the Philippines stands out for boasting skilled talent, cost-effective solutions, and 24/7 operational capabilities. The country commands an 18% global market share in customer experience, excelling in IT & digital services, healthcare services, and employee satisfaction among Global In-House Centers (GICs).

In 2023, the Philippine IT and Business Process Management industry reached 1.7 million employees, with an additional 1.1 million jobs slated for creation by 2028. This growth trajectory underscores the investments made by the government and private groups toward bolstering the industry.



### **Nearshore Outsourcing**

Popular Destination: Latin America, with Colombia as a prime example, offers an attractive option due to its proximity to the United States, resulting in minimal time zone differences. This advantage translates to fewer work disruptions and faster decision-making processes. Additionally, the region shares cultural and linguistic similarities with the US, facilitating seamless business integration and real-time collaboration.

Colombia boasts a predominantly multilingual talent pool, proficient in Spanish, English, French, German, and Portuguese. This is attributed to government initiatives supporting education, technology, and foreign investments.



## Implementing an Outsourcing Strategy

To leverage the benefits of outsourcing healthcare operations, medical practices should:

- **Identifying the Right Partner:** Conduct thorough research to choose an outsourcing partner with a proven track record in healthcare outsourcing, emphasizing compliance with regulations, such as HIPAA, and relevant technological capabilities.
- **Develop a Transition Plan:** Implementing a phased approach with the outsourcing partner at the lead will allow for adjustments while transitioning functions. Practitioners must be ready to collaborate with their partner in developing a training curriculum so they can align it with the needs of the practice and familiarize staff with workflows, protocols, and quality standards.
- **Monitor and Improve Continuously:** Implement systems for monitoring the performance of the outsourcing partner against established KPIs and metrics. Moreover, ensure open communication channels to identify areas for improvement and address issues promptly.

## Risks and Mitigation Strategies

Just like any business operation, healthcare outsourcing has a unique set of challenges to consider. Here are three such risks and corresponding mitigation strategies.

- **Data Security and Privacy Risks:** Healthcare outsourcing involves sharing patient records, billing information, and other confidential data with third-party providers, increasing the risk of data breaches and privacy violations. To mitigate this risk, conduct thorough due diligence when selecting outsourcing partners to assess their security protocols and track record in data protection. Ensure they comply with industry regulations and sign legally binding agreements outlining data protection responsibilities, including encryption, access controls, and regular security audits.
- **Service Quality Risks:** Failure to meet quality standards or comply with regulations can lead to patient safety issues, legal liabilities, and reputational damage. As such, healthcare practices should establish clear quality assurance processes and performance metrics to monitor the quality of outsourced services and compliance with regulatory requirements.

- **Operational and Service Delivery Risks:** Poorly managed outsourcing arrangements can result in service delays, errors, and dissatisfaction among patients and staff. Developing robust SLAs that clearly define performance expectations, response times, and escalation procedures is thus critical to addressing such issues. Practitioners should also establish contingency plans to mitigate the impact of potential service disruptions or provider failures.

## Cost Savings

Outsourcing in the medical industry presents opportunities for cost savings through labor arbitrage and ensures business continuity by distributing operations across different geographic regions.

- Near-shore outsourcing typically yields savings of up to 50%, while off-shore outsourcing can result in higher savings of up to 70%. Labor arbitrage involves leveraging wage differences between locations, allowing tasks like medical billing and data entry to be outsourced to regions with lower labor costs. Business continuity is achieved by outsourcing to near-shore and off-shore locations, reducing the risk of disruptions due to natural disasters or political instability.

Depending on the needs of a medical practice, healthcare provider outsourcing can be a strategic opportunity to address workforce challenges while also reducing costs. In doing so, local staff can focus on providing quality, personalized patient care.

Outsourcing can help medical practitioners enhance efficiency, maximize revenue collection, and ultimately grow their practice. By implementing a strategic approach with a trusted outsourcing partner, practitioners can capitalize on the benefits that outsourcing offers, achieving significant improvements in their medical operations.



## CASE STUDY

This medical practice improved patient engagement, resulting in quality and revenue gains.

[Read more](#) to discover a better way to deliver exceptional dental care.

**Learn** how OP360 helps with patient engagement for a medical practice

