



BALANCING COST SAVINGS AND QUALITY IN HEALTHCARE OUTSOURCING

Abstract

Burgeoning administrative burdens threaten to divert healthcare providers from their core mission – delivering quality patient care. This trend not only compromises patient experience but also fuels escalating administrative costs. Outsourcing emerges as a potential solution, freeing up providers to focus on what matters most. However, uncontrolled outsourcing costs can negate the intended benefits. This paper explores the potential pitfalls of outsourcing in healthcare, emphasising the importance of strategic planning and partner selection. By striking a delicate balance between cost savings and quality care, outsourcing can become a valuable tool in optimising healthcare delivery.



Divided attention, rising costs: The doctor's struggle

Picture a surgeon, deeply focused on the intricate details of a complex surgery, but constantly distracted by non-clinical tasks such as managing appointments, handling insurance inquiries, and dealing with medical coding. This ongoing struggle between life-saving care and handling administrative tasks takes a toll

on doctors' well-being, while fuelling a concerning trend in the healthcare system – skyrocketing administrative costs.

In 2022, the U.S. healthcare system ran up a bill of \$60 billion in administrative spending, partly due to a support staff shortage. Providers who filled the gap

increased administrative expenses because of their higher salaries. A Council for Affordable Quality Healthcare (CAQH) report showed a 15 per cent rise in provider time spent on administration, driving over half the cost increase.

The power of outsourcing: Regaining focus and efficiency

The solution to this healthcare conundrum lies in outsourcing. By delegating administrative tasks to a reputable Business Process Outsourcing (BPO) company, healthcare providers can reclaim their focus on what truly matters – delivering quality healthcare.

BPOs leverage economies of scale and employ highly trained staff that allow them to handle administrative tasks more efficiently and potentially at a lower cost than internal staff. However, healthcare

institutions looking to leverage the services of a BPO must approach outsourcing strategically. Unchecked outsourcing can sabotage the intended advantages, which include improved efficiency and cost savings, and lead to unintended consequences such as inflated fees. This often forces patients into difficult situations where they must choose between essential treatment and financial strain.

Nearly a third (28 per cent) of adults in the 2022 National Health Interview Survey

(NHIS) reported putting off or skipping essential medical care due to cost. The issue runs deeper, with 45 per cent worried about affording future medical bills if they fall ill or get injured.

The key lies in striking a balance: healthcare systems must outsource to gain efficiencies while keeping a watchful eye on costs. Only then can quality healthcare remain a fundamental right and not a luxury reserved for the privileged few.

The balancing act: Cost savings and quality in healthcare outsourcing

The pressure is on for healthcare providers. Balancing cost-efficiency and quality is like performing brain surgery blindfolded. Although the allure of lower costs through outsourcing can be strong, this path can be fraught with hidden dangers. Compromised [healthcare data security](#), unclear communication and other issues can quickly erode those initial savings, turning a promising solution into a costly misstep. The good news? With careful planning, healthcare providers can achieve both cost-efficiency and quality.

Here are some key pointers to guide your outsourcing journey:

Build a long-term vision: To start with, it is vital for healthcare providers to understand that outsourcing is not a quick fix; it is a long-term investment that improves with age - like a fine wine! That is why partnering with the right BPO provider is crucial. Look for a company with a proven track record and a commitment to building a lasting relationship. Trust is key. You want a partner who fosters collaboration and prioritises shared growth alongside yours. This ensures that the BPO will understand your evolving needs and goals, ultimately leading to cost savings, increased revenue and happier patients.

Imagine the wasted resources and lost momentum you avoid by skipping the 'getting-to-know-you' phase every few years. A long-term BPO partnership allows you to focus on what matters most - delivering exceptional care.

Find the right partner: Beyond cost savings, the quality of your BPO

partnership is crucial. Your ideal partner should be an extension of your team, a partner that understands your goals and offers solutions that go beyond immediate savings. Can they help you implement sustainable practices that balance cost reduction with quality care? Do they have the certifications (HIPAA, ISO) and expertise to handle your sensitive data? Research your options, read customer experience reviews and ask questions until you have all the answers you need. A quality BPO partner can be a game-changer, offering cutting-edge technology and a future-oriented approach to keep you ahead of the curve. Ensure you have comprehensive contracts that outline service level agreements (SLAs) for performance, data security protocols, termination clauses and dispute resolution mechanisms.

Embrace technology: Imagine a future where artificial intelligence (AI) handles repetitive tasks like appointment scheduling, medical billing and data entry. This is not a dream - it is the reality with a tech-savvy BPO partner. Advanced digital solutions such as [data analytics](#), AI, business intelligence (BI) and automation can streamline operations, enhance data security and simplify insurance claims. The result? Reduced wait times, happier patients and most importantly, freed-up staff to focus on what matters most: delivering exceptional patient care.

Scalability and flexibility: Your healthcare institution's needs are constantly evolving. Look for a BPO provider who offers scalable solutions that can grow alongside you. This

allows you to focus on your core mission while your partner seamlessly adapts to accommodate your changing needs.

Accountability matters: Errors have no place in healthcare. Choose a BPO partner with a strong culture of accountability, ensuring tasks are completed accurately and ethically. Look for a partner willing to be transparent, providing all necessary information and taking responsibility for any shortcomings. This collaborative approach fosters excellence, reduces errors and safeguards your resources and reputation.

Open communication is key: Maintaining open communication channels with your BPO partner is crucial for success. Discuss communication protocols and ensure you have easy access to key personnel when needed. Transparency goes both ways. Clearly communicate your goals, challenges and expectations so your partner can tailor their services accordingly. Remember, your BPO provider is your partner in achieving efficiency and excellence. You must invest not only money, but also time in building a strong foundation for a successful and mutually beneficial relationship.

Following these guidelines empowers healthcare providers to achieve significant cost savings of up to 30 per cent through outsourcing, while delivering exceptional patient care. This double win empowers them to deliver the best possible outcomes.



Conclusion

The once-chaotic symphony of the hospital becomes quiet. Surgeons, laser-focused, wield their scalpels uninterrupted.

Across the room, a team of specialists tackles insurance inquiries, manages appointments and handles medical coding with efficiency, freeing up surgeons and

other providers to focus on high-quality care. This is the power of healthcare outsourcing.

The global healthcare outsourcing market is booming, and is projected to reach a staggering \$410.2 billion by 2028. With

strategic outsourcing, healthcare can rewrite its narrative. The story becomes one of empowered providers, streamlined operations and most importantly, patients receiving the best possible care at an affordable cost.

How can Infosys BPM help?

At Infosys, we understand the challenges you face. That is why we combine deep industry knowledge, adaptable operations, and cutting-edge technology to revolutionise your healthcare operations.

Our innovative solutions streamline processes, slash costs, and boost your performance. We empower you to achieve healthcare excellence, making a real difference in the lives of your patients. So

are you ready to transform your healthcare delivery? Partner with [Infosys BPM Healthcare services](#) today!

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