

TRADITIONAL HEALTHCARE CALL CENTERS:

INEFFICIENCIES AND STRATEGIC ALTERNATIVES



One Call for All

Introduction

While the term “healthcare call center” has no standard definition, a likely first impression is that its primary function is to provide direct voice-to-voice communications with patients for the purpose of scheduling appointments with a provider. It can be referred to as patient engagement, patient access or, in the most rudimentary application, an answering service. Some centers are centralized; others are decentralized or outsourced (partially or in full).

Because of the wide variation of functional capabilities among call centers, healthcare executives traditionally have viewed such services as a necessary “non-strategic” cost of doing business. This is, and should be, changing.

Keeping Up

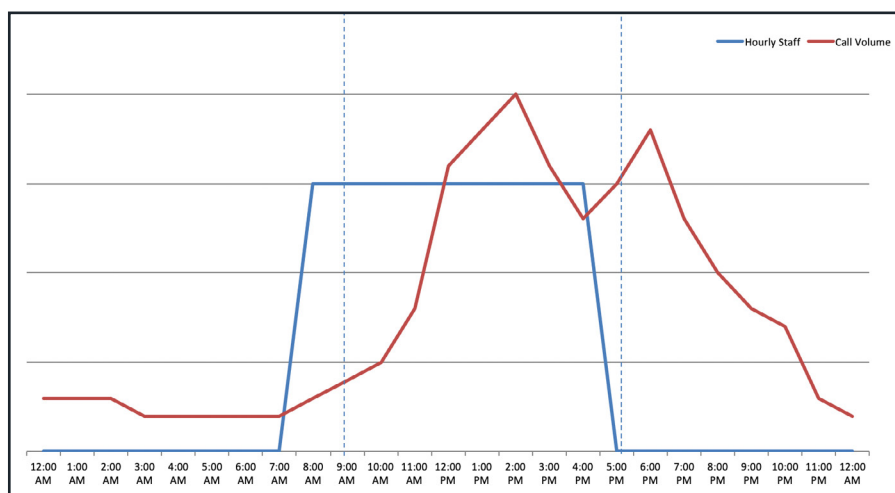
The advent of the Electronic Medical Record (EMR) – coupled with the complex variations in health plans, provider credentialing, pre-authorization and deductibles/co-pays – has put more onus on, and exponentially increased the importance of, effective patient communications and a fully functioning call center. This is further exacerbated by the continuing trend of placing increased emphasis on ambulatory services and expanding the geographic footprint of healthcare organizations, which creates a whole new set of logistical problems in handling inbound calls.

Despite these increased demands and complexities, there remains a general misconception and/or misunderstanding on the part of healthcare executive management as to the inefficiencies and underutilization of resources and technology in their inhouse call center. Anecdotally, this realization generally comes only after complaints from patients pile up.

Given the growth in healthcare options, patients are becoming consumers of care rather than simply recipients. Consumers are better educated, more informed and have increasingly higher expectations.¹

Getting the Picture

Understanding the nature of inbound and outbound services offered by traditional call centers can provide a more visual picture of their operations. Inbound, there are as many as 15 services. Examples are patient scheduling, physician referral, pre-registration and insurance verification. Examples of outbound services are patient satisfaction, post-discharge follow-up, appointment reminders and pre-appointment or admission prep calls.



Performance metrics are a means of measuring call volume, peak period staffing requirements and productivity (transaction time). The most effective way to manage performance metrics is the “interval report,” which is an integral part of a call center’s technology platform (Automated Call Distribution or ACD).

Inhouse Centralized/Decentralized Call Center – Pre Covid-19

In a 2018 survey conducted by Healthcare Call Center Times, the future of the healthcare call center profession continued to show strong growth.² In the survey, 66 percent of respondents indicated their belief that, over the next two years, the call center would become more important to their organization. Another indicator suggested that call center staff levels would increase over the same period. Over 40 percent of the respondents indicated that their budgets would increase, as well. Additionally, it was expected that the average turnover rate for non-clinical call center staff would be 18 percent.

Using the “iceberg” analogy, the cost of operating and maintaining a centralized call center (salary/benefit costs, technology investments and facility costs) is just the “tip.” Abandonment rate, response time, agent utilization, no-show rate, provider productivity and, not to be overlooked, the direct impact on net patient revenue to the organization are factors that significantly alter the value proposition of an inhouse call center.

March 2020 – Covid-19 Changed the Healthcare Call Center Forever

The early impact of Covid-19 on the healthcare industry resulted in high levels of absenteeism within centralized inhouse call centers even before routine care and elective procedures and surgeries began shutting down.

Call volumes, on average, increased during the first few weeks as a result of patients either wanting to schedule, cancel or re-schedule visits. Although the call volume increase was short lived, it exposed a systemic flaw in handling a crisis. Thinking of it another way, any natural or human-made disaster might result in a similar cause and effect. Shifting inhouse call center staff to a “work at home” model was deemed to be far more difficult than initially thought, and, as the volume of calls decreased, it was ultimately abandoned as a viable alternative. Organizations that had contracts with answering services for after-hour and overflow calls also found that option ineffective as most “answering service only” vendors have no access to the EMR or scheduling systems.

As providers reevaluate lines of business that are core to their values and financial viability in the wake of Covid-19, they should also consider cost-effective ways of permanently reducing overhead in non-clinical support operations.

Challenges Facing Healthcare Call Centers in a Post Covid-19 World

Looking ahead to the gradual return of the full range of healthcare services, what can be learned from operations during the pandemic? More importantly, what changes should be considered to mitigate unnecessary risk and operating expense going forward?

Consider the negative financial impact of Covid-19 to the bottom line of virtually every healthcare provider organization. Cash reserves are being depleted in the short term to offset lost revenue. Staff layoffs and continued absenteeism most certainly will have a residual impact on handling the pent-up demand to schedule procedures that were cancelled. Inhouse call centers will be slow to react to the overwhelming volume of calls that their normal staffing model was never designed to handle. As providers reevaluate lines of business that are core to their values and financial viability in the wake of Covid-19, they also should consider cost-effective ways of permanently reducing overhead in non-clinical support operations.

The traditional inhouse call center model (centralized or decentralized) is a logical candidate to be considered going forward for restructuring, downsizing or eliminating altogether. Once the total recurring cost of an inhouse call center is fully understood, it is likely that a post Covid-19 reevaluation process will include the third of those choices, replacement of inhouse call operations with a more economical alternative. As illustrated below, an inhouse call center

requires people (agents), workstation space, technology and perpetual maintenance costs for the ACD. In addition, with an average turnover rate of 18 percent, coupled with a shortage of qualified resources in many geographic markets, there is an ongoing recurring recruiting/training cost that is often overlooked.

Average Inhouse Call Center Costs for ROI Assumptions*

- Average hourly cost per inhouse FTE: **\$24.00 hourly rate + \$16.00 overhead/benefits**
- Technology/ACD cost per agent seat: **\$120.00 to \$140.00** (monthly basis)
- Supplemental Services Costs (i.e. Answering Service): **\$2.00 - \$3.00 per minute plus base fee per physician**
- Cost of turnover/training/retention: **18% industry average**
- Management cost: Call Center Manager average salary: **\$70,000.00**

*This data is tracked for ROI calculation. Data will vary based on geographic area.

Abandon rates of between 5 and 8 percent are considered normal. However, based on time of day and industry, rates can reach as high as 20 percent. A high abandon rate can negatively impact customer satisfaction and reduce customer retention rates. It's important to monitor this metric closely so it doesn't exceed the target threshold.³

Making Positive Change

Despite the challenges outlined above, there are viable alternatives to the antiquated inhouse call center. They are:

1. A **hybrid model** utilizing a downsized inhouse call center augmented by an outsourcing solution to handle peak capacity volume fluctuations (overflow). This model also might include after-hours and weekend full-service scheduling capability to meet the demands of patients who typically work during normal inhouse centralized call center hours.
2. A **patient communications solution that operates remotely**, taking calls and performing other front-end services as needed in their own facility.
3. A **virtual, all-inclusive patient scheduling and communications solution** offering complete front-end patient communication management utilizing independent agents specifically assigned to a provider organization with full access to its EMR and scheduling algorithms.

Among key benefits of such a virtual solution are:

- Agent availability 24 hours a day, every day, and geographically dispersed operations that never are affected by inclement weather, natural disasters, regional system outages or unforeseen local events.
- One point of contact for patients and providers, and no unanswered calls.
- Advanced technology that eliminates dropped calls, reduces abandon rates and decreases the number of no shows through effective communication.
- Increased revenue through insurance verification and upfront collection of co-pays.
- Decreased costs based on a fixed cost per minute of actual call time vs. an inhouse full-time employee.
- No management costs.

	Virtual Full-Service Patient Communications	Inhouse/Traditional Outsourcing
Abandon rate	3%	15%
Response Time	30 seconds	25-minute waits
Preregistration	100%	none
Call monitoring	100%	none
Call accuracy	98%	no quality assurance
Agent utilization	85%	30%
No-show rate	3%	20%

Conclusion

Even before the pandemic, it was time for healthcare executives to look carefully at their inhouse and outsourced call center operations, determining whether they are a drain on the budget and patient retention or a source of cost savings and enhanced revenue. As providers face the unknowns of post Covid-19 healthcare, a change in their patient communications structure could have positive impact on their success.

About American Health Connection

American Health Connection offers the healthcare industry's only all-inclusive, full-service, virtual central scheduling and patient communication services, delivered by fail-safe, state-of-the-art technology; customizable, integrated software; and 100 percent U.S.-based agents. Designed to improve both patient and physician satisfaction, our Patient Communication Management® system encompasses a suite of customized services that seamlessly and cost-effectively streamlines all aspects of the patient engagement process. These comprehensive solutions are proven to dramatically improve scheduling and registration workflow, maximize client resource utilization, reduce expenses and enhance care coordination to decrease hospital re-admissions.

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