

# Case Study

healthcare

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## Apria Healthcare

Home Healthcare Provider Goes Paperless

*"Ricoh was phenomenal. They improved on our suggested schedules, even though the volume of documents far exceeded our original estimate. They did a great job for us."*

Paul Heuvel  
Vice President of  
Billing Center Operations  
Apria Healthcare

### ABOUT THE CUSTOMER

Apria Healthcare is a leading provider of home healthcare products and services, such as home respiratory therapy equipment, medical equipment and specialty infusion services. Headquartered in Lake Forest, California, Apria employs more than 14,000 healthcare professionals throughout more than 550 branch offices in the U.S. It serves more than two million patients annually and is accredited by the Joint Commission.

### CHALLENGE

In 2007, Apria Healthcare was drowning in paper. Every time a customer visited one of its then 500 branch locations, the transaction generated an incredible amount of paper. Patient files averaged 45 pages, representing 26 separate documents. Documents included the prescription for service as well as work orders, insurance forms, delivery/receipt information and more. Such documents are required not only for operational purposes, but for regulatory agencies too.

After fulfillment, the patient's file had to be sent to one of 17 regional Apria billing centers for processing and reimbursement. As a result, billing centers had to manage the on-site storage of thousands of patient folders, a task that required 130 full-time employees to manage.

Completing the rest of the manual workflow — receiving the file and processing each separate document required for reimbursement — took approximately three weeks. The lack of speed severely compromised Apria's cash flow and customer service.

What Apria needed was a way to accelerate the billing processes and streamline its infrastructure, consolidating the work among fewer centers. After evaluating several options, Apria selected Ricoh. At Apria's request, the Ricoh team developed an effective proof-of-concept at a small site in Pennsylvania. Temporarily, the project was shelved as Apria weathered a change of ownership and a rapidly changing healthcare market.

#### CHALLENGE

- Large paper files
- Manual document handling and storage
- Overlong processing time

#### SOLUTION

- Improved document workflows
- Advanced OCR
- Content management platform
- Professional services

#### RESULTS

- Consolidated billing offices and saved operating costs
- Reduced compliance risk
- Lowered real estate/storage expense
- Enhanced enterprise wide communication

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### SOLUTION

The situation changed in 2007, when Paul Heuvel joined Apria as Vice President of Billing Center Operations with a mandate to improve productivity, cut costs and eventually replace paper documents in key business processes with electronic ones. "I came from a healthcare company that had recently converted to a paperless imaging system, so I understood the potential benefits of the technology," said Heuvel. "The amount of paper that had to be managed and stored in our billing centers was unacceptable, as was the turn time. That's why I contacted Ricoh to re-ignite the pilot program. I knew they understood our needs."

After winning a RFP process for the work, Ricoh developed an enterprise-level version of the pilot that allowed Apria to consolidate from 17 billing centers to three. The solution involves a suite of products for document capture (production scanning) and indexing, a content management platform, scanners and professional services for installation, training and support.

The pilot site had confirmed that advanced Optical Character Recognition (OCR) offered a much faster solution than traditional separator sheets. Advanced OCR automatically detects the different documents in a patient file, separates them and delivers them to the correct location within the content management system. With the enterprise solution, branches send paper files to a billing center, where they are scanned and available immediately for further processing.

### RESULTS

Today, Apria's billing processes are virtually paperless, although there is a residual amount of paperwork from certain payers, the government and other third parties outside of Apria's span of control.

Billing centers have no paper patient files. Apria consolidated 17 billing centers to three, radically reducing the person-hours required to manage this process and saving

approximately \$300,000 every month. In addition, Apria is spending much less on real estate and storage

Most important, the billing process that previously took three weeks to complete is down to one week or less, depending on how quickly the billing center receives the file. This has led to fewer days sales outstanding (DSO), improved document retrieval during post-payment audits and improved information sharing across the enterprise. Along the way, the Ricoh team worked hard to ensure the project stayed on schedule and adhered to the budget. In a complex, multi-site implementation such as this, managing the details to meet cost targets is much more challenging — and equally more important to the customer.

After implementing the solution, Ricoh continued to find ways for Apria to improve its processes. For example, Ricoh conducted a 50-million-image backfile conversion for all existing patient records. Completed in just six months at 26 Ricoh imaging centers strategically located across the country, this effort was vital to the original solution's success.

"For the backfile conversion, Ricoh worked toward an incredibly aggressive deadline," said Heuvel "RicoH was phenomenal. They improved on our suggested schedules, even though the volume of documents far exceeded our original estimate. They did a great job for us."

Secondary benefits include lower compliance risk, because files are now much easier to locate than in a manual system. In addition, the solution has allowed Apria to move forward with a more efficient document retention program, in which fewer paper files must be kept after scanning. Today, Apria has five billing centers following a large acquisition. But the scanning solution itself continues to deliver the efficiencies it promised.

"If you're still using manual processes, scanning is a no brainer," said Heuvel. "If you decide to go that route, who will you select? I want an industry leader with experience in healthcare, a provider who can translate my business needs into innovative technology solutions. For Apria, that provider is Ricoh."

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