

Exploring a Hospital Outsourcing Decision: An AHP/Decision Mentor Approach

Adam Majsak, Lisa McDonaldson, Theresa Ozeck,
Carissa Snedden

Carlow University

MBA Decision Making for Leaders

3333 Fifth Avenue, Pittsburgh, PA 15213

ajmajsak@live.carlow.edu

lmcdonaldson@live.carlow.edu

tmozeckk@live.carlow.edu

cesnedden@live.carlow.edu

Abstract. *Hospitals today are having trouble maintaining acceptable operating margins due to the drastic shifts brought on by the pandemic. The cost of medical supplies has risen dramatically, staff retention is increasingly challenging, and medical personnel are demanding higher wages, all contributing to rising operating costs. Outsourcing data entry jobs could help hospitals operate more efficiently, potentially leading to improved operating margins compared to recent years. This paper proposes a decision-making process for a hospital seeking to reduce overhead costs and maximize resource utilization by evaluating alternatives for data entry functions. The main decision at hand is whether the hospital should outsource data entry jobs or continue with in-house staffing. Key criteria for this decision include cost efficiency, operational efficiency, scalability, and data accuracy and security, with particular emphasis on the critical importance of maintaining high standards of data integrity due to the sensitive nature of medical records and compliance with HIPAA regulations. The paper employs the Analytic Hierarchy Process (AHP) to structure the decision and utilizes Decision Mentor—a recently developed practical software tool—for the AHP analysis. It applies a pairwise comparison method to derive criterion weights, incorporating both quantitative and qualitative factors, and uses weighted scoring to evaluate the alternatives. The analysis reveals that while outsourcing offers significant advantages in cost savings and scalability, maintaining in-house staffing ensures better control over data accuracy and security, essential for patient care and hospital operations. A hybrid model is also explored as a potential solution to balance the benefits and risks associated with each approach.*

Keywords. Hospital operations, outsourcing, data entry, scalability, cost efficiency, data security, HIPAA compliance, AHP model, decision-making, Decision Mentor.

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