

Paperless banking—the Health and Human Services way!

What in the world does the Department of Health and Human Services have to do with banking? Not much, you may say. But if you take a moment to dig a little deeper, you may be surprised.

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The Obama Administration has an initiative that focuses on creating an electronic health record system for Medicare and Medicaid recipients. This initiative is to be completed by 2014 and provides incentive payments for providers who comply.

The initiative is funded under the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111–5) and provides incentive payments to eligible professionals, eligible hospitals, and critical access hospitals participating in Medicare and Medicaid programs that adopt and successfully demonstrate meaningful use of certified electronic health record (EHR) technology.

Here's the link: <http://edocket.access.gpo.gov/2010/pdf/2010-17207.pdf>

The initiative is a big deal, just Google it and see what you find. There is a lot of energy being expended in the EHR space and it is growing.

The intent, however, is to prove that electronic based health records will not only reduce the national cost of health care and save taxpayer dollars, it will also improve the quality of patient care. Not to be sarcastic, but have you read your doctor's handwriting lately. I mean it, just try and read the prescription that they handed you for meds at your last appointment. And you hope the pharmacy got it right!

Paper based records or instructions, no matter what the context, can be problematic. From not being able to read the writing to the information being misfiled in transit to just laying around to be filed.

So, what does this have to do with banking? Simple. Have you checked your signature card file lately, and you have signature cards for all of your customers? In addition, how do you open new accounts? Do you have all of your forms online only to print them out so the customer can sign them and you file them or worst yet, scan them and put them in an electronic file folder? Ok, let me get this right; you go from electronics, to paper back to electronics? Help me please!

By the way, when was the last time you closed a mortgage loan? Don't you think that they could have you sign the documents on a tablet and then send you an electronic file or give you a thumb drive that is password protected at the end of closing with all of your loan documents? Why do you have to have a two-inch file of paper mailed to you? In some respects the banking industry is so far behind and the gap is growing fast.

Today, I can go into Best Buy, Sears, and Kmart make a purchase and have the receipt sent to me electronically. I can change my cell contract for my business at Verizon and the same occurs. Ok, I think that President Obama is onto something here and the financial industry could learn from it. As opposed to increasing fees due to lost revenue, why can't we lower our costs by going all electronic? This is not a new concept here, don't cut jobs, improve the delivery of services. The bottom line is you will never arrive at your destination unless you have a plan on how to get there. Do you have paperless banking plan?

The Wombat! About the Author

Dan Fisher is president and CEO of The Copper River Group, a consulting firm headquartered in Fargo, N. D., that focuses on technology and payment systems research and consulting for community financial institutions. For nearly 30 years, Fisher has worked in the financial industry using technology to improve the bottom line. He was CIO of Community First Bankshares (now part of BancWest), has served as a director of the Federal Reserve Board of Minneapolis, the chairman of the American Bankers Association Payment Systems Committee, and was a member of the Independent Community Bankers of America Payments Committee. Fisher has written numerous articles on banking technology and the payments system. He has authored or co-authored six books and recently published a book titled, "Capturing Your Customer! The New Technology of Remote Deposit." You can contact Fisher at dan@copperrivergroup.com.

P.S. To understand Dan's nickname, check out "About the Wombat" on his website, www.copperrivergroup.com