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Fax to the future: The key to digital transformation across industries

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Introduction

Digital fax is having a moment. Since the mid-2010s, the Federal Communications Commission (FCC) has been working diligently toward the removal of analog telephone lines. In 2019, the FCC issued a Memorandum of Opinion and Order 19-72 allowing companies to decommission copper wire phone services as of August 2022.

The phasing out of copper wire telephone systems, which are old and expensive, has meant companies using copper wire POTS (Plain Old Telephone System) lines must switch to newer technologies or risk being surprised with the cancellation or unregulated price increase of maintaining analog lines. In addition, the rise of hybrid work and the increase in global regulations and security challenges have accelerated the shift away from analog fax.

The standalone fax machine, with its manual processes, analog lines, and ink, paper and other consumables, is quickly becoming a thing of the past. In today's global environment, fax technology must evolve to meet new operating demands.

Enter digital fax. Digital fax is an important first step in any digital transformation or modernization strategy. Moving to a cloud or hybrid solution eliminates reliance on copper and analog lines and allows organizations to increase the security of their information exchange, enhance user experience and develop built-in workflows that meet their business needs.

This paper discusses common use cases for digital fax across three industries: healthcare, legal and financial services. It provides an overview of the benefits of digital fax and includes customer case studies.
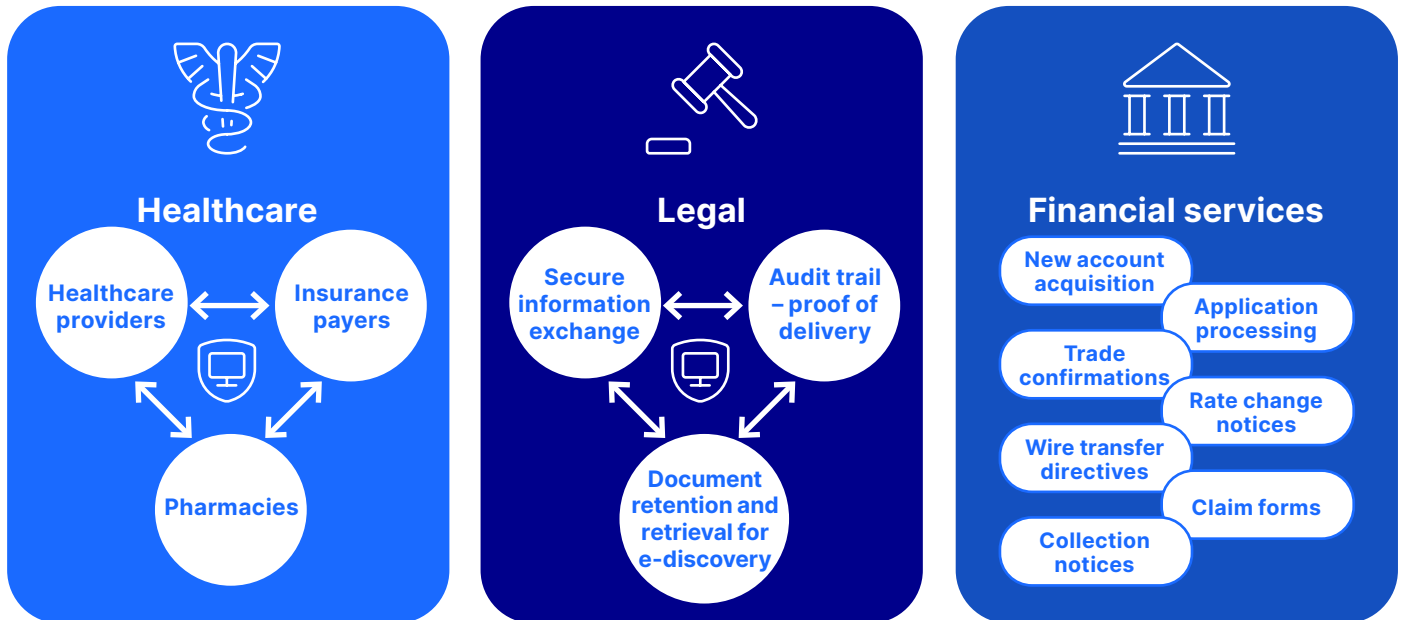
Digital fax: An industry foundation

Today, fax remains the most trusted form of securely exchanging information in highly-regulated industries like healthcare, legal, and financial services because the communication protocol itself is inherently secure. It requires peer-to-peer direct connectivity prior to transmission of data, meaning documents can't be transmitted unless the outbound fax transmission has a secure and direct connection with the receiving device.

But analog fax brings significant challenges, including high maintenance costs, high transmission failure rates and the inability to scale. By transitioning to digital fax, companies in highly-regulated industries can continue to reap the benefits of fax while increasing security and compliance, realizing operational efficiencies and improving the overall experience.

Here is an overview of use cases for digital fax in the healthcare, legal and financial services industries.

Healthcare

Healthcare

Healthcare providers ⟷ Insurance payers

Pharmacies

Legal

Secure information exchange ⟷ Audit trail – proof of delivery

Document retention and retrieval for e-discovery

Financial services

New account acquisition

Application processing

Trade confirmations

Rate change notices

Wire transfer directives

Claim forms

Collection notices

Healthcare

Fax remains the standard method of communicating protected health information (PHI) for healthcare organizations, including healthcare providers, insurance payers, and pharmacies, to maintain compliance with the Health Insurance Portability and Accountability Act (HIPAA). According to The Office of the National Coordinator for Health Information Technology (ONC), 7 out of 10 hospitals still rely on fax to send and receive health information.

However, the drawbacks of analog fax in healthcare are clear. Patient information must be exchanged securely. Data sent across phone lines is not encrypted and thus poses a risk to patient privacy, which can result in regulatory infractions. Paper-based faxing with standalone fax machines also puts a healthcare organization at risk if the device is not stored in a secured location.

Additionally, faxes can be sent to the wrong number. In a HIPAA Journal report, faxes containing PHI were sent to an incorrect recipient by OhioHealth's Grant Medical Center over a period of several months—a violation of patient privacy and the Act. Reports indicate that as many as 20% of all faxes fail, are lost, or are misdirected, leading to delays in patient care.

Digital fax eliminates the risk of unintentional exposure of PHI to unauthorized individuals by exchanging content electronically and delivering it directly to its intended recipient.

Recipients most commonly access the content at their computer, within an application or secured network folder. This helps eliminate the risk of unintentional exposure and keeps content private to only those with access.
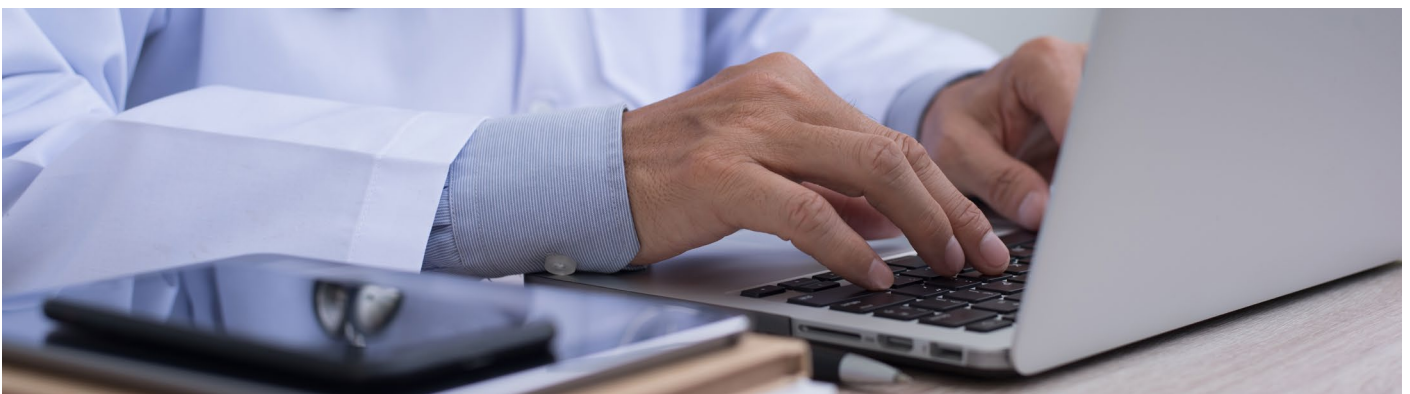
Digital fax solutions typically integrate with electronic medical records (EMRs), making it easy to upload or deliver PHI from the application. This eases the burden of manually processing and scanning paperwork.

Digital fax can also help major health systems save significant costs and improve patient outcomes. By adopting digital fax, healthcare organizations can increase security, optimize workflows and eliminate bottlenecks and delays. This allows healthcare organizations to redeploy employees from manual to mission-critical work, improving the employee experience by reducing frustration and burnout.

For example, the University of Kansas Health System (KUMC), a world-class academic medical center, was struggling with high transmission rate failures and degradation of their off-cloud fax system. Local telecommunications vendors were no longer supporting fax solutions over copper wire telephone systems, which led to KUMC experiencing a transmission rate failure of 54%. The high failure rate negatively impacted patient care and led to staff monitoring the outbound queue to ensure faxes went through properly.

KUMC needed a secure, reliable digital fax solution. KUMC worked with OpenText Premier Support to implement OpenText™ Fax Cloud Connect (RightFax™ Connect), a hybrid fax solution. OpenText Fax Cloud Connect integrates with SAP®, Oracle® and EMS applications, including Epic, Allscripts, Millennium with Cerner, New Touchworks, and Microsoft® SharePoint®, as well as other integrations through APIs and developer tools. By moving to a cloud fax solution, KUMC was able to improve patient care while realizing significant cost savings.

For ZOLL Medical, the implementation of OpenText Fax Cloud Connect had life-saving results. ZOLL Medical provides wearable defibrillators (LifeVest) which are ordered via cardiologist prescription and primarily submitted via fax. As demand for the LifeVest device increased, ZOLL Medical experienced an overwhelming increase in incoming faxes which led to issues with unreliable fax delivery. The failover process was manual, and ZOLL Medical had to use two separate fax solutions for redundancy purposes. By implementing OpenText Fax Cloud, ZOLL Medical was able to realize scalability, security, and savings, while ensuring compliance and increasing the reliability of their digital fax solution.

Other applications for digital fax in healthcare include accountable care, chronic disease management, and population health management. Digital fax can also be used to help improve the patient journey, increase the timeliness of orders and referrals, improve the sharing of visit notes, and streamline discharge planning.

Legal

Fax continues to be the most trusted form of exchange in the legal industry and is used daily to send and receive confidential documents between clients and attorneys. Courts may also require fax to be used to submit information.

This is because fax is legally binding. Specifically, countries such as the US and Australia, and the EU have determined that faxed signatures (when recognized under the law of each jurisdiction) have the same legal consequences as more traditional forms of executing documents. When sending and receiving contracts and other kinds of signed documents, the documents are considered valid once they have been signed and sent back.

Today, digital fax is the preferred method of sending and receiving documents because of its reliability and security. Whether exchanging intellectual property, contracts or other confidential information, legal firms use digital fax as a secure and easy-to-use method of exchange.

Digital fax is critical to supporting compliance requirements and minimizing risk. It gives law firms full visibility into fax content, including who sent it and when, who received it and when, and who viewed it and when. It also delivers a confirmation once the transmission is complete—something other means of communications can't do—and provides a complete audit trail, allowing proof of delivery and receipt of content to be established. Digital fax also aids with document retention and retrieval for e-discovery purposes.

Financial Services

Fax also continues to be a staple of the financial services industry, including banks and insurance companies. Digital fax can be used to comply with regulations. Financial institutions rely on digital fax for transaction transparency, audit trails, and the ability to transmit original signatures for legal documentation. All of this can help with processing credit applications, trade confirmations, claim forms and collection notices. Financial institutions also leverage digital fax technology to provide secure information exchange and deliver time-sensitive communications quickly and securely.

In capital markets, documents such as trade confirmations must be sent to a client by their broker-dealer after every trade. However, accessing the SWIFT network can be expensive, whether directly or via a SWIFT Bureau. For small trading firms such as treasuries, family offices, high net-worth individuals and smaller buy-sides that do not generate a high volume or frequency of confirmations, SWIFT messages may not be a financially viable option. Digital fax can ensure these documents are exchanged securely, while also providing an audit trail.

Insurance companies working with private health information can use digital fax as a more secure form of information exchange. Digital fax can improve employee experiences by enabling employees to manage inbound and outbound faxing directly within their email accounts.

For example, Corporate Synergies, a national insurance firm, used paper-based processes including analog fax and had fax machines in strategic locations in each of their offices to ensure client privacy. The company's outdated processes presented significant efficiency and productivity delays, and required employees to walk back and forth to fax machines while completing their work.

Corporate Synergies improved efficiency and productivity with OpenText™. The solution also allowed them to eliminate capital costs, software fees, telecom charges and ongoing maintenance.

In banking, digital fax makes it easier for employees and customers to securely exchange information. By integrating capture technology into a cloud fax solution, banks can automate data capture, management, and distribution, making processes like loan applications faster and more efficient. This makes it easier for employees to provide superior customer experiences and, in turn, improves the employee experience as well.

Discover the future of fax with OpenText

OpenText™ is a digital fax market share leader, with a track record of more than 40 years of fax operations experience. Each year, OpenText handles the transmission of more than 6 billion messages via our global fax network.

OpenText™ Fax is a scalable fax server solution available in on-premises, hybrid cloud and managed services deployments. OpenText Fax lets users, applications and systems securely transmit paperless digital faxes and reduces faxing costs by connecting to onsite analog or digital telephony, voice-over-IP or the cloud. OpenText Fax integrates with industry email and desktop applications to maximize productivity while reducing risk by ensuring compliance with data privacy mandates and decreasing costs by digitizing manual, paper-based processes.

OpenText™ Core Fax is an enterprise-grade solution that can be tailored to meet the needs of businesses of all sizes. Deployable on premises, in the cloud or as a hybrid solution, the best-in-class fax solution integrates with and streamlines workflows across the entire organization.

See how the OpenText portfolio of digital fax solutions can help move your business forward.

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