



Finance Leaders Rethink Transcription: Six Critical Criteria in a Changing Landscape

A White Paper from Webmedx

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Executive Summary

Perhaps it was the black market sale of patient information in India last October.¹ Perhaps it was the worldwide economic meltdown and loss of U.S. jobs in 2009. Or maybe it is the pressure of tighter HIPAA regulations under ARRA's HITECH Act. Whatever the cause, the effect is clear. Healthcare providers who sent medical transcription offshore in the past are bringing it back home.

Nearly fifteen years since medical transcription service providers began building their businesses in distant lands, a quiet backlash against offshore transcription and a growing demand for U.S. based services have emerged. Providers across America are recognizing the true value of domestic transcription services and are connecting that value to better patient safety, higher quality care, and stronger security.

In addition, technology-based approaches are being rapidly deployed to deliver greater medical transcriptionist efficiencies and drive down production costs. Intelligent technologies are now fully integrated into physician dictation, transcription and electronic health record (EHR) workflows making U.S. based transcription services as highly competitive and cost-effective strategy. Couple these advances with heightened financial risk for HIPAA privacy breaches and the rationale for a more-informed transcription decision is clear.

As financial leaders rethink medical transcription, there are three important realities that should not be overlooked. First and foremost the demand for medical transcription services is on the rise, not on the decline as many have assumed. Second, less cost does not equate to greater value. Finally, with technology-based approaches healthcare providers don't have to choose between quality and price, both are easily attainable.

Starting with these three key realities, this white paper explores the top six reasons that onshore, U.S. based medical transcription services are providers' best choice in 2010 and beyond. Details provided within this paper give healthcare executives and health information management (HIM) directors the information they need to make smart, more informed medical transcription buying decisions today.

Key Criteria for Medical Transcription Today

Superior report accuracy and quality

Tight adherence to new HIPAA privacy and security rules

Advanced technology-based approach

Strong contribution to U.S. economy and local community

Consistent, reliable customer support

Experienced, credentialed workforce

At a time when healthcare's challenges are the worst and getting more complex, provider organizations must drive more value out of every technology and human resource – especially medical transcription.

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Three Realities of Medical Transcription Today

For nearly a decade, industry pundits have predicted a decrease in the demand for medical transcription services. With increasing deployment of electronic health records (EHRs) and their associated clinical documentation templates, many healthcare executives have automatically assumed that medical transcription services would be eliminated.

However, today's reality is quite different. Even in the most technically advanced hospitals, 62 percent of documents are still created using dictation and transcription.ⁱⁱ

Demand for Medical Transcription is on the Rise

According to the *KLAS 2009 Transcription Services: Steady Demand in a Volatile Market* report, 44 percent of healthcare provider organizations have seen an increase in dictation volumes while only 16 percent report a decline.ⁱⁱⁱ There are four reasons for this trend, all of which are expected to place greater emphasis on physician documentation, regardless of how it is captured.

First, recovery audit programs such as Medicare's Recovery Audit Contractors (RACs) and Medicaid Integrity Contractors (MICs) are placing greater pressure on healthcare providers to document that the care they deliver is medically necessary and justified. Incomplete documentation results in significant financial loss.

As an example, during the RAC demonstration project the review of wound debridement inpatient procedures resulted in a combined \$18 million in Medicare take-backs. As recovery audits expand, physicians will be required to dictate more per report for every patient they admit and every procedure they perform.

Second, the need to meet standards for "meaningful use" of electronic records under ARRA's HITECH Act is driving an increase in the volume of physician documentation. In Stage One of the current meaningful use criteria, providers must meet a number of quality reporting requirements and submit data directly from their EHRs. At the same time, national quality reporting initiatives such as Physician Quality Reporting Initiative (PQRI), Joint Commission Core Measures, and Pay for Performance rely heavily on thorough documentation by physicians and other caregivers.

Third, the rapidly approaching conversion to ICD-10 will demand even greater detail and specificity from physicians. Though implementation was extended to October 2013, healthcare providers are already educating physicians on the

Four Industry Drivers Impact Demand

Recovery audit expansion

National reporting requirements

Conversion to ICD-10

Growing patient volumes

"44% of healthcare provider organizations have seen an increase in dictation volumes while only 16% report a decline."

KLAS 2009 Transcription Services: Steady Demand in a Volatile Market Report

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need for more detailed documentation to support correct clinical coding and billing under ICD-10.

Finally, growth in patient volumes will drive the medical transcription industry. Already there are nearly 1.2 billion clinical records produced in the U.S. every year and 60 percent are documented via traditional dictation and transcription.^{iv} Healthcare reform legislation opens the door for nearly 32 million new patients to enter the healthcare system and along with them, more dictation and transcription.

The future is clear. Dictation volumes will continue to grow and outpace technology advances. Alongside volume increases, there is another new reality that healthcare executives must address with regard to medical transcription – cheaper isn't always better.

More to the Story than Just Cost

As with many things in life, perception is not always reality. The “perception” that offshore medical transcription services are less expensive is just that: a perception. The reality is that offshore transcription is much more expensive than its domestic counterpart, especially in light of advanced, technology-based approaches.

Quality issues are the biggest variance between onshore and offshore transcription. Correcting errors takes time and money for physicians, HIM directors, and the medical transcriptionist. High error rates lead to physician complaints and dissatisfaction. And perhaps most important, patient safety is at stake. For the two cents per line savings associated with offshore transcription, the risk is simply too great. Where accuracy and patient safety are concerned, quality must trump price.

Darlene Rush, RHIT, Director of Health Information Management at Providence Hospital in Mobile, Alabama, spoke to her peers before making the decision to use Webmedx, a 100 percent U.S. based medical transcription service. “Other HIM Directors reported a high number of errors with their offshore transcription service provider,” notes Rush. In addition, she heard that using an offshore service required a lot more management and quality assurance time in monitoring reports, correcting errors, and validating bills.

The financial risks of an information breach under the new HIPAA privacy and security rules made Rush even more suspect of a supplier outside the U.S. Protected health information should not simply be handled by the lowest bidder.

“Other HIM Directors reported a higher number of errors with their offshore transcription service provider.”

Darlene Rush, RHIT, Director of HIM. Providence Hospital

“Protected health information should not simply be handled by the lowest bidder. A credentialed, U.S. based medical transcriptionist is a safer and more secure choice.”

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Technology-Based Approach Delivers Efficiency and Savings

The past two years have seen significant advances and change in dictation and transcription technology. Speech recognition, voice recognition and natural language processing (NLP) technologies are coming together to create a third-generation of physician documentation options. Medical transcription service providers are incorporating these new technologies into their solutions at an astounding pace and with dramatic results.

With today's dictation and transcription solutions, physicians continue dictating reports in a proven, productive and familiar method while information technology (IT) departments can easily abstract data from transcribed reports for structured, discrete clinical reporting and EHR upload. The benefits achieved through this technology-based approach deliver efficiencies and cost savings competitive with other cost lower strategies like offshore transcription.

Technology advances are leading healthcare executives to rethink clinical documentation and the future role of medical transcription. The sector will not be replaced by technology anytime soon; it will naturally evolve. As Rich Schaeffer, CIO, St. Clair Hospital in Pittsburgh, Pennsylvania states, "The focus should be on trying to consistently improve physician documentation using better tools, not on replacing transcription."

Realizing the continued importance of medical transcription, healthcare executives must now determine who will provide services, where they will be provided, and what technologies will be used.

"The ability to capture narrative speech, convert it to text, apply natural language processing technology and then upload discrete data elements into EHRs for real time patient care is the ultimate goal for dictation and transcription systems. Healthcare providers should look for these advanced technology capabilities when evaluating and selecting transcription service providers."

Mike Davis, Managing Director, The Advisory Board Company and former Executive Director, HIMSS Analytics.

Six Key Reasons to Choose Domestic Transcription Services

The remainder of this paper lays out the six most common reasons that healthcare providers use onshore versus offshore transcription. In addition, healthcare providers speak out regarding their rationale for partnering with Webmedx, a 100 percent U.S. based service.

The Quality Factor

Physicians are frustrated with the poor quality reports delivered by offshore transcription companies. Filled with errors and omissions, physicians are forced to review reports two or three times to ensure they are correct and complete. Physician time is wasted, satisfaction drops, and patient care is compromised. As mentioned above, these are the hidden costs of offshore transcription – costs that healthcare executives are no longer willing to pay.

"Physicians know the difference between onshore and offshore transcription services. You can't convince physicians that quality really exists when it doesn't."

Edna Palmer, Manager, Central Transcription, Bon Secours, Richmond, Virginia

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According to Edna Palmer, Manager, Central Transcription, Bon Secours, Richmond, Virginia, “physicians know the difference between onshore and offshore transcription services.” The organization used offshore services before turning to Webmedx in 2006. “You can’t convince physicians that quality really exists when it doesn’t.” For Palmer and her staff, “reports had to go through three rounds of quality analysts by the vendor and many times by us before they were ready for physician review and signature. Quality was our biggest problem with offshore transcription.”



As stated in the KLAS 2009 Transcription Services: Steady Demand in a Volatile Market report,

“...onshore transcription receives higher marks for both quality and turnaround time”. In fact, according to the report, the top-five medical transcription service operators (MTSOs) are all doing their work predominantly onshore.

Tighter HIPAA Rules Lead to Executive Concern

Effective February 17, 2010, medical transcription companies are now subject to the same fines and penalties as the provider organizations they serve should a breach of patient information occur. As a result, MTSOs must do more to comply with HIPAA rules under ARRA’s HITECH Act and work even harder to keep protected health information (PHI) secure.

Compliance with U.S. laws was already a controversial issue for non-U.S. companies. The new HIPAA rules have made it an even greater concern and created a tipping point for the return of medical transcription services to the U.S. In fact, recent medical transcription requests for proposals (RFPs) have indicated that only “100 percent domestic services” will be considered.

At Providence Hospital, medical staff was adamant about keeping work in the U.S., citing quality and HIPAA as top priorities. “With the new breach laws in effect, we prefer to keep transcription close to home for monitoring,” comments Rush. Compliance with HIPAA under ARRA’s HITECH ACT was the deciding factor for Rush to keep transcription within the United States.

Conundrum of Subcontractors Heightens Security Risk

Offshore transcription services are notorious for using subcontractors. As patient information gets handed off from vendor to vendor and country to country, the risk for a security breach multiplies. Questions such as where is the work actually being done and who is transcribing the patient record must be asked. Providers should demand transparency in work location and require that vendors not subcontract their work without written permission.

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The Impact of a Weak U.S. Economy

Pressured by regional job losses and a weakened economy in 2009, healthcare providers sending jobs overseas often face a public relations nightmare. Healthcare executives find it extremely difficult to explain why jobs are “offshored” when one out of every ten Americans is unemployed and the U.S. economy has lost 7.6 million jobs.^v Even in regions where MT shortages exist, the community backlash against sending jobs overseas has become too much for hospitals to bear.

It is in this nation’s best interest to have medical transcription performed here and it puts more people back to work. Outsourcing to a 100 percent domestic transcription service provider such as Webmedx is a practical way to achieve this goal.

“Providers should demand transparency in work location for offshore medical transcription suppliers and require that vendors not subcontract their work without written permission.”

Customer Support is Mission Critical

Every American understands the challenges of speaking with a customer support representative from another shore. Now imagine a physician experiencing technical difficulties in the middle of the night when the only support available speaks a different language, reads from a script, and is sitting in a cubicle over 10,000 miles away.

Beyond physicians, HIM Directors report greater frustration with customer support departments located overseas. “When Bon Secours Richmond used an offshore vendor, there were several ladders to climb to get customer service results,” says Palmer. “Stability is the key to good customer service. The offshore vendor had merged several departments and had five different individuals providing me with monthly invoices, it was a management nightmare.”

Because the HIM professional is tasked with ensuring a complete and accurate patient record, their department is on the line when transcription mistakes occur and aren’t immediately corrected.

Credentials Drive Greater Value, Stronger Security

Finally, medical transcriptionists and clinical documentation editors are highly skilled healthcare professionals. They are constantly adapting to new technologies such as speech and voice recognition alongside the latest in medical treatments and clinical diagnoses. U.S. based training and certification programs have been in existence for decades and are a highly reliable source for competent, credentialed MTs and editors. Training and certification for

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offshore transcriptionists are typically provided by the MTSO and lack national accreditation or U.S. standards compliance.

Webmedx fosters certification and ensures continuing education for their MTs in a variety of ways and boasts the highest percentage of credentialed staff of any other leading medical transcription service provider. "Our long-term goal is to have a 100 percent credentialed workforce and we are well on our way to accomplishing that goal with over 50 percent of our staff holding AHDI credentials," mentions Tammy Moore, CMT, AHDI-F, QA Mentoring Team Manager & Education Coordinator for Webmedx. Moore was the 2009 recipient of the Excellence in Credentialing award from the Association for Healthcare Documentation Integrity (AHDI).

"I think the reason why Bon Secours gets the most for our dollar with Webmedx is the process of mentoring MTs which they have in place and will, in the long run, guarantee me a quality product," mentions Palmer.

"Webmedx fosters certification and ensures continuing education for their MTs and boasts the highest percentage of credentialed staff of any other leading medical transcription service provider."

Conclusion

Offshore transcription may be tempting for those focused on reducing costs. However, in an age of greater transparency and patient safety, it is clear that onshore services coupled with a technology-based approach delivers greater value and stronger security for healthcare provider organizations.

For more information about Webmedx's 100 percent U.S. based medical transcription solutions visit the company's website at: www.webmedx.com or call the company directly at: 877-846-1200.

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About Webmedx

Webmedx, Inc. is the premier supplier of medical documentation services for hospitals and clinics nationally. Recently named 2009 Best in KLAS for Outsourced Transcription according to the *2009 Top 20 Best in KLAS Awards: Software & Professional Services* report, December 2009, the company designs and implements customer-centric documentation solutions using the most credentialed domestic workforce in the industry and its own enterprise-class, intelligent speech recognition and content management technology platforms.

**2009 Best in KLAS Awards: Software & Professional Services report. Available online at: www.KLASresearch.com.*

ⁱ "Medical Records Sent for Computerization to India up for Sale". The Economic Times, October 19, 2009.

ⁱⁱ "Transcription and EHRs: Benefits of a Blended Approach". Jay Cannon and Susan Lucci, RHIT, CMT, AHDI-F, Journal of AHIMA, February 2010, pg. 36-40.

ⁱⁱⁱ "Transcription Services: Steady Demand in a Volatile Market". KLAS 2009.

^{iv} "Why We Matter to Healthcare". Sims, Leah, CMT, AHDI-F. ADVANCE for Health Information Professionals, April 2010.

^v "Labor Force Statistics from the Current Population Survey". United States Bureau of Labor Statistics, April 22, 2010.