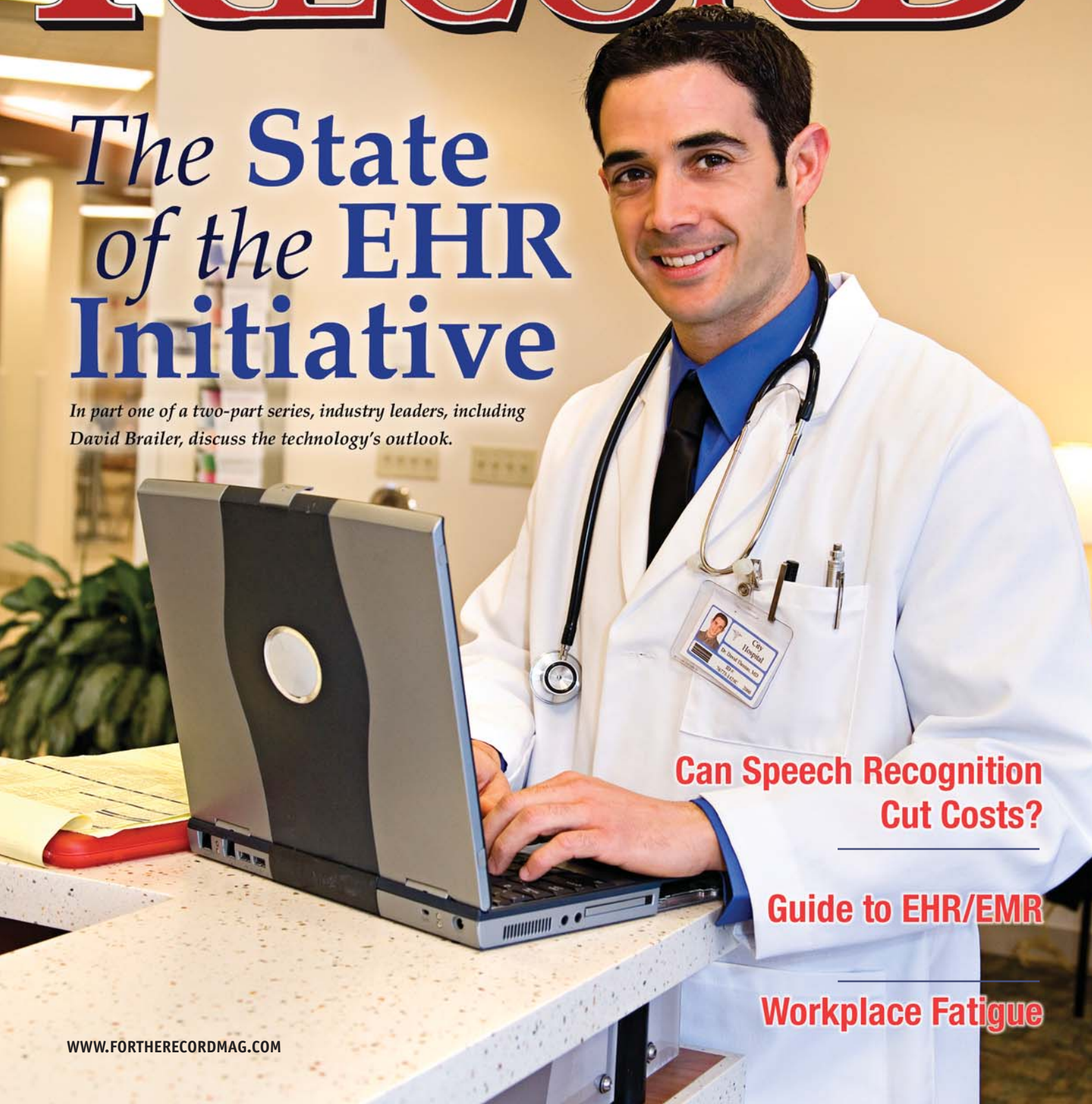


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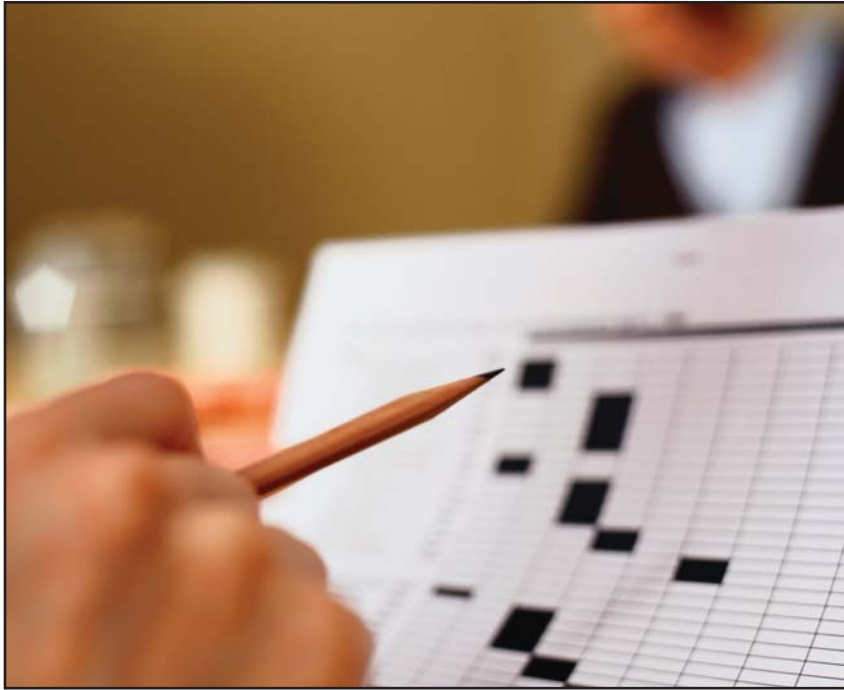


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Do You Know What You're Paying For?

BY KIM VERNON, RHIA

Understanding the aggregate cost of medical transcription is often the most critical and confusing element in gauging the value of transcription services. Many people assume that a detailed grasp of transcription costs is needed only by the healthcare providers who outsource transcription services. In reality, however, it's just as important for healthcare providers with in-house transcription resources to fully understand their actual costs and benefits.

Outsourced transcription partners should provide the tools and knowledge required to independently monitor volume, calculate lines, and verify billing. At the same time, healthcare organizations should objectively ascertain the complete—and sometimes “hidden”—costs of in-house transcription, which will lead to a more precise comparison should they one day explore the possibility of outsourcing.

HEALTHCARE PROVIDERS THAT PARTNER WITH TRANSCRIPTION COMPANIES

Transcription costs are generally thought of in terms of per-line rates, but the value of medical transcription services must also include an evaluation of quality, turnaround time, physician satisfaction, capacity, and technological compatibility. Fortunately, hospitals and other healthcare organizations are becoming more sophisticated in their expectations of medical transcription services and their understanding of its total value. Medical transcription partners should help in this process by adopting a billing method that is straightforward and easily verifiable.

BILLING METHODS

The most common source of confusion in medical transcription billing is the price per

line. The problem is that there is no standard definition in the medical transcription industry for what constitutes a “line.” The most common methods for defining a line of medical transcription are as follows:

Gross Line

This method is the most simple: Count the number of horizontal lines in a document regardless of how many characters are on that line. Often, even blank lines are included in the tabulation.

Net Lines (Keystroke Count)

This method counts the number of keystrokes made by the medical transcriptionist (MT). Formatting keystrokes, such as capitalization or bolding, are generally included in the count, and automated text such as headers and footers may be included as well. However, most software cannot accurately count keystrokes, so detailed verification can be difficult and burdensome.

AAMT Lines

In the early 1990s, the American Association for Medical Transcription (AAMT) defined a line as 65 characters, including spaces and carriage returns. Because the original AAMT definition did not specify how to treat formatting, interpretation and subjectivity led to widespread variation and confusion in applying this method. Because of this confusion, the AAMT stopped endorsing this method in 1998. However, there are still numerous organizations and vendors using the method.

Visual Black Character Line

This technique takes the total number of visible characters (letters, numbers, punctuation, etc) in the document and divides it by 65. Formatting codes, such as bolding or underlining, and command codes, such as spell checking, are not included in the character count, nor are carriage returns or spaces. This counting method can be easily verified by almost any word processing program with a word-counting feature.

ASCII Printed Character Line

The American Standard Code for

Information Interchange (ASCII) Printed Character line is tabulated by counting all ASCII characters and dividing the total by 65. Formatting codes are not included in this count, but spaces and carriage returns are included. This method provides a precise, easily verifiable line count.

Because of their consistency and verifiability, the Visual Black Character Line and the ASCII Printed Character Line are emerging as the two most preferred billing methods.

Regardless of which line-counting method is selected, a transcription partner should follow the Medical Transcription Industry Alliance Billing Method Principles (BMPs) that are fully explained at www.mtia.com. While the BMPs are not intended to dictate a specific preferred billing method, they do provide five principles that every medical transcription service provider should follow: definability, integrity, consistency, measurability, and verifiability.

To adhere to these principles, a medical transcription partner should clearly define which line-counting method will be used and provide a simple way to verify the line count

for consistency and accuracy. A straightforward and verifiable invoice is the key to developing a trusting relationship between a healthcare organization and its medical transcription partner.

HEALTHCARE PROVIDERS THAT HAVE IN-HOUSE TRANSCRIPTION RESOURCES

Determining the cost of in-house medical transcription is usually an even more complex process. While the line count is a critical first step, it is important to remember that a cost-per-line analysis does not provide a full measure of medical transcription costs. When healthcare providers rely on outsourced medical transcription companies, the per-line rate they pay includes more than just fingers on the keyboard.

The compensation paid to MT staff is the most obvious cost, but some of the hidden transcription costs that must also be accounted for include workforce management and IT resources, recruiting and training, continued education and advancement opportunities, hardware and software, system

maintenance and technology upgrades, and facility real estate costs for the MTs to perform their jobs. If transcriptionists work from home, there may be additional costs such as phone lines, Internet connectivity, and fax machines.

To varying degrees, all these additional costs are absorbed by and indirectly reflected in the per-line price charged by outsourced medical transcription service providers. Similarly, healthcare providers with in-house transcription also incur these additional costs even if they are not included directly in their transcription budgets.

Often, organizations assessing medical transcription services mistakenly evaluate only the rate of a line without understanding the overall cost needed for quality, verifiable, and timely documentation. Whether partnering with an outsource service provider or managing in-house MTs, be sure to examine all the information to determine the true costs of transcription services.

— Kim Vernon, RHIA, is Spheris's director of consulting and HIM services.

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