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Outsourcing Transcription: What Are the Driving Forces?

BY JAY CANNON

Medical transcription is accelerating rapidly in virtually every area. Volume, line count, productivity demands, investment costs, managerial requirements, industry regulations, staffing pressures, physician expectations, process complexity—all these burdens are increasing at an overwhelming pace. For these reasons and more, a growing number of medical facilities are transferring their transcription services to external companies.

The driving forces behind outsourcing can be divided into three basic areas: turnaround, technology, and management.

TURNAROUND

The most clear-cut reason for outsourcing is increasing productivity and turnaround time (TAT). Not too many years ago, a TAT of 48 to 72 hours was common and acceptable. Those days are gone. In the modern world, physicians and patients expect complete

medical records to be available within hours of dictation. Healthcare facilities also have a strong financial motivation to ensure quick TATs due to the billing cycle's dependency on completed transcription. In addition, JCAHO requirements and other regulations have also added pressure to increase TAT.

The ability to meet strict TAT demands is increasingly difficult for even the largest hospital chains. The primary reason is staffing. The number of qualified medical transcriptionists (MTs) entering the job market in the United States is decreasing every year. In fact, there are more MTs retiring than who are joining the profession. Add growing demands to a shrinking workforce and it makes for an extremely difficult situation.

Assuming a healthcare facility is able to recruit an adequate number of MTs, there is the problem of fluctuating volume. The maximum capacity MTs can accommodate remains constant, but the number of tran-

scription files can vary dramatically. Many hospitals find themselves paying massive overtime during busy periods while still failing to meet TAT requirements. Meanwhile, the same hospitals are paying MTs to remain idle during slow periods.

By outsourcing transcription work to a large medical transcription service organization (MTSO), a facility will be reasonably assured of steady productivity and a consistent TAT on all transcription files regardless of any fluctuations in volume. Furthermore, pricing is based on the number of lines transcribed. Rates will not increase with volume, nor will you pay for any MTs not actively working on your files.

TECHNOLOGY

In addition to MT salaries (and the salaries of their supervisors), healthcare facilities must also account for the cost of transcription technology. Having the right hardware and software is critical for optimizing productivity, but identifying the “best” technology is an extraordinarily difficult process—especially considering it is a perpetually moving target. Which new applications and upgrades are worth investing in? The answer varies from hospital to hospital, doctor to doctor, and worktype to worktype.

Speech recognition can be a valuable tool in some areas—radiology, for example—but it produces limited results in others. Some doctors will benefit from handheld PDA dictation capability that automatically matches patient schedule and/or admission, discharge, transfer to the dictation file, while others will be more comfortable using more traditional dictation methods. Some facilities will use the full range of capabilities allowed by their transcription software, while others require only a small number of its resources. Uncertainty leads many facilities to pay for unnecessary technology.

Avoiding obsolescence is another major concern. Rapid advancements in software increase the risk that an expensive new application will be quickly outdated, and the life span of new hardware seems to shrink every year. Also, system maintenance can consume a great deal of time and capital.

Maintaining top-of-the-line equipment and

software for every step of the transcription process would be cost prohibitive for almost any medical facility, even assuming the IT staff has the expertise to select and maintain the ideal technologies. An MTSO, however, is able to take advantage of industry expertise and economies of scale to consistently identify and incorporate the best, new technology.

Partnering with an MTSO usually ensures that transcription services will be performed on state-of-the-art hardware and software. Plus, a facility will be able to pick and choose which technological capabilities are right for its needs and budget, rather than being forced to install a complete system with capabilities it will never use.

MANAGEMENT

Medical transcription is a complex and unique area of expertise within the healthcare industry. The process, protocols, and technology involved are highly specialized to the task. With 24/7 service being the norm for medical transcription, healthcare facilities are finding it difficult to keep qualified MT supervisors on the job around the clock.

Transcription requires active management and strict quality assurance. It is necessary to have managers with a thorough understanding of the medical transcription field. Managers must oversee MT training, develop appropriate compensation packages, monitor transcription quality levels, evaluate process problems and improvements, and other standardized tasks. This is in addition to standard human resources concerns such as recruitment, sick days, turnover, etc.

Too often these responsibilities fall on the health information professional, a position that has grown increasingly challenging as job responsibilities continue to grow. Without the necessary transcription background or time required to properly manage an MT workforce, productivity and efficiency may suffer. MTSOs specialize in the transcription process and are able to alleviate the burden of MT management from facility administrators.

CONCLUSION

In the past, healthcare facilities have been concerned about instability and interruptions in the flow of transcription files when dealing

with an outside company. Today, transcription outsourcing is an established industry with proven leaders. As healthcare administrators seek new solutions to their transcription needs, the advantages of outsourcing become increasingly apparent.

Growing volume is making it increasingly difficult for healthcare facilities to achieve aggressive turnaround times on their own—especially as the MT workforce continues to shrink. Furthermore, advances in transcription technology require capital investments that many healthcare facilities are unwilling to make because of costs and uncertainty. In addition, managing the MT staff requires a level of expertise that is often impossible for administrators who are in the business of overall patient care, not transcription alone.

These forces are driving modern medical facilities to seek partnerships with outsourcing companies that specialize in and optimize the transcription process.

— Jay Cannon is executive vice president of implementation and account services at Spheris.

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