

Framework for Understanding HIM in Managed Care

Save to myBoK

by Linda Kloss, RRA, AHIMA executive vice president/CEO

The fundamental questions faced by HIM professionals in breaking into managed care are: "How is it different from institution-based HIM practice?" and "What do I need to know and learn to succeed?"

AHIMA's practice leadership staff is exploring these questions with the help of a newly formed Managed Care Task Force. The task force is made up of HIM professionals who work in managed care; as the group's work proceeds, we will share its insights and experiences, for we must all learn the fundamentals of managed care whether we work in acute care, ambulatory care, home care, behavioral health, or for a vendor of services or products.

Fish or Fowl?

Julie Welch defines managed care and presents trends in "Managed Care: The Dominant Paradigm in US Healthcare." Part of the complexity of managed care is that it is both payment and delivery mechanism, and new hybrids of payment and delivery models are introduced continually in response to market needs. For example, today even long-standing HMOs are offering expanded options to broaden consumer choice of providers. Welch also shows us that regions of the country vary greatly in managed care penetration, with a "bicoastal" pattern of HMO dominance and lowest managed care penetration in the south and south central areas. Thus, some HIM operations are being profoundly affected today by managed care, and others will be tomorrow.

The Systems Patchwork

Whether the managed care entity is managing payment or delivery or both, the common denominator is information. As the old axiom goes, if you can't measure it, you can't manage it. As a market, managed care information products and services have exploded. At the recent HIMSS meeting in Orlando, there were 62 exhibitors claiming service to some aspect of managed care. These ranged from HIS giants such as SMS and HBOC to start-up companies offering unique niche products to this hungry segment of the industry. Undoubtedly hundreds of other firms on the floor offered modules or applications that address pieces of the managed care information patchwork.

Cheryl Homan expertly categorizes this patchwork phenomenon in "Managed Care Information Systems." She concludes, "Managed care information needs cannot be supported by a single information system solution today." Consider these astonishing facts. According to Van Etten, medical groups and health systems spending is currently about \$17 billion a year and could jump to \$75 billion a year in 10 years.¹ And the chief driver of the increasing level of technology acquisition spending is being driven by managed care, according to the 1997 HIMSS/Hewlett-Packard leadership survey.²

Managed Care Expands the HIM Practice Continuum

The HIM profession includes managers, technicians, and specialists expert in systems and processes related to dimensions of information management, including planning, data engineering, administration, application, and policy. Each dimension of practice is or will be modified by evolving managed care demands. The mission and goals of managed care are broader in scope than those of a unit (such as an HIM service) or a provider organization (such as a hospital, clinic, or long term care facility). The scope of information management for managed care encompasses a myriad of front-end functions that traditionally have been performed by insurers. It also demands linkages between providers, episodes of service, and case and disease management. It encompasses follow-through activities that extend beyond the point of service to include—ideally—lifetime health management and all of the monitoring and reporting that accompanies this responsibility. Many of the functions in the middle of the information management continuum remain constant (ordering services, reporting patient progress), but the

goals and the resulting health information functional and user requirements for managed care go well beyond the systems we have traditionally managed.

I once worked with a physician who described the term "managed care" as it currently operates as an oxymoron. This interesting description remains apt; managed care is a study in contradiction, particularly in the context of its insurance functions. His point was that most managed care organizations are not really managing care; they are still managing payment. True managed care happens when all aspects of an individual's healthcare (including wellness) operate in a coordinated fashion, aided by information systems and information system-derived knowledge about how to improve the care process--in terms of effectiveness and efficiency. We are just beginning to climb this learning curve, and I look forward to chronicling the contributions of the HIM profession in helping managed care fulfill its promise.

Notes

1. Van Etten, P. "Healthcare Information Systems. Spend More, Get Less." *Healthcare Forum Journal* 39, no. 6 (1996): 34-40.
2. 1997 HIMSS/Hewlett-Packard Leadership Survey. Chicago: Healthcare Information and Management Systems Society, 1997.

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