HIM Breakup: Changing Times Pull HIM and Coding Apart

by **Chris Dimick**

Benefits can follow when coding packs its bags and moves to the revenue cycle. But all realignments have their opportunities and risks.

HIM and coding are breaking up.

Once a common couple, the two departments are beginning to split at some facilities, moving on to different, and some say better, areas like the IT and revenue cycle departments.

HIM divorcees have said the split allows each department the chance to focus on their own priorities and interests and maximize their productivity. But while some confirm the benefits of the split, other HIM professionals are fighting to keep the connection alive, saying separation could mean a loss of communication and degradation of medical record quality.

Nearly half of HIM departments reported up through a CFO or VP of finance in 2008, by far the most common reporting structure, according to an AHIMA survey (see sidebar on page 34). That number may increase as more facilities reorganize their revenue cycle processes and look to bring coding into the fold. At the same time facilities transitioning to electronic health record (EHR) systems may increasingly call upon the HIM department to join with IT in designing and implementing new systems.

Diverging Interests

HIM and coding are better off apart, according to Kim Jackson, RHIT, CHP, the district director of health information services (HIS) at Palomar Pomerado Health, based in San Diego, CA. Eight months ago HIS and coding departments split off from finance and moved under separate departments. HIS now reports to the IT division and the chief information officer, and the coding department moved under the revenue cycle division. The reorganization was a logical choice based on the organization's priorities, Jackson says.

Palomar Pomerado Health is in the process of implementing a system-wide EHR system. During that implementation, CIO Steve Tanaka felt it was important to have the HIS staff work closely with IT to develop a functional EHR.

"As we move forward with the transition from a paper-based record to an electronic record, we need to make sure that during this transition period we don't do anything to compromise the integrity of that medical record," Tanaka says.

The facility also recently redesigned its revenue cycle division, looking for ways to maximize the financial aspects of its health system. Jackson says that bringing coding under the direction of revenue cycle was a way for the organization to create greater synergy between the departments and streamline billing efforts under one, central, financially focused area.

"Historically there has been sort of a separation between patient financial services and the coders," Jackson says. "And what we found is that creates a lot of inefficiencies, a lack of communication, it impacts productivity negatively. And when those groups can work more closely together under the revenue cycle, we are getting a lot more done."

Splitting to Focus on Problem Solving

Just where HIM and coding operate within an organization usually depends on that organization's current focus or current need, says Natalie Novak, MHA, RHIA. Novak is director of HIM and coding compliance at St. Francis Hospital in Indianapolis, IN.

Previous to that position Novak worked at St. Vincent Hospital, also in Indianapolis. At different times her HIM department reported to the chief medical officer, the chief information officer, and the chief financial officer. "It seemed that we were moved around based on what was the most important focus for the HIM department at that time," she says.

First that focus was on physician relations and medical record completion, which meant reporting to the CMO. That changed when a problem with the discharge-not-final-billed and the revenue cycle appeared, which moved HIM under the CFO. When the time came to implement a document imaging system, HIM was moved again to report to the CIO.

At St. Francis, the HIM and coding departments were split into separate departments in 2000 as a way to help solve a revenue cycle problem. A significant backlog in coding had become routine, and hospital officials wanted to get a handle on the issue. Coding was put under finance, and the revenue cycle was evaluated. Meanwhile, HIM remained separate, reporting to the chief nursing officer.

"They separated the departments and gave each its own director to just specifically focus on the coding function to identify where the problem was at with the revenue cycle," Novak says. "And after digging into all the problems and issues, we eventually identified that it was further upstream, and the medical record department was where the true problem was."

The coders were not getting the necessary medical records in enough time to prevent backlogs. Once the problem was identified, the two departments were reassembled under one director in 2003, and HIM rejoined coding under the finance department. The backlog was eliminated.

Smoothing the Revenue Cycle

Though part of the financial puzzle, coding is a function that may stand separate from the rest of a facility's financial department. Bringing it into the financial fold heightens communication in the revenue cycle and streamlines efforts to improve financial efficiencies, according to Lila Mayer, RHIA, the regional director of coding for Banner Health–Western Region in Greeley, CO. Coding was split off from HIM into its own department at Banner 15 years ago.

One benefit of such a move is to speed up the billing cycle, something Palomar Pomerado Health is hoping for. Coders had been working in isolation from other revenue cycle departments, Jackson says, so the move put them in a better position. "This has really brought them into it as key players, and I think it has made their jobs a lot easier," she says.

Bringing coding under finance allows a CFO the ability to have control over financial operations from beginning to end. Coding is the last step before an account is billed and an integral part of a facility's financial operations. It makes sense to include it under the financial umbrella, where it can be monitored and managed by the CFO, Novak says.

A separate coding department allows coders to act as functional experts in the area, working with departments like finance and accounts receivable to establish efficient revenue cycle goals and priorities, Mayer says. They can focus on preparing for RAC audits and coding training, while HIM can focus on building the EHR and documentation integrity.

Being in a separate department also gives coders more credibility, Mayer says. The opportunities to interact with the rest of the facility are better for coders working in their own department. Their elevated status makes it easier to get the things they need to do their job.

Moving HIM into IT

Splitting coding and HIM allows both departments the ability to focus on their particular work. In the case at St. Francis, figuring out the revenue cycle problem proved too large for a single director responsible for multiple functions. When the department was split, the directors could focus on their specific work and eventually discovered the problem, Novak says.

Even if a problem isn't present, it can make sense to split coding off and focus the HIM director on HIM needs, Jackson says. "It seems like a logical realignment because, specifically for me, when I look at where I need to be spending my time, I want

to be able to focus on our electronic health record more and on coding less," she says.

Moving under IT made Palomar Pomerado Health's HIM department a key contributor to EHR design and implementation. Many EHR projects start off with a heavy clinical and IT focus, at times leaving out HIM, Tanaka says.

The move also gave HIM professionals a better opportunity to discuss compliance, data integrity, and risk management. "We are now in a better position to have influence over the integrity of the electronic record," Jackson says. "We are visible now, where before we really weren't."

Jackson thinks this type of split will become common. The combined HIM-coding department could become antiquated as HIM becomes more technology focused and facilities restructure finance departments for maximum profit, she says.

University of Utah Hospitals and Clinics, based in Salt Lake City, UT, also recently moved its HIM and coding departments from under finance to the IT department. The move has been fantastic for HIM and has given director of health information Connie Tohara, RHIT, a voice in systems decisions, she says.

In her 29-year HIM career, Tohara has reported to various departments: quality, finance, support services. But reporting to the CIO has been the most productive, she says. The alignment makes the HIM point of view a part of the IT department, Tohara says. "My input is available on a high level, which I have never been able to enjoy at any other facility I have worked in," she says.

That is not to say an HIM department under the finance division doesn't see its own perks. A finance division that understands the effect of HIM systems on the bottom line can make it much easier to secure funding for HIM projects, Novak says. This was the case when her department lobbied for a document imaging system, which was met with eager help from finance.

Reporting Structures, 2008

A snapshot of who reported to whom in 2008 shows just under half of HIM departments aligned under finance.

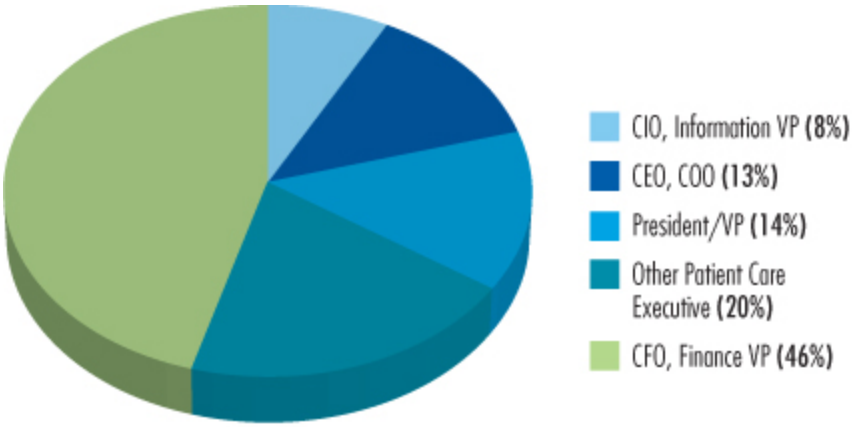
Overall, 46 percent of respondents to a 2008 AHIMA survey indicated that the HIM department in their organization reported to the CFO or vice president of finance. The next two most frequent reporting relationships were "other patient care executive" (20 percent) and "president or VP" (14 percent), as shown below.

This pattern was more pronounced among those working in acute care, where 59 percent of respondents indicated that HIM reported up through finance.

In nonacute care settings, HIM was less likely to report to a financial officer. Respondents in behavioral or mental health settings were most likely to report to "other patient care executive" (41 percent), followed by a CEO or COO (28 percent). Those working in ambulatory care and educational institutions were also most likely to indicate that HIM reported to an "other" executive.

The question was included in the 2008 AHIMA Salary Study (www.ahima.org/salarystudy). Reporting structure did not prove to be a significant factor in salary earned. The 2008 survey was the first year AHIMA polled members on reporting structures.

Reporting Relationships (All Respondents)



Better Together

Many organizations still find the traditional structure of HIM and coding working in the same department under the CFO produces the best results. The combined department can focus on both producing quality codes directly from the record while pursuing full, appropriate reimbursement.

There is a worry that a coding department without HIM oversight could lose focus on documentation integrity as it works to maximize the financial aspects of coding. That risks diminishing the integrity of the medical record and has impact beyond reimbursement. Most quality reporting comes directly from coded data, for instance, and coding is used secondarily for research and public health monitoring.

A current proposal at Tohara's organization would move outpatient coding from HIM to the finance department. This is a move Tohara opposes, and she is lobbying against it to the hospital's CIO and CFO, she says.

She is not alone. "Right now compliance and a number of other departments around the organization who are dependent on coder data to get their work done are fighting this [proposal]," she says.

Part of outpatient coding at University of Utah Hospitals and Clinics currently is performed by a special outpatient coding team overseen by finance. But unlike the outpatient coders Tohara oversees, the special outpatient coders are not required to be credentialed, and they typically code off a charge sheet.

If the function is moved, Tohara worries that codes will be assigned solely off charge sheets and not the actual patient records. "I am concerned that for outpatient records, it might be seen as easier to code from other documents than the record itself—not a good thing in an arena of increasing scrutiny by outside agencies," she says.

Tohara sees the potential for outpatient coding to lose credibility and focus too narrowly on coding for reimbursement, sacrificing some coding guidelines. She worries that coders will be hired without credentials and that no one will encourage them to continue their coding education.

She cites instances where a hospital's business department calls coders within the HIM department to request a code be changed because payers are denying cases. Subsequent investigations find the claims are denied because the documentation does not justify the case—"the medical necessity often is not there," Tohara says.

It can be difficult to convince business office personnel that codes can't be changed if the documentation doesn't back up the change, Tohara says. She worries this mentality would be applied to all outpatient coding.

"So one of the potential risks is that [finance officials] will make decisions about coding to medical necessity and what it takes to get the bill paid rather than actually following the correct coding guidelines," she says.

As a cancer research institution dependent on coded data, University of Utah can't afford to have data "flavored by changes for reimbursement purposes."

Tohara also notes that some finance departments offer incentives based on the timeliness of bill processing, another possible concern. "If an employee is going to receive an incentive bonus for speed, what are they going to sacrifice in order to get a case out the door?" Tohara asks. "If there is a question about it, are they going to research it? It is not likely."

But if proper oversight is in place, it shouldn't matter what division coding works under, Jackson says. "You are not going to—hopefully—give coding oversight to someone who isn't an HIM professional," she says. "And it really doesn't matter what division it goes under. I don't anticipate any change whatsoever in the quality of the coding just because it goes under revenue cycle."

At Banner, the coding department does offer bonus incentives for keeping the bill submissions current. But Mayer says she is still an RHIA, and although she does want her department to be current, she would never encourage coders drop a chart they were uncomfortable with, she says.

"We are still credentialed people, we still follow all of AHIMA's ethical coding [standards], and we wouldn't change that for anything," Mayer says. "We are still very much part of HIM, and the recommendations I make for coders are still through the heart of our association. None of that stuff changes; it is just the reporting structure and the priority."

Hard to Let Go

Coded data have such an impact on HIM, it can be nerve-racking to relinquish control over how the department is run. But fears can run the other way as well. While working at St. Vincent, Novak says her coding department at one time reported to a CIO who didn't put priorities on the reimbursement aspects of coding—an act that made life hard when trying to maintain timely accounts.

"That is a concern no matter where you go," Novak says. "If I was moved again back to the nursing officer or chief medical officer, I would have concerns that there wouldn't be as much emphasis on finance anymore. I think there is that risk no matter who you report to."

Mayer says the fears associated with moving coding from HIM to finance are to be expected. "The beginning of this change is hard, because we are creatures of habit," she says. "Because [coders] are part of HIM, I think HIM feels like they are losing something."

When St. Francis first separated coding from HIM, Novak admits she was afraid the emphasis on medical record completion and quality coding would diminish. However, that never happened, and Novak says St. Francis's HIM and coding departments did not face any negative effects from the move. In fact, the removal of coding from HIM makes it easier on HIM directors, who can work solely on ensuring the accuracy and integrity of the medical record, Mayer says.

Regardless of where coding and HIM end up, a good working relationship can be established between the two that ensures all priorities and concerns are met, Mayer says.

"It doesn't matter what department we report to, we are still on the same team," she says. "We still want an accurate, compliant, coded document."

If an organization chooses to split coding off into finance, it still requires policies and procedures that ensure medical records are used appropriately, auditing of the work is regular, and coding credentials are required.

"Ultimately, coding can be where coding works best, so I wouldn't say I would recommend against [moving it]," Tohara says. "But I would say make sure that the structure that works so well in HIM is in place on the other side."

Times change, and organizations change. HIM's very ability to work within different departments only underscores the increasing importance of information management within healthcare organizations. Ultimately what must be constant is the value of the unique expertise that HIM and coding professionals bring to their facilities.

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