Managing the Transcription Revolution: Industry Forces Shape Future of Field

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by Scott D. Faulkner

Have you worried about your transcription program lately? If you're a typical HIM director, the answer is likely "yes." You may be wondering how to monitor the quality of your transcription services. You may be deciding which kind of new technology is right for your organization.

You may be struggling with contract issues with a vendor. Or maybe you're contemplating the pros and cons of working with outsource, at-home, or overseas transcriptionists.

It's a fact: if transcription processes aren't working efficiently, the entire HIM department may be adversely affected. Factor in additional concerns such as data capture for electronic health records, compliance, and patient safety, and the importance of ensuring quality and cost-efficient transcription becomes even more apparent.

To help you answer some of these questions, the Journal of AHIMA *is launching a four-part series dedicated to transcription issues from the HIM professional's point of view. In this issue, we begin with MTIA president Scott Faulkner's overview of the industry and where it's going next. In upcoming issues, other experts will look at controlling cost and monitoring quality, navigating new technologies, and dealing with contract-related issues.*

Despite predictions that long before now physicians would all be happily creating records by keyboard, tablet, PDA, or speech recognition, transcription remains a central, necessary, and difficult component within the healthcare revenue cycle. Today, it is still the method by which more than 95 percent of all patient information is created. Assuming that either changing physician work habits or new technologies will somehow reduce or eliminate this reality any time soon overlooks the ever-increasing need for accessible patient information.

Given the relentless drive toward more complete digital information for all aspects of the patient record, there is no doubt that the market demand for transcription will increase in the coming years. What can the HIM professional observe today that might lead to more insightful and conscious preparation for the HIM department of the future?

Trends Shape Future of Transcription

There are several convergent trends that, viewed together, may lead to a purer view of the business of transcription. These include:

- the globalization of the medical transcriptionist (MT) work force
- the changing nature of the MT craft
- Internet-based technologies reaching maturity
- connectivity and automation between platforms emerging as a new science
- regulatory pressures forcing change
- upward pricing pressure based on global MT labor shortages

Separately, each of these trends present a formidable challenge; collectively, they represent a sea change in the HIM field. We'll explore each trend below.

Globalization of the MT Work Force

Like the businesses that manage the staffing functions of call centers, medical billing, software engineering, and manufacturing, medical transcription is finding fertile non-domestic soil. The combination of an English-literate, low-wage work force with high unemployment plus ample technology infrastructure and government-sponsored initiatives yields an increasingly relevant international transcription presence. You've probably heard plenty of off-shore horror stories, but most of the early fly-by-night operators in search of a quick buck are already out of business.

Those professional, competent international players that remain are now acutely aware of all that is expected from the US healthcare market: near-perfection, each and every time, coupled with demonstrable compliance to the letter of US law. Over the past couple of years, thoughtful, long-term operators have learned that high-quality service is essential. Many are redoubling their efforts and instituting serious quality control initiatives, most notably the near-universal use of domestic MTs functioning as full-time quality assurance (QA) staff. And many quality US transcription companies are looking to offshore labor to meet the increasingly large and complex US workloads.

HIM managers know that a quality-conscious MT is an important checkpoint in the journey of patient information to the health record. Time will tell whether the costs of international IT infrastructure and additional domestic QA staff, combined with an unwelcome delay in turnaround time, will result in a cost-effective international transcription product.

The Changing Nature of the MT Craft

The MT's job has always been to turn information from an unacceptable, high-risk format (physicians' free-style dictation in digital audio format) into information in an acceptable, low-risk format (transcribed, digital, and even edited medical document). In the past, this was done by keyboarding everything from scratch. Today, many of the best and brightest MTs have moved on to editing draft-quality documents as a primary job function.

However, draft-quality documents today now come from several sources: inexperienced MTs, so-called "background" speech recognition engines, and increasingly, non-domestic MTs. Given the history of paying MTs on production incentive, typically by the line, the challenge for the HIM professional in the coming years will be creating and managing a graceful transition from "paying by the pound" to the new reality of paying senior QA staff based primarily on quality measurements.

In a particularly contemporary twist, many outsource transcription vendors are also expanding their service offerings to include aspects of coding. The prospect of combining the heretofore separate arts of transcription and coding is an emerging reality at the best and brightest of these firms: the promise of real-time, one-step, concurrent coding is just too convenient (and potentially profitable) to resist. This level of service could have a dramatic effect on accounts receivable days as well as direct patient care.

On the difficult issue of transcription staffing, the migration to outsourcing transcription to a trusted vendor continued in 2002. The decision to outsource has always had many factors, including operational, financial, technical, and in the practical sense, headache management. Internet-based technologies may simplify that decision.

Internet-based Technologies Reaching Maturity

While still five to six years behind most other industries like financial services, shipping, and others, HIM professionals nonetheless have an opportunity to benefit from mature Internet technology to:

- access in-house, local, national, and worldwide labor resources on demand
- gain operational efficiencies
- soften the financial blow of capital equipment purchases almost entirely, while at the same time giving providers and management instantaneous and transparent access to patient information

The most obvious example is the movement toward the application service provider (ASP) architecture now offered to the HIM market by most vendors.

The ASP model provides a centralized authority that manages all of the system components necessary to complete a given business function. In the HIM/transcription world, a full "end to end" ASP would provide digital dictation, background speech recognition, integrated workflow management, roles-based access, transcription applications, QA and editing functions,

document distribution, and ADT (admission, discharge, and transfer) import/document upload capability. Many offer adjacent HIM functionality, including data mining, code extraction, or data warehousing.

ASP vendors usually bundle some or all of these services, and then charge by a common transactional or business metric, such as the line count, number of office visits, or inpatient discharges. The best ASP architecture uses world-class encryption technology combined with thin-client or browser based applications, all housed in a secure, redundant IT bunker. In many ways, an ASP presents HIM for the first time an unusual dichotomy: the combination of and balance between security and confidentiality, and worldwide access through a public infrastructure, the Web.

Connectivity and Automation Between Platforms Is Emerging as a New Science

Not unlike the study of drug-drug interactions in contemporary medicine, the ability for the HIM professional to securely predict, control, and automate information flow between disparate, fragmented platforms and local or remote workers and staff is a new, difficult, and increasingly necessary frontier. At the surface, this might seem to be the domain of the hospital IT department. To date, however, few IT departments have demonstrated the bandwidth or domain expertise to accommodate the nuances of voice file trans-coding, endless document reformatting, ADT normalization, and other processes that remain the exclusive intellectual domain of the HIM department in general and the business of transcription in particular.

Take the case of a typical small integrated delivery system with three hospitals and seven clinics. Each may have its own health information system. Each may have its own dictation and transcription platform, or even different versions of the same platform that defy integration. Combine this with one or more outsource transcription services, each with its own dictation, transcription, and document delivery platform, and you've got to find a way to for these systems to share information with each other.

The new science of connectivity is the realization and acceptance that a complicated, multi-platform environment simply is the standard. And finding a secure, predictable, and fluid way to normalize voice files, ADT data, document formats, and outbound data is fundamental for ensuring operational excellence and delivering patient information on a timely basis.

While secure connectivity and normalization is the primary technical component, automation is the critical financial and operational component to this new science. HIM departments have commonly responded to transcription platform fragmentation by hiring more clerks. Automation, on the other hand, demands that any predictable and routine set of functions or processes should be relegated to the computer, not to endless numbers of clerical staff. Voice extraction, file transfers, document importing, reconciliation, and distribution need to be done based on business rules, instead of who's available that day.

And securely managing and automating predictable interactions between disparate systems isn't just a good idea: it will soon be the law.

Regulatory Pressures Forcing Change

HIPAA has already begun to transform the way patient health information is exchanged. Soon your transcription manager will no longer be able to:

- fax a patient list to a remote staff member or transcription service first thing in the morning, while
- the transcriptionists (or a domestic or offshore subcontractor) are dialed in to your dictation system over a standard telephone line, using non-specific ID numbers, and
- the transcriptionists (or a subcontractor) transcribe your documents on a home PC, sending a copy of the unencrypted files to their own file server, where
- a clerical person connects via remote access software and sends another copy of the unencrypted files back to your facility

Well, it was good while it lasted. Or was it? One of the unintended consequences of HIPAA regulations is a new awareness of how truly disjointed many transcription-related processes have become over the past several years. Many in-house security and encryption strategies are far behind those techniques now in use by high-quality outsource vendors charged with compliance.

Many of the medium and large transcription services have invested in the necessary resources to move toward regulatory compliance from a technical and operational perspective over the past two years. However, many smaller local and regional services will be challenged to upgrade their operational and technical approaches to remain competitive and legitimately serve as a business associate with a complete and thorough chain of trust agreement under HIPAA. It is no longer enough to be local, better, and/or cheaper: compliance is the new challenge. Sharp, local services that rise to the challenge, providing dependable, quality local service combined with state-of-the-art technical and operational approaches will likely be the big winners.

Upward Price Pressure Based on a Global MT Labor Shortage

Transcription is governed by the same set of dynamics as any pricing in a free market, and the cost of a transcribed document has remained flat or declined for almost a decade in real terms. Clinicians are demanding reduced turnaround time for documents, and quality cannot be sacrificed for obvious patient care and medical malpractice reasons. Add to that a chronic shortage of qualified workers worldwide, a projected increase in demand as the US healthcare market requires documentation in digital format, and increased pricing is the result, whether transcription is done in-house or provided by a capable outsource partner. While this is not good news, it is always best to budget accordingly.

This fact is not lost on our offshore friends. While the initial push into the US market was driven in large part by the promise of lower pricing, serious vendors have realized by now that they can charge market rates if their quality and turnaround meets or exceeds the US standard.

Finally, as the cost for transcription rises, the ability and need for the HIM professional to understand and manage these rising costs will become paramount. The past decade has seen dozens of ways to price and charge hospitals and clinics for transcribed documents. What's needed is a solid set of objective principles, separate from the cost component itself, with which an HIM professional can assess how they choose to pay for this critical service.

Some day, documentation practices will be different. But today, doctors will dictate, others will transcribe or edit, and documents will be produced. Staying aware of some of the moving parts of this vibrant and dynamic industry is sure to prepare your department and your career for success in the challenging years ahead.

Acknowledgment

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About MTIA

The Medical Transcription Industry Alliance (MTIA) has been working diligently over the past year to provide the HIM community with a set of billing method principles, which can be used, in part, to gain a clearer perspective on the financial component of transcription and be used to forge clearer, more effective RFPs and agreements with both outsource providers and in-house transcription staff. For more information, visit the MTIA Web site at www.mtia.com.

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