

Transcription Vendors: How to Make Them Your Closest Allies

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by Molly Malone

One of the most challenging aspects of a transcription program can be working with vendors. In the final installment of the Journal's four-part series on transcription, learn how to lay the foundation for a strong, enduring relationship with your transcription vendor.

In the first installment of the *Journal's* transcription series, Medical Transcription Industry Alliance (MTIA) president Scott Faulkner explained that transcription, as the method by which 95 percent of all patient health information documentation is created, is both a necessary and complicated component of healthcare revenue cycle. HIM professionals' challenge is to ensure that the transcription program functions as consistently, smoothly, and efficiently as possible, even in light of rapidly changing technology and the significant human intervention required.

In 2002, AHIMA senior vice president and COO Sandra Fuller, MA, RHIA, spoke at the 2002 MTIA Conference on "What Clients Want: Today and Tomorrow." She identified "quality, service, value, technology, and a future" as HIM professionals' key requirements in an outsource relationship. Transcription services want to deliver these elements to HIM departments and make these relationships work, because after all, without clients, such companies do not exist. With a little effort, a mutually beneficial relationship between an HIM department and a transcription vendor can be achieved.

In this article, we'll explore the complex relationship between a healthcare organization and its transcription vendor and some of the ways to make it as amicable and productive as possible.

The Elements of Transcription Success

There are three elements of successful working relationship between an HIM department and a transcription vendor: **clear details, a positive personal relationship, and mutual understanding**. Striving for these elements will lay a strong foundation for your relationship with a transcription vendor and lead to a productive, long-term relationship. Cultivate these values long before the contract is signed. If transcription processes aren't working efficiently, the whole HIM department may be adversely affected.¹

Begin the search for a transcription vendor by obtaining and providing clear details about your organization and its transcription expectations.

Know Your Process

Know the true status of your transcription program: the best and worst turnaround times, quality analysis results, and a big-picture cost analysis of your transcription process. If your facility has developed benchmarks for the transcription department, much of your work is already done. Performing a detailed assessment of your transcription volume (work type, lines, minutes, reports), current labor pool including transcription, management, and clerical wages, overtime costs, average turnaround times, required interfaces, equipment adequacy, and other relevant details is a critical starting point. Further, the transcription vendor needs to know the models and suppliers of your current dictation system, transcription system, software, and information systems.

If benchmarks or performance standards have not been established, begin with an analysis of departmental cost for transcription. The cost of transcription is much, much more than the product of dividing the total expended for transcriptionists'

wages (or wages and payroll taxes) by the number of lines produced. For example, common transcription costs include clerical and supervisory wages and taxes, overtime, benefits for all staff involved, hardware and software, supplies, and even office space expenses.² These expenses are more difficult to pinpoint but are critically important in determining the true cost of transcription.

Knowing your exact in-house transcription cost will give you a factual baseline against which you can measure contract bids. If you know how much a report, line, or minute of dictation currently costs you, it is easier to assess whether a transcription vendor can deliver cost and effort savings to you.

Transcription companies have considerable experience in addressing questions and assessing a facility's transcription departments. During the sales process, most companies will inform you how much money your organization can save by using their services. Vendors derive these figures by calculating your approximate cost per line through assessment of your data on current staffing, equipment, and dictation statistics, then comparing it to the line rate they have calculated for you. A transcription company's line rate will vary considerably from facility to facility, depending on each facility's needs, the value-added services selected, and volume of work under consideration.

If you are new to this process, consider using a consultant experienced in transcription issues to assist in the departmental cost assessment. Or you can perform the assessment yourself, then seek verification from one or more vendors you are considering.

If you use a standardized style guide and standardized formats, share these and samples of reports with the transcription service and agree on what reports will look like. Provide up-to-date medical staff lists in electronic or hard-copy formats and alert the vendor when revised lists are available.

Explore the potential for major changes in your transcription program by considering the following questions:

- Are you **projecting growth** in your dictation volumes due to, for example, the addition of new clinics, a growing medical staff, or the addition or separation of the emergency department from central dictation?
- Are you **planning to purchase** new transcription software that will be more/less productive?
- Is your facility considering **implementing an electronic health record (EHR)**? Such an implementation will affect your whole department, including dictation and transcription, and your transcription productivity could drop during implementation and for at least six weeks following completion of the project. In addition, an EHR will likely increase the volume of dictation and the number of persons other than physicians using your dictation equipment and ports or phone lines.

Know What You Want

Develop a wish list outlining your ideal dictation/transcription department scenario. Use the first draft to dream big. The next step is list triage. Read through your list and mark each wish as "must have," "would like to have," or "could function without." Share your weighted list with your potential vendor and explore together every possible solution in a brainstorming session. The vendor will likely have ideas you have not considered.

Next, determine whether you need to completely outsource your transcription program or simply obtain overflow coverage. For the latter, the service functions best when an average number of minutes of dictation can be expected daily. This enables the vendor to best meet your needs. Keep in mind that a vendor can have as much difficulty dealing with great variations in dictation volume as a healthcare facility. You need to determine the average number of dictation minutes daily for which the vendor will be responsible.

Ask for Help

Your transcription vendor can be a valuable ally in developing meaningful expectations about your outsource service. The vendor will likely have as much experience as any consultant in integrating systems and ensuring a smooth transition from dictation to transcription to IS repository. Use the vendor's expertise to help shape your transcription program. Obviously, the transcription vendor wants to earn your business, but it helps to keep in mind that transcription services are flexible by nature because a vendor may serve many clients with different platforms and disparate systems.

Sign the Contract

When it's time to select a vendor and sign a contract, return to your request for proposal. It should be the source document from which to write the contract. It's also critical to collaborate with the vendor on your needs before finalizing the contract. Outsourcing contracts are often referred to as "terms and conditions to manage conflict between the participating parties." Working instead to create a "partnership for quality" will minimize the opportunities for conflict. In addition, consider how financial penalties for noncompliance to contract terms will be handled. Are penalties actually functioning as a disincentive or relationship-ender?

Finally, remember that price is not the only variable to consider when selecting a vendor. Service, value, quality, and technology are equally important. A transcription vendor that can afford to stay in business long term serves the HIM department better because it eliminates the headache of having to change services. For both partners in this business, there are huge disincentives to ending the relationship.

When it comes to billing, talk openly with your vendor partner about its billing methods and counting processes. Be sure you understand exactly how and for what you are being charged. Although price and cost are important, quality must be the top priority. The important part of transcription service vendor selection is to make sure you know your vendor has the ability to provide you with high-quality transcription for which you are paying a fair price, and that quality is as important to the vendor as it is to you. The old adage, "you get what you pay for," can be applied to medical transcription. Strive to pay your transcription vendor a fair price so you can remain in a long-term mutually beneficial relationship.

Managing the Vendor Relationship

Once you settle on a transcription vendor, establish a positive working relationship. Several business journals have stressed the need for more face-to-face communication. Consider holding monthly half-hour face-to-face meetings between the HIM department and the transcription vendor. Make these routine and informal chats about performance feedback and other everyday issues. Neither e-mail nor phone calls are good substitutes. When the usual practice is to meet with the transcription vendor regularly, the meeting in which a real problem must be solved will not seem so unpleasant or threatening because a strong, cordial relationship has already been established.

In addition, state your intention to establish an open forum for communication. Ask the vendor's representatives to listen and to act on what they learn and remember that no two clients are the same. In turn, agree to listen to your vendor, act on what you learn, and commit to an open exchange of ideas and concerns. Finally, each party should make an effort to offer positive feedback about the relationship. Don't limit conversations with your vendor to those only about problems or concerns.

Give your vendor relationship a strong start by being clear about your facility's needs, then nurture the relationship with regular meetings and mutual respect. Start building such a relationship with your contracted vendor now, so that you may grow together and make the transcription process easier.

Acknowledgment

Dayna Pierzchala, MBA, RHIA

Notes

1. Faulkner, Scott. "Managing the Transcription Revolution." *Journal of AHIMA* 74, no. 1 (2003): 48.
2. Malone, Molly. "Rethinking Transcription." Medical Transcription Industry Alliance (2000). Brochure.

References

- Fuller, Sandra. "What Clients Want: Today and Tomorrow." Proceedings of April 2002 MTIA Conference, Tampa, FL.
- Poats, D. "An Alternative to Traditional Outsourcing." *ADVANCE for Health Information Executives* 2, no. 8 (1998): 16-17.

Molly Malone (mollym@mtia.com) is executive director of the Medical Transcription Industry Alliance (MTIA).

About MTIA

The Medical Transcription Industry Alliance (MTIA) is a non-profit association serving the needs of medical transcription companies and health information management professionals. For more information, visit www.mtia.com.

Ask the Right Questions

You can't know too much about a potential business partner. When interviewing transcription vendors, consider asking the following questions:

- How long has the company been in business? How long have the principals/managers been with the company?
- Is there a single point person available to liaison with the HIM department?
- What contracts does the vendor have? How long are these contracts? Why have contracts not been renewed?
- How many FTEs are on staff? Are they employees or independent contractors? What is the percentage of employee turnover?
- How many FTEs will be dedicated to your contract? Can this number be increased or decreased and if so, what would be the time frame and financial impact?
- How does the vendor's quality assurance program work?
- What comprises the vendor's training program?
- How can the vendor demonstrate that it can provide the service you require?
- What consideration will be made for unchartable work (an incompletely dictated report), considering turnaround and price?
- How will the vendor handle transcriptionist queries? Is there a feedback system so transcriptionists can learn from physicians?
- What percentage of the vendor's total work volume will your work represent?
- Where will the transcription be done (on site, in a satellite office, from transcriptionists' home offices)?
- What word processing software and dictation equipment will be used? Will it work for all your needs?
- Will speech recognition be used? If so, is back-end editing in place?
- Are HIPAA compliance procedures and policies in place? Has the vendor's staff been trained?
- Does the vendor use standard HL7 interfaces?
- Will the vendor's text repository system and distribution and search mechanisms work for your facility?
- What is the billing cycle frequency?
- Is the price bid commensurate with fair market pricing?
- How will transcription work be counted and charged?

More on Transcription

This is the last article in the *Journal of AHIMA's* four-part series on transcription issues. Check out the previous articles in the series in past issues or online in the FORE Library: HIM Body of Knowledge at www.ahima.org:

- “Managing the Transcription Revolution,” by Scott D. Faulkner, January 2003
- “By Line, by Hour: Keeping the Transcription Machine Running,” by Sally Beahan, RHIA, February 2003
- Tomorrow’s Transcription Tools: What New Technology Means for Healthcare,” by Joe Weber, MS, MBA, March 200

Article citation:

Malone, Molly. "Transcription Vendors: How to Make Them Your Closest Allies (Transcription Series)" *Journal of AHIMA* 74, no.4 (April 2003): 47-50.

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