Vanishing Supervisor

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The bottom line is calling. Here's how to decide if your HIM department has the right number of supervisors.

Down-sizing, right-sizing, streamlining. It doesn't really matter what you call it, but it has had a significant impact on healthcare operations and staffing. Organizations facing rising costs for salaries, supplies, and services, coupled with shrinking revenues, continue to seek ways to reduce expenses. Staffing—management staff, especially—has been a primary focus for these cost-cutting efforts.

"If our coding area is chronically backlogged and the 'discharged not final billed' list is out of control, I may be able to get an additional coder," says one HIM director. "But getting a supervisor for the area? It just won't happen."

There are many factors that affect staffing in today's HIM departments. How can managers evaluate their supervisory staffing and, if needed, make the case for another supervisor?

Look at Span of Control

Remember studying the management concept "span of control?" Span of control refers to the number of immediate subordinates, or staff members, who report to a manager. Proper span of control is determined by a number of factors, but the type of work and the knowledge level of the staff members are probably the most important. In situations where the work is more routine and repetitive, a manager may have a wide span of control (as many as 10 to 15 subordinates).

In highly dynamic and complex activities, a narrower span of control is more likely (four to eight subordinates). Thus, at levels of the organization where day-to-day operations occur, managers generally have wider spans of control than at levels where they deal with more strategic issues. Since HIM departments are dealing with day-to-day operations, it is reasonable to expect that each manager will average 10 to 15 direct reports.

To apply this concept to your department, start by looking at your current organization chart. If you don't have an up-to-date organization chart showing each supervisory position and the number and function of the subordinates who report to each supervisor, your first step should be to develop one. An organization chart provides a quick visual reference of the department's structure, and developing or updating one helps you take a careful look at how management responsibilities are allocated.

As you study the chart, first ask if all of your supervisors or managers have at least 10 full-time equivalents (FTEs) reporting to them. If not, are they supervising major functions that are outsourced (such as transcription, coding, or release of information)? If they are not supervising outsourced functions and they have fewer than 10 FTEs reporting to them, could they assume additional responsibilities? Identify supervisors who may have more than 20 direct reports. Can some of their responsibilities be assigned to another supervisor or manager with a smaller span of control?

Sometimes we limit the number of direct reports or functional areas for which a supervisor is responsible because that person has weak management skills. While this is understandable, it is not fair to other supervisors who are forced to assume more responsibility. If you have a supervisor who is not performing adequately, it is time to address the issue. Can you develop that supervisor's skills, so that he or she can assume an appropriate level of responsibility? If not, is there another role in the department (perhaps at a staff level) that would better suit the individual's skills?

Dealing with these issues is difficult, and it's easy to take the path of least resistance and continue to limp along with an ineffective supervisor. But given the demands being placed on you as a department manager in today's environment, you simply can't afford to accept lackluster performance from your line staff or your supervisors.

Evaluate Your Needs

You've looked at your organizational structure, and all of your supervisors are performing solidly and have at least 10 FTEs or major outsourced functions for which they are responsible. One supervisor has more than she can handle— she's responsible for 10 FTE coders, 15 FTE transcriptionists, and the outsourced release of information function. Despite her best efforts and as much support as you can give her, she's overwhelmed and her areas are falling further behind. Quality reviews for the coders and transcriptionists haven't been done in several months, and the outsourced release of information vendor has an average turnaround time of 25 days for requests. Continuing education has become a luxury no one has time for, and you're concerned about compliance issues if the coders aren't staying current on coding changes.

Before you decide that your only option is to add another supervisory position, take a careful look at the critical functions that are not getting done. There may be other ways to address these needs.

Let's take coding quality reviews as an example. Having the supervisor perform ongoing quality reviews is a good practice, but other options may work, as well. Could you promote a team approach within the coding section and ask each coder to do a quality review on a colleague's work once a month? It's usually best to do this on a rotating basis, so each coder has the opportunity to review the work of each of her colleagues and receive feedback from each colleague who has reviewed her work. It's usually a learning experience for everyone. (If two coders disagree on how to assign the principal diagnosis or code a procedure, it is important to resolve those issues to improve coding accuracy and consistency among all coders.)

If you're hesitant to ask the coders to review each other's work, is there an experienced coder (perhaps an informal leader) who could be assigned the responsibility for coding quality reviews? Or would it be both beneficial and cost-effec-tive to hire an outside coding consultant to perform the quarterly reviews and provide coder education based on the findings of the review?

Instead of adding a supervisory position, it may possible to designate an experienced staff member as a team leader. If that staff member is a nonexempt (hourly) employee, be careful to assign duties that involve coordination of functions rather than supervision of other staff members. For example, a coding or transcription team leader might be assigned responsibility for evaluating the daily work status and allocating work to herself and her colleagues to ensure the most critical work is addressed on a priority basis.

The team leader would probably need a small wage increase in recognition of her new duties, but that wage adjustment would be far less expensive than the addition of another position, particularly one at the supervisory level. Actual supervisory responsibilities (such as hiring, termination decisions, and performance evaluations) would remain with the department director or the currently assigned supervisor.

If part of the department's trouble is lackluster performance on outsourced work, address that issue with the vendor. Remember why you originally decided to outsource the function? Like most of us, you were probably looking to decrease turnaround times, improve customer service, and relieve yourself of the headache of having to closely manage a challenging function that was integral to your department. If your vendor isn't meeting your needs and expectations, let them know.

Hold a face-to-face meeting to discuss performance issues in the area and your expectations for improvement. Agree on specific goals and timelines for improvement, and follow up with a written letter to the vendor outlining the agreed-upon goals and timelines. If the vendor can't or won't make the necessary improvements, it's probably time to find a new one. Too often, managers accept poor performance from an outsourced vendor instead of demanding the level of service they need and are paying the vendor to provide.

Making Your Case

Let's say you've carefully evaluated your organizational structure, needs, and available options, and you're convinced that adding a supervisory position (or filling a vacant one) is the only thing that will work. Now your challenge—and it can be a daunting one—is to convince your boss that this is the only viable option.

Remember that frustration and emotion won't help make your case. Senior managers are concerned about the organiza-tion's bottom line, and you'll have to make a convincing case that the position you want will have a positive financial impact.

It is usually easier to justify a "working" supervisor—some-one who will have responsibility for daily work in addition to the supervision of staff. Suppose, for example, that your coding section gets backlogged every time someone is out sick or on vacation. To keep the discharged not final billed list from getting out of control, you're forced to bring in outside coders, at significant expense, to get caught up.

Not only are you paying an hourly rate that is three times higher than your regular staff, but you also must pay travel costs if the outside coder is not local. Look at how much you have spent on outside coding services during the past year. Could you make a case for eliminating these costs if your new coding supervisor would spend half of her time coding?

How about quality issues that impact billing accuracy and compliance? Consider whether the supervisor could spend part of her time doing focused prebilling reviews to increase payments for certain diagnosis-related groups? If so, what is the likely impact to the organization's bottom line? If you don't have that kind of information, it may be useful to obtain a coding audit to determine opportunities for improvement and the dollar impact.

Consider compliance issues, too. Has the organization been cited for issues that the supervisor could address to prevent future problems? Even though they may not have a direct financial impact, compliance issues are too important to leave unaddressed.

Prepare a brief but well-documented request for the new position. Outline the current issues, including chronic backlogs or compliance concerns, and indicate how the new supervisor will address these issues. Outline the salary and benefit costs of the position, and be sure to offset these costs, as much as possible, by showing how the position will contribute directly to the organization's bottom line.

Succession planning is another consideration, particularly in a small department with a director and several staff members. You may be able to make a case for a supervisory position, or at least a team leader position, to provide leadership for the department in the director's absence. Realistically, though, most of such a position's time should be spent on day-to-day operations to justify the addition from a financial perspective.

Plan B

What if you've taken all these steps, prepared what you believe to be a cost-effective justification for the position, and the answer is still a resounding no? Put your request on hold, at least for now, and consider other options. Sometimes, organizations are focused on holding down the number of FTEs so that they compare favorably with peer organizations on productivity indicators. In this case, it may be possible to hire contract staff or consultants to address key issues.

If your request is denied, continue to evaluate ways the position can improve the bottom line. Gather more data to support your case. If you're realistic in your expectations and make a well-documented case, you have a much better chance of eventually getting the support you need, whether it is additional staffing, another supervisory position, or contract staff.

Key Supervisory Functions

How do you know if someone is performing supervisory or nonsupervisory functions? Generally, supervisors are responsible for planning, organizing, directing, and controlling the work of their subordinates. Typical supervisory functions include:
• Interviewing and hiring new employees
• Monitoring workloads and changing employee schedules and assignments to accommodate fluctuations in the workload
• Setting quality and productivity standards for employees
• Monitoring employee productivity and providing feedback to employees, including taking corrective action as needed
• Evaluating employee performance and providing formal, written performance evaluations to employees
• Providing corrective action for employees, as needed, up to and including discharge

In busy healthcare environments, supervisors perform many different functions. Even though these functions may be an important part of a supervisor's job duties, they aren't considered supervisory:
• Training employees on new job duties or responsibilities
• Preparing work schedules
• Performing technical work to assist with staff shortages or backlogs

- Writing policies and procedures
- Attending committee meetings

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