The Landscape of Health Information Management

Benchmarking Trends and Insights for HIM Leadership

2015 Benchmark Report

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INTRODUCTION

Welcome to the inaugural 2015 HIM Benchmark Report!

The data gathered in this survey has helped us evaluate the profession and marketplace more broadly so we can better educate and inform the health information community.

ADVANCE for Health Information Professionals and himagine solutions, inc. had a shared vision and decided to collaborate on this inaugural survey. As leaders in the field of HIM, ADVANCE for Health Information Professionals and himagine solutions aim to educate and provide thought leadership with content that explores what is truly trending in the health information marketplace.

We are thrilled to share the results with you. Through this survey, we wanted to delve into three specific areas of the field: the overall HIM department, ICD-10 and outsourcing. The purpose of this report is to take a broader view of the HIM community—to learn how HIM departments are managed, to discover the level of preparedness for ICD-10 and to understand how prevalent outsourcing is to HIM departments.

We received more than 140 responses from our health information professional community in the United States as well as a small international sector. Ultimately, this report is designed to offer meaningful insights and perspectives to HIM professionals as they strive to deliver value to their healthcare organizations.

Highlights of this report were shared at the 2015 AHIMA Convention and Exhibit in New Orleans, LA, that took place on September 26-30, 2015. We are pleased to provide you with the complete report and hope that it adds value as you look to continuously improve your HIM operation.
2015 SURVEY HIGHLIGHTS

The landscape of healthcare is evolving. It’s evident in every area within healthcare, and HIM professionals are no exception. How are management professionals responding to trending topics or common themes such as ICD-10 and outsourcing? Was the profession prepared for the ICD-10 October deadline? How many facilities are outsourcing their coding needs to an external vendor? What impact is technology having on the departments?

This report addresses these topics and many more to give HIM professionals a holistic view of HIM departments throughout the country.

A Plethora of Challenges
Respondents equally ranked **Coder Productivity, Quality, and Managing Financial Metrics** as their biggest challenge in managing a department.

Naïve on Productivity
75% believe the productivity impact from ICD-10 will be at least 30%; however, over a third are not planning on adding incremental coding resources to address this issue.

Ready for ICD-10
93% of respondents reported they are ready or slightly behind schedule for ICD-10 and 80% practiced dual coding although there was no consensus on the percent of charts dual coded prior to go-live.

Bullish on Computer Assisted Coding
56% of respondents do not currently utilize CAC technology; however, 75% of these individuals indicate they anticipate purchasing this technology within the next 12 months. Is CAC the panacea for regaining lost productivity?

CDI Opportunity or Flawed Value Proposition?
70% of respondents have a formal CDI program in place at their facility yet nearly **two-thirds** of these facilities have no CDI technology solution implemented.

Outsource Vendor Roulette
About 60% of respondents outsource a portion of their coding needs. Nearly 50% work with **one or two vendors**; however, an astonishing 45% work with **seven or more** which speaks to the fragmented nature of this industry and the inability for vendors to meet the needs of providers.

Internal vs. External Metrics
On a relative basis, providers focus more on accuracy and productivity with outsourced vs. their internal coders and less on financial metrics (DNFB, A/R days). Is this an opportunity for outsourcers to quantify the impact their resources can have on financial performance?

Offshore = Off Limits
Only 16% of respondents utilize an offshore vendor for coding services. Of those who currently do not, only 9% reported contemplating moving toward that direction within the next 12-24 months. This is a surprising result given the anticipated productivity impacts of ICD-10. Where are the coding resources going to come from to make up the gap?
What are the greatest challenges departments across the country face? What metrics do they use to gauge performance? What technologies are having an impact on their business? These questions about the overall HIM department provides insights on how your facility compares to the broader market.

Survey results included a diverse group of facilities from a size perspective so the findings are relevant to all departments.

How many coders do you currently employ at your facility?

- 10 or less: 65%
- 11-30: 22%
- 30 or more: 13%

What are your biggest challenges in managing an HIM department?

- Managing DNFB or other financial metrics - 26%
- Productivity - 25%
- Monitoring quality - 23%
- People management and turnover - 15%
- Managing outside vendors - 9%

There are many challenges in managing an HIM department – from metrics to productivity to staffing. Respondents cited managing discharged not final billed (DNFB) or other financial metrics, productivity and monitoring quality on a nearly identical basis as their biggest challenge in the HIM department.
Across all professions, success is measured by a particular set of benchmark items. Coding accuracy, not surprisingly, is the key metric HIM departments lean on to gauge performance. However, productivity and financial metrics such as DNFB and A/R days are widely used as well.

- Coding accuracy - 32%
- Productivity - 24%
- DNFB impact - 19%
- Impact on A/R days - 15%
- Results of 3rd party audits - 8%

What are the main metrics you utilize to measure performance of your department?

These results indicate that there is little consensus on the frequency coders are audited. Is there a need for more standardization or are those that audit less frequently doing so based on resource constraints?

Do you currently utilize Computer Assisted Coding technology?

In the 2013 AHIMA paper, “Truth about Computer-Assisted Coding,” Mark Crawford writes that “computer-assisted coding is viewed by many HIM professionals as a valuable tool for improving the efficiency of coding and billing,” even though newer technology such as this can be “threatening to workers.”

If no, do you anticipate acquiring any Computer Assisted Coding technology within the next 12 months?

More than half of respondents (56%) still do not currently utilize computer assisted coding technology. However, more than 75% intend on acquiring this technology within the next 12 months.
Do you have a formal Clinical Documentation Improvement (CDI) process in place at your facility?

71% of those surveyed have a formal CDI program in place.

What credentials do your CDI professionals have?

Respondents reported 52% of their CDI professionals are trained as nurses, while 22% are coders by trade. However, more than a quarter reported their CDI professionals have dual credentials as a nurse and coder.

How many CDI specialists do you have working in your department?

As with the number of coders, respondents reported a wide variety of CDI professionals at their facility.

Where do your CDI professionals report to?

Nearly half of CDI professionals report to departments other than HIM so clearly there is no consensus what the optimal organizational structure is for managing this critical resource.
Do you have an active physician advisor in place for your CDI program?

- **Yes**: 64%
- **No**: 36%

In the 2014 AHIMA paper, “Selecting the Ideal CDI Physician Advisor,” the authors write that the role of the physician is playing a larger part, in particular in the area of clinical documentation, “since accurate information has risen in importance due to increased record audits, quality measures, and use of data analysis to improve care.” Respondents agree. Has your facility invested in this resource?

Do you utilize an IT solution, such as a natural language processing tool, as part of your CDI workflow?

- **Yes**: 37%
- **No**: 63%

The pervasiveness of CDI is unquestioned; yet 63% report that they do not utilize an IT solution as part of their CDI workflow. Is this an opportunity for CDI technology or does it speak to the relative value of their solutions?

Is your facility a certified cancer or trauma center?

- **Yes/Cancer**: 11%
- **Yes/Trauma**: 5%
- **Yes/Both**: 22%
- **No**: 62%

It is interesting to note that most respondents work at facilities that are not certified cancer or trauma centers.

Do you manage your registry internally or outsource the work to an outside vendor?

- **Manage Internally**: 78%
- **Outsource to vendor**: 11%
- **Both**: 11%

For those who work at certified cancer or trauma centers, nearly 80% manage their registry entirely on their own and only 22% utilize outsourcing vs. 60% for traditional coding (data shown later). Given registry is a non-revenue generating department, it is a bit surprising that so few facilities outsource.
ICD-10

The ICD-10 compliance deadline has come and gone but the challenges remain. By far, this is the biggest question facing HIM departments around the county and our survey conducted shortly before go-live provided some compelling insights.

Respondents were very optimistic with more than 63% saying they expected to be fully prepared for the transition from ICD-9 to ICD-10 coding by the October 1 deadline. Another 29% reported they were slightly behind while 7% said they were significantly behind schedule.

How would you describe your readiness for ICD-10 effective Oct. 1, 2015?

- We will be fully ready for ICD-10 - 64%
- We are slightly behind schedule for ICD-10 - 29%
- We are significantly behind schedule for ICD-10 - 7%

What percentage of your records do you dual code?

One fifth of respondents had not practiced dual coding prior to go-live. Of the 80% who adopted dual coding, the percent charts coded varies dramatically indicating there is no best practice in this regard.

- 11-30% or less - 28%
- 10% or less - 20%
- Greater than 50% - 18%
- 31-50% or less - 14%
Are you auditing the results of your dual coding initiatives?

- No 20%
- Yes 80%

Did you implement educational follow up and feedback after your dual coding audit process?

- No 17%
- Yes 83%

What is your estimate on the impact ICD-10 will have on productivity of your coders?

As facilities embarked on the official launch of ICD-10, management personnel did report concerns about how ICD-10 would impact the productivity of their coders but opinions vary significantly. 40% reported that productivity will be reduced by at least 40% while one quarter says the impact will be 25% or less.

- 30% reduction in productivity - 35%
- 25% or less reduction in productivity - 25%
- 40% reduction in productivity - 18%
- 50% reduction in productivity - 14%
- Greater than 50% reduction in productivity - 8%

How do you anticipate bringing on incremental resources to make up for lost coder productivity?

With the anticipated productivity impact, two thirds of respondents will make arrangements to hire new coders, utilize outsource vendors, or both. Counterintuitive to this is, one third will do neither, even with the consensus that productivity will suffer.

- Neither - 34%
- Both - 28%
- We will use an outside coding vendor - 27%
- We will recruit and hire new coders internally - 11%
Outsourcing

Healthcare providers have traditionally outsourced specific facets of the revenue cycle to drive efficiencies and improve margin and this trend is expected to continue. In its latest report released in January of 2015, Sandler Research predicted the healthcare revenue cycle outsourcing market will grow at an annual rate of 15.5% through 2019.

What percent of your coding needs are outsourced to external vendors vs. managed internally?

HIM is clearly observing this trend as well. Nearly 60% of respondents outsource a portion of their coding resources. The majority of those who work with vendors outsource 30% or less of their coding needs.

How many vendors do you utilize for outside coding resources on average?

The number of vendors utilized for outsourcing varies dramatically. Nearly 50% work with one or two vendors; however, an astonishing 45% work with seven or more which speaks to the fragmented nature of this industry and the inability for vendors to meet the needs of providers.
What are the biggest issues you face with outsource coding vendors?

The biggest issue providers face with their outsourcing vendors is the quality of their coders, although on-boarding time, ineffective auditing, and coder availability are also prevalent. Interestingly, respondents were relatively comfortable with the ICD-10 readiness of their vendors.

- Quality of coders - 34%
- On-boarding time is too long - 20%
- Unable to effectively audit their coders - 19%
- Coders are not available when I need them - 17%
- Lack of ICD-10 readiness - 10%

What metrics do you use to gauge the performance of your outsource coders?

Respondents reported accuracy and productivity to be their top metrics when trying to gauge performance of outside coders. On a relative basis providers focus more on accuracy and productivity with outsourced vs. their internal coders, and less on financial metrics. Perhaps this is an opportunity for outsource vendors to quantify the impact their resources can have on financial metrics and differentiate themselves from competitors.

- Accuracy - 38%
- Productivity - 34%
- Impact on DNFB - 14%
- Impact on A/R days - 8%
- Results of 3rd party audits - 6%

How long on average does it take your outsource vendor to on-board new coders?

For facilities who outsource, 83% of respondents reported an average of less than 4 weeks of training for an outside vendor to on-board new coders.

- 2 weeks or less - 58%
- 4 weeks - 25%
- 4-6 weeks - 10%
- 6-8 weeks - 6%

Do you utilize an offshore vendor for any coding services?

Only 16% of respondents utilize an offshore vendor for coding services.

- Yes - 16%
- No - 84%
If no, are you contemplating using an offshore vendor within the next 12-24 months?

- Yes: 9%
- No: 91%

Of those who currently do not use offshore resources only 9% reported contemplating using an offshore vendor within the next 12-24 months. This is a surprising result given the anticipated productivity impacts of ICD-10 noted earlier. Where are the coding resources going to come from to make up the gap?

Are you considering outsourcing your entire coding department within the next 24-36 months?

- Yes: 8%
- No: 92%

Complete outsourcing of HIM departments is not being widely considered over the next 2-3 years as only 8% of respondents indicated this is a potential option.

ABOUT THIS REPORT

This inaugural 2015 HIM Benchmark Survey was conducted by ADVANCE for Health Information Professionals over a 30-day period in August and September 2015. More than 140 HIM professionals completed this survey. All participants responded to the survey via digital marketing efforts, which included emails, e-newsletter ads and social media promotion, and all questions were answered using an online survey tool.

For more information about the survey, please contact adipaolo@advanceweb.com or visit www.advanceweb.com/him for more information about the health information management community.

ABOUT himagine solutions, inc.

himagine solutions inc. is a leading healthcare outsourcing solutions provider with the largest team of inpatient and outpatient coders in the United States. Their professional HIM outsourcing services include basic staff augmentation as well as more strategic managed coding solutions including full department outsourcing through their Enterprise HIM offering to support more than 250 healthcare providers across the United States.

For more information, visit www.himaginesolutions.com or email us at HIMmarketing@himaginesolutions.com.