

Regulation of Health Information Processing in an Outsourcing Environment

A Joint Position Statement issued by:
American Health Information Management Association (AHIMA)
California Health Information Association (CHIA)
American Association for Medical Transcription (AAMT)
Medical Transcription Industry Alliance (MTIA)

Objective

To outline the factors that need to be considered to effectively address the issue of processing of personal health data and information irrespective of the location where it is processed.

Currently, a number of state legislators and members of Congress are examining this practice from the perspective of protecting the privacy rights and jobs of US citizens—both issues of great importance to the American public including the members of our respective associations.

This statement urges legislators to examine the issues surrounding off shore health information processing in their totality in order to avoid legislative actions that produce serious and unintended consequences for patients, healthcare organizations, workers, and the economy—now and in the future.

Workforce

Legislation prohibiting or encumbering outsourcing would have a direct and immediate adverse effect on patients and healthcare organizations. It would quickly overwhelm the current workforce preventing essential patient information from being transcribed timely and accurately, if at all. Possible implications include:

- **Disruption and adverse impact to patient care.** Without proper and timely transcribed histories and physical exams, for example, patients cannot go to surgery.
- **Loss of JCAHO Accreditation.** Unless operative reports are immediately available, hospitals can lose accreditation by the Joint Commission on Accreditation of Health Care Organizations, which in turn threatens the organization's eligibility to receive payments from Medicare and other third party payers.
- **Disruption of payment.** Without timely transcribed reports, qualified coders are impeded from assigning the necessary billing codes and providers and healthcare organizations cannot get reimbursed for services provided.

The demand for medical transcription and other health information processing in the US has increased sharply in recent years in response to an increasing volume of patient information, increased regulation and litigation, and the drive toward an electronic health record. However, there has not been a corresponding increase in the number of skilled workers needed to handle this workload.

According to the US Department of Labor, medical transcriptionists held 101,000 jobs in 2002, with 7 out of 10 working in hospitals and physician offices. Outsourcing transcription work and

advancements in speech recognition technology are not expected to significantly reduce the need for well-trained medical transcriptionists domestically. (1) The Department of Labor also reports that 97,000 new health information technicians will be needed by the end of this decade to fill new jobs and replace those who are retiring. (2) The health information technician occupational category includes specially trained knowledge workers who process medical record data (by transcribing dictated reports), coding medical records for billing, and handling other specialized functions. There are simply not enough of these skilled workers in the US to fill the jobs available today nor are there any measures in place to remedy this shortage to meet forecasted demands.

To prohibit outsourcing without concurrently addressing workforce development would be counterproductive. Any law that restricts outsourcing must make provisions for workforce training. Training new health information technicians who have the requisite skills requires at least one year and is best done in an accredited community college program. However, expanding training programs at community colleges is a daunting fiscal challenge that would burden cash-strapped state budgets. So, while training is certainly a solution, it is not quick or inexpensive.

Information Processing Technology

New information and communication technology (ICT) makes it possible to outsource information with greater security than ever before. For example, in the UC San Francisco Medical Center case—where a foreign-based transcriptionist employed by an outsourcing firm threatened to expose identifiable patient information on the Internet—technology, in combination with strong policy, training and monitoring could have prevented the transcriptionist from knowing the identity of the individuals whose information she was processing.

An important public policy contribution that state legislators and Congress can make is to support full deployment of ICT to bring healthcare into the information age. Adoption of ICT has profound long-term benefits for quality, safety and cost effectiveness of care by enabling important advances in information security that are currently out of reach in today's "hybrid" environment that involves both paper and digital records.

Technology can enhance these processes and add efficiencies that can lessen the very real impact of this shortage of knowledge workers. Emerging technologies that will play significant roles in this process include:

- Voice recognition technology is becoming capable of producing text documents
- Artificial intelligence engines can scan text documents and assign billing codes
- Direct entry of data by clinicians via templates

Over time, these technologies will allow us to redeploy scarce knowledge workers to perform more sophisticated functions such as data quality control or data analytics. The workforce development and technology strategies must be carefully balanced to meet short and long-term needs. Taking shortcuts in training to supplement today's workforce will leave these workers without the skills needed to perform the jobs of tomorrow.

Cost

Health care costs are a national concern. Not only is the industry outsourcing information processing to address workforce shortages, it also is using outsourcing as a cost control strategy enabling health care organizations to redirect scarce staff resources. There are many models for outsourcing and within the US it is a common practice and has been for many years. Even so, it is estimated that less than 10% of medical transcription is currently being done outside the US. Some of the current proposed legislation intends to prohibit US healthcare providers, payers or outsourcing companies to send information overseas regardless of what measures are in place to ensure the privacy and security of the process.

Other proposed legislation would call for institutions to first explain the potential for outsourcing to the patient and allow them to opt-out. This solution would be extraordinarily difficult to administer and would increase administrative costs since there are no systems to automate this process and performing this function manually would be untenable. Entities will have to essentially turn off the automated data systems and dictation-to-transcription systems that process millions of such occurrences a day and “pick out” the data for individuals that do not want their information going overseas. As noted above, such requirements would also affect the timely delivery of patient care services and have enormous cost consequences.

Laws and standards

AHIMA, AAMT, CHIA and MTIA are committed to strong privacy and security protections for personal health information. Our organizations advocated for a strong federal privacy and security standard and have been leaders in implementing the US Health Insurance Portability and Accountability Act of 1996 (HIPAA).

We have advocated full compliance by our members and have supported enactment of the provisions of HIPAA that impose penalties for violations. Outsourcing companies are considered business associates under HIPAA and our organizations have provided extensive education and advice on how to effectively manage outsourcing relationships. We believe that it is important to 1) continuously reinforce adherence to sound policies and procedures that comply with HIPAA, 2) improve the due diligence used in establishing and monitoring outsourcing contracts 3) identify areas where the HIPAA regulations need to be improved, and 4) punish those who violate the rules.

It would be counter-productive and harmful to health care organizations if new state laws are established that make it impractical for national outsourcing companies to do business within a particular state. Further, many health care systems operate in a number of states. Therefore, we urge legislators to think about national and global business structures when addressing issues relating to health information. This is no longer a local issue.

Summary

Policy makers must consider the workforce, technology, cost and legal implications of their legislative proposals. AHIMA, AAMT, CHIA and MTIA urge lawmakers to craft regulatory solutions that enforce HIPAA and support advancements in modern health information processing practices that improve the quality and cost of health care.

We also urge increased investment in health information workforce development and implementation of new technologies to advance critical healthcare outcomes—timely, accurate, accessible and secure information to support patient care. It is essential that state legislatures

reinforce the importance of improving information processing solutions for healthcare and not take actions that will produce unintended and detrimental consequences.

(1) Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2004-05 Edition*, Medical Transcriptionists, on the Internet at <http://www.bls.gov/oco/ocos271.htm> (visited March 07, 2004).

(2) Hecker, D. E. “*Occupational employment projections to 2010.*” Monthly Labor Review, November 2001, p.57-84.