Medical Transcription Outsourcing

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As providers seek to offset the shortage of qualified medical transcriptionists, reduce the overall cost of transcription, decrease turnaround time (and more), outsourcing transcription can become a necessity.

KLAS recently completed its first Medical Transcription Outsourcing (MTSO) study, examining vendor performance, the cost and benefits/ROI of outsourced transcription services and the impacts of off-shore transcription services and speech recognition. Among the findings of interest was information on benefits received, off-shoring provider experiences and the effect speech recognition is expected to have on future transcription outsourcing.

BENEFITS RECEIVED

In reviewing the benefits they received by engaging MTSO services, 61% of respondents indicated improved turnaround time, 29% reduced cost and 13% improved quality.

One provider stated, "We have all of our dictations back inside 24 hours. Also, we found it to be less expensive than hiring a transcriptionist." Another provider commented, "We have been able to cut costs and the overall quality of the reports we get back are significantly improved. The turnaround times are excellent. We receive stat reports back in less than two hours as agreed to, and the other reports are received in 24 hours or less."

While turnaround time is a plus many providers report, some providers haven't seen all the benefits they would prefer. As one provider put it, "I haven't seen any benefits yet from where I'm sitting. So far, it may have even been a tiny step backward from our previous transcription solution. The corporate people may have
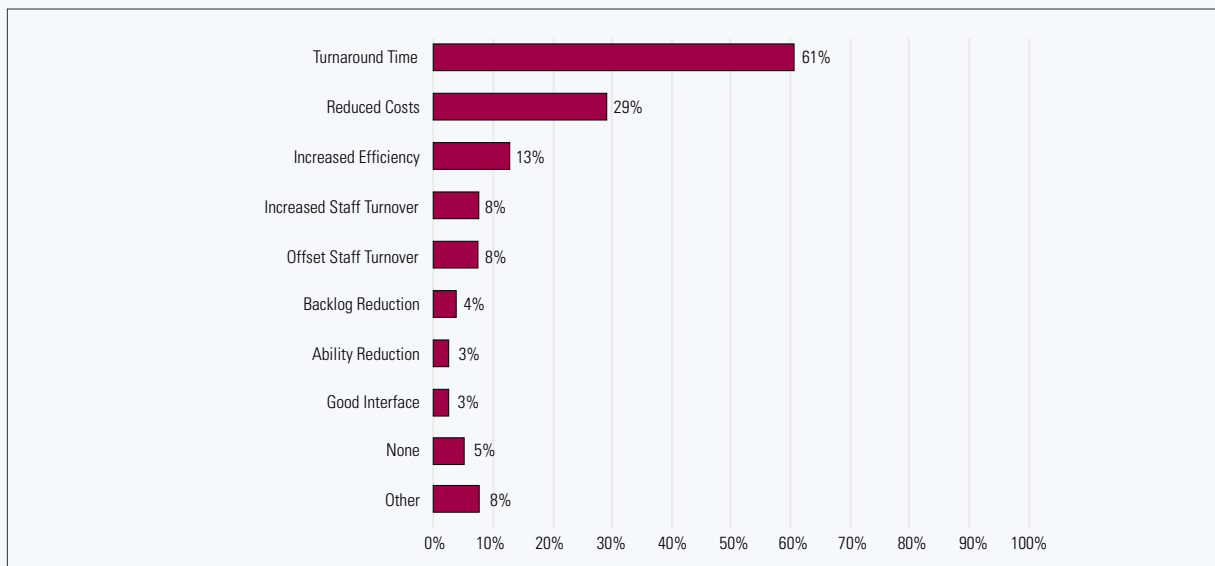
seen some benefits with costs and such, but I haven't. We're still trying to get to know each other as vendor and customer. We are impressed with the turnaround time. Initially, we expected things back within 24 hours. Then I said I wanted things back in seven hours. Now, if I have a stat report and let them know I need to see it now, it will come back in an hour."

OFFSHORE TRANSCRIPTION

Providers who have decided to pursue the offshore option either love it or hate it. While some facilities cite significant ongoing quality issues, other facilities have found that there is a learning curve with offshore services similar to that of domestic services and the quality can improve over time.

Some of their comments follow:

- "The [offshore] outsourced staff is very good but there has been a learning curve. At first we had a language barrier but that has improved over time. The quality of their work has improved to the point that it is now equivalent to the quality of our in-house staff."

- "They do a fairly good job for us. I just have issues with them using offshore transcription. I think that leads to some of the transcription errors we get back. I also have some concerns about the privacy issues, since they are not bound by the same laws we have in the United States."

- "I hate offshore transcription. I think that there are enough transcriptionists in the United States that need the work. I am also uncomfortable with confidentiality issues. Half of the time, the e-mails that I get from offshore vendors asking for our business are illegible. The reports from offshore need to come back to the vendor here in the U.S. for editing and quality assurance and that does not seem like a savings to me at all."

- "We do not allow it [offshore transcription] in our contract due to security and location concerns. Our organization is very conservative. My own personal view is that it doesn't matter that much because issues we have in the U.S. would probably be comparable to issues we have in India, though it might be tougher to track down a security violator in India."

- "It is very important with a transcription contract to insure that you can have either offshore or U.S.-based transcribers. It should be at your discretion."

In addition, respondents specifically suggest making sure that the editing and quality control reviews be performed by an English-speaking staff member, that

Pricing Arrangements
MTSOs offer a wide variety of pricing plans for healthcare providers. Among the 59 respondents to questions regarding pricing, providers report the most common method is paying by the line: 81% of respondents utilize this approach.

Time 5%
Character 12%
Project 2%
Line 81%
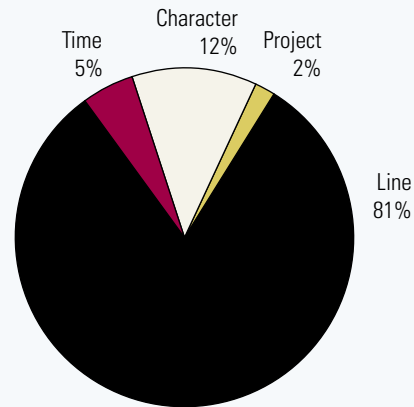
provisions be made for continuity of customer service around the clock and across the time zones, and that the identifying information in the header be separated from the body of the report before it is moved offshore and rematches after it returns to the US.

IMPACT OF SPEECH RECOGNITION SOFTWARE

What is the impact of speech recognition on providers' transcription plans? KLAS asked providers if speech recognition solutions would impact their current outsourcing arrangements. The answers varied, with responses such as, "It is our belief that as speech recognition technology strengthens, the need for extensive use of transcription services will diminish" and "I have not seen a speech recognition product that is reliable enough yet. We are not even considering a switch anytime soon."

One provider has begun the switch, saying, "We are implementing back-end and front-end speech recognition to help us reduce our MTSO workload down to about 2–3% of total volume. This will help us improve turnaround times and cut overall costs."

Others insist, "Speech recognition will not affect us for the next few years. It just is not accurate enough as medical terminology continues to be more complex. Once speech recognition gets to the point of being extremely and consistently accurate, then I'm sure we will adopt it. That will probably impact how much volume our MTSO will get from us, but this is five or more years in the future."

In summary, transcription services are reported to bring quantifiable benefits, such as improved turnaround time and reduced costs, while the practice of offshoring transcription services receives mixed reviews: some providers have positive experiences; others have negative experiences. All providers suggested undertaking consid-

erable due diligence when considering using offshore MTSO firms.

About the Author

Jeremy Bikman is Director of Advanced Technology at KLAS Enterprises, a research firm that works in concert with over 7,000 provider organizations to report on healthcare technology solutions. KLAS mans a database of ratings on professional service firms and technology vendors. Providers who rate a firm or vendor are given free access to the database. To find out more, visit www.healthcomputing.com.

About This Report

This is the first KLAS report that provides detailed assessments of MTSO firms. This report is part of the KLAS Professional Services Firm (PSF) series of studies. Earlier KLAS reports – the 2006 Speech Recognition Study, the 2004 HIM Market Focus Study and the 2004 Dictation, Transcription and Speech Recognition Study – provided insights into transcription, but this is the first KLAS report to focus on MTSO firms specifically.

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How We Serve the Healthcare Industry: KLAS, in concert with thousands of healthcare executives, CIOs, directors, managers and clinicians, has created a dynamic database of information about the performance of HIT vendors. The KLAS database represents the opinions of healthcare executives, managers and clinicians from over 4,500 hospitals and 2,500 clinics on more than 500 different products. The information is continually refreshed with new performance evaluations and interviews daily. The KLAS database is dynamically and effectively used by:

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- Consultants, for current performance information on a specific company or product
- Healthcare investment firms, to evaluate publicly traded HIT company performance and trends or the competition for a new entrant.

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