

Understanding Pay Models and External Factors Affecting Pay Methodologies

Current Compensation Model Definitions with Pros and Cons

Hourly Wage

Guaranteed compensation for each hour worked.

Benefit(s): Guaranteed hourly compensation with a defined performance standard.

Drawback(s): Hourly compensation does not provide any financially incentivized motivation for going above minimum performance standards.

Hourly/Incentive

Hourly wage with defined performance threshold and if meeting a defined threshold above the base threshold, additional money can be earned.

Benefit(s): Can depend on the base salary. Employee is able to earn bonus over and above hourly salary. Incentive to earn is built into this model. MTs/HDSs can creatively use templates, macros, expanders, abbreviations, “normals,” etc.

Drawback(s): Perception is that QA may be adversely affected with this pay model. Employee may become frustrated if they do not reach the incentive level. Working in the EHR directly may require navigating through multiple screens to access patient information and thus, production can be affected. Time spent preparing payroll may be increased for the employer.

Production

Based on what the employee produces during hours worked, with no base hourly salary. Production can be based on lines produced or minutes of output produced. Regardless of the level of production, state and federal minimum wages apply to all employees.

Benefit(s): MT/HDS is able determine his/her pay. Incentive to earn is built into a production model. MTs/HDSs can creatively use templates, macros, expanders, abbreviations, “normals,” etc.

Drawback(s): Earnings may fluctuate based on dictators, work types, complexity, work environment, etc. May have a solid employee with excellent QA who is not speedy and earns less. May have a high producer who earns well but only meets minimum QA standards. Employee may become frustrated if they do not reach an adequate production level to ensure a fair wage. Working in the EHR directly may require navigating through multiple screens to access patient information and thus, production can be affected.

Comment: Production may be based on lines or minutes of output during worked hours.

Definitions of Line Count Methodologies

- 1. VBC (virtual black character):** Any character (excluding spaces)—viewable by the naked eye on the final transcribed document; regardless of whether viewed electronically or on a printed page.
- 2. ASCII character line:** Any character, printed or visible, that's part of the final transcribed document. This includes the space between words or sentences. Hidden formatting instructions (bolding, spellchecking, etc.) or additional keystrokes are **not** included in the total character count. Organization will need to determine number of ASCII characters per line (i.e., 60, 65, 70 etc.).
- 3. Gross Medical Transcription Character:** In counting medical transcription lines, any letter, number, symbol or function key necessary for the final appearance and content of a medical transcription document, including the space bar, carriage return, underscore, bold, and any character contained within a macro, header or footer.
- 4. Net Medical Transcription Character:** Printed characters only. *Note: to convert to Gross Characters multiply Net Characters by 1.2*
- 5. Net Medical Transcription Line:** A defined line length that includes a predetermined number of gross characters (55, 60, 65, 70, 75, etc.). *Note: Net lines are generally determined by dividing the total gross characters in a report by the defined line length.*
- 6. Gross Medical Transcription Line:** Any printed line that has one or more characters. *Note: no distinction is made here between full and partial lines. (To convert Gross Lines to Net Lines multiply Gross Lines by .70).*
- 7. Medical Transcription Keystroke:** Each stroke of a key is counted—including the space bar, carriage return, underscore, bold, etc. constitutes a medical transcription keystroke. *Note: macros become an issue here—technically, if a macro requires three keystrokes, then for billing purposes, three keystrokes would be billed.*
- 8. Net Medical Transcription Word:** A net word is defined as five (5) alpha/numeric characters plus one (1) space for a total of six (6) characters.
- 9. Recorded Minute:** One recorded minute of medical transcription dictation may be used as a compensation model, but compression technology may affect the recorded minute and the number of characters produced.

Source from AHIMA

http://perspectives.ahima.org/a-standard-unit-of-measure-for-transcribed-reports/#.VR_ftCx0zmQ

Source from AHDI

<http://www.ahdionline.org/Portals/0/downloads/VBCWhitePaperFAQs.pdf>

Understand Your Technology and How It May Impact Your Pay Model

It is important to understand your current technology and how it may impact your current pay model or prohibit moving to a new pay model in your organization. The following is a list of ideas to help you decide. It is recommended that all items listed should be included in an RFP (response for proposal) when purchasing a new text platform.

1. Is your system programmable to accommodate your chosen production count methodology?
2. Does your system have a “test” environment to pilot different pay models?
3. How does your system count headers? Does your system allow you to provide an “artificial line count” for the automated demographic header information?

We want MTs/HDSs to ensure that the demographics are absolutely correct, and we need to consider how best to compensate them, whether they are working production only or if hourly or hourly with incentive. The “artificial line count” is one method that can compensate HDSs who are paid on production or whose incentive is paid based on production. Many text platforms have this feature available. Alternatively, MTs/HDSs who are paid hourly or hourly with incentive and work on a platform that does not allow for an “artificial line count” may be provided a specified amount of nonproductive time on a daily or weekly basis to compensate for time spent ensuring demographics are correct on every report transcribed and/or edited. Many text systems also track keyboard time, pause time, etc. In this scenario, an MT/HDS may be instructed that a specified percentage of the hours they work must be spent transcribing/editing, while the remaining percentage (also specified) is to be utilized in verification of patient demographics.

4. Does the system count footers? Since these are automated, you may decide not to count as part of production. Can the system “turn off” this feature?
5. Consideration must be given for time necessary for the HDS to communicate with QA or lead staff, especially in reports with complicated documentation issues.
6. How does the system provide reports for production or incentive based pay? Can the system interface with payroll or does management have to run reports from the text platform and manually interface for payroll? It is recommended that an organization consider an interface versus manual entry for payroll production. This will reduce errors and management time for tracking.
7. Does the system reporting capabilities meet your needs? Can you run customized reports for your organization?
8. Can MTs/HDSs see their production throughout the workday? Does your technology enable staff to see both their speech edited lines and traditional transcription lines? Can they look at any given time and know their approximate pay for a given period of time, whether straight production or incentive? Transparency is important. They should know approximately what they are receiving in their paycheck.
9. Other factors to consider: If MTs/HDSs are working directly in the EHR, how will you pay production or hourly plus incentive? It is recommended that MTs/HDSs should be paid an hourly wage when working directly in the EHR. There are too many variables to create a fair production model (consideration may be given to dictated minutes of output for production option). If you want to continue with your current pay model, consider an interface between your text platform and the EHR, allowing MTs/HDSs to continue directly in the text platform.

Compensation Transparency

It is extremely important to document policies and procedures for your compensation pay model, whether hourly with required performance thresholds, incentive plus hourly, or straight production.

The following is a recommended outline with “sample language” to assist in creation. Please note that this particular sample is based on MT/HDS levels and production pay/level. Your template may look quite different based on the pay model utilized.

Overview of Pay Model (or general description): Transcription pay will be determined by the level of the Transcriptionist along with the number of lines transcribed. Special programming is in place to maintain the eligibility for various line rates in the Payroll Software. Text platform maintains the actual line rates. The following guidelines must be met to not only ensure proper pay per line, but also to ensure benefits, PTO, and shift differential payments are correct. Transcription pay will not fall below the legally required minimum wage.

Definitions of various factors in the pay model: This may include transcription levels as sample provided below:

Transcription – Level 1 (entry level) transcription skill sets will include Emergency Room admission and discharge summary reports, medical records discharge summary reports; history and physicals and progress notes for private physician practices in accordance with transcription turnaround standards, quality standards and production based program guidelines. Document creation may be performed either by editing and/or traditional transcription.

Transcription – Level 2 (intermediate level) transcription skill sets will include all of level 1 plus history and physicals, consultations, discharge summaries and radiology in accordance with transcription turnaround standards, quality standards and production based pay program guidelines. Document creation may be performed either by editing and/or traditional transcription.

Transcription – Level 3 (highly skilled) transcription skill sets will include all of level 2 plus invasive cardiac procedures (caths and PTCAs), procedure notes (bronchoscopy and endoscopy, etc.), delivery notes, therapy notes, social work assessments, electrophysiology reports, and/or pathology in accordance with transcription turnaround standards, quality standards, and production based pay program guidelines. Document creation may be performed either by editing and/or traditional transcription.

Transcription – Level 4 (expert or master skills) senior medical transcriptionist, back-end speech editor, quality assurance auditor/educator, trainer/mentor, lead, supervisor or manager, and emerging roles. Must be skilled in level 1, 2, and 3 roles.

Non-Productive Rate – HDSs hourly rate for PTO, sick time, FMLA, meetings, training, educational in-services, etc. Many organizations pay production but have a base hourly rate for items listed above. Some organizations choose to pay the hourly average production rate for the categories noted.

Line count – Defined as “____” characters (minutes of output, speech edited lines or traditional transcribed line) based on line count methodology in vendor text platform.

Downtime – Clearly spell out downtime definitions for your department. Define how long staff may remain on the clock to troubleshoot a technical problem, when to call for technical support, etc. This should be clearly spelled out to avoid any misunderstanding or miscommunication.

Line rates or Incentive Bonus Rates – This area should clearly spell out pay/line for traditional transcription and back-end speech editing. If paying incentive, clearly indicate performance standard threshold for incentive and if offering a tiered incentive system, clearly indicate each tier and accompanying pay.

Performance Standards – Regardless of pay model chosen, this section should clearly define the performance/production standards (lines or minutes) expected per your organization’s defined worked period.

QA Standards – This area should include statements regarding any tie-in to your compensation model. Define what happens if employee fails QA for a period of time and how it may relate to pay.

Example

If an HDS falls below the required standard, (based on associate QA reviews) refer to department QA Policy/Procedure), associate will progress through the appropriate corrective counseling, and during this time period will be paid their productive rate. If QA falls below standard two consecutive months, the associate will return to nonproductive rate and corrective counseling will commence as outlined in the department QA Policy.

Shift Differential/Holiday Pay – Clearly define how your organization will pay. This is especially important for production based pay.

Other factors and/or systems utilized for producing transcription – It is crucial (if your staff is working in other vendor systems such as radiology, pathology, or the EHR) that the line count or production methodology be clearly defined for each system in your documentation in order to be as transparent as possible.

Define systems utilized – List each platform you are using.

Payroll/Time Keeping System – [vendor name] Human Resource & Payroll System

Text Platform – [vendor name] Transcription Production System

How often will be pay model be reviewed – HR Compensation/Transcription Management Leadership will participate in a bi-annual review to determine if the current pay/line amounts are competitive within the marketplace.

Most Human Resource departments will recommend the following statement: Organization may in its sole discretion elect to change, modify or discontinue the outlined transcription pay model with a defined notification period in a manner according to your policy.

APPLICABLE AND RELATED POLICIES (both department and organizational) – PTO, shift differential, overtime, QA.

List date effective

Review dates – List review date and the name and position of person who reviewed.

Comment – It is recommended that an organization’s compensation model and performance requirement should be reviewed on a periodic basis. This is particularly important with back-end speech editing as technology should improve and continue to present an improved level of quality documentation for editing. This is not “a once and done effort.”

It is also recommended that a compensation model should be developed for each system in which a staff member may be required to work. Attempting to translate each system to one common pay model requires complicated translation models and lacks transparency.