

THE GLOBALIZATION OF HEALTHCARE DOCUMENTATION: FREQUENTLY ASKED QUESTIONS

Many MTs have written to AAMT in frustration and fear over outsourcing overseas and want answers from the Association. We have assembled the following frequently asked questions regarding issues related to the profession and to overseas outsourcing of US healthcare documents in an effort to separate fact from fiction.

Q: Why is healthcare documentation outsourced from healthcare facilities to transcription services and home-based transcription providers?

A: Outsourcing of nonessential job functions has been a national trend over the last decade, with organizations choosing to focus on core job functions in an effort to contain costs. Transcription is often outsourced in an effort to reduce overhead costs, ensure consistent workflow, and accelerate the facility's revenue flow by providing timely reimbursement for care.

Q: Why is the transcription of US healthcare documentation being outsourced overseas?

A: There is an insufficient number of *qualified* medical transcriptionists in the United States and the total number of *qualified* medical transcriptionists has not grown quickly enough to keep up with the increasing demand for transcribed reports. This is, in part, due to decreasing wages versus the required skill set to perform the function of a qualified MT. It is also due to the fact that the profession is unregulated, an educational program approval process has not been in place, and resources have not been allocated to support quality educational and internship programs in this country. Transcription courses have been cut back due to lack of funding and lack of graduates, as entry-level wages were not high enough to justify the cost of training. Graduates of transcription programs were often not qualified to step into new positions without additional and often extensive training. Training transcriptionists is expensive for employers who are dealing with decreasing profit margins, as healthcare providers are forced to cut costs everywhere possible. There also appears to be a financial incentive for companies to outsource overseas. This issue is exacerbated by the fact that the value of *quality* transcription is not truly understood.

Q: How much of the medical transcription market is outsourced overseas?

A: The Medical Transcription Industry Alliance (MTIA) addressed this issue in a press release on October 27, 2003, Seattle, WA. ("MTIA on Privacy Issue: Privacy and Quality Inseparable.")

"Nearly 50% of the current contract transcription market demand is outsourced to a specialized transcription vendor community. Though no solid statistics currently exist, estimates vary between 8% and 10% of all contract transcription from US healthcare is done overseas."

If these figures are correct, then 8-10% of 50% of transcription is outsourced overseas. This translates to **4-5% of the total volume of transcription performed overseas.**

Q: How many AAMT members reside outside of the United States?

A: Less than 1%, or 67 members. (AAMT January 2004 membership statistics.)

Q: What laws and regulations are transcriptionists and transcription services held to?

A: HIPAA requirements apply equally to domestic business associates and offshore business associates. The obligation to have appropriate business associate agreements belongs to the covered entity. The notion that Protected Health Information (PHI) is entering an unknown environment with respect to enforceability and accountability when documents leave the country is a misperception. In many cases, there are stronger protections than exist in the United States. Many offshore companies see medical transcription as a legitimate business and are doing what is necessary to remain competitive, including working with their governments to help structure privacy and protection laws.

Q: How would legislation against the use of offshore transcription, such as that being suggested by Senator Figueroa of California, affect the transcription industry in the US?

A: If legislation prevents the use of overseas transcriptionists, the estimated 8% to 10% of work going overseas now would come back into the United States, further exacerbating the domestic MT shortage and creating additional backlog of the work. This could have an enormous financial impact on the healthcare providers.

Q: What is AAMT's position on the outsourcing of healthcare documentation offshore?

A: AAMT believes that quality and integrity of transcribed US healthcare documentation is of vital importance. Our purpose is to protect patients through documentation-setting standards of education and practice in the field of medical transcription. This will be accomplished by monitoring these standards through the AAMT education approval process, code of ethics, certification, and quality assurance programs that ensure the highest quality, accuracy, privacy, and security of US healthcare documents, regardless of where they are transcribed. AAMT will continue to advocate for accurate and secure US healthcare documentation as essential to ensuring the security of PHI and quality patient care.

While we understand the myriad reasons for the outsourcing offshore of US healthcare documentation, AAMT nevertheless is troubled that some of our members are losing their jobs as a result of this practice, and we would rather US healthcare documentation stay in the US with American medical transcriptionists. AAMT supports American MTs by advocacy efforts with the US and state governments for allocation of funds for workforce and technology development in the US, incentives for US companies to create externship programs and on-the-job training for new graduates, and the requirement of certification or licensure so that only those who are qualified are permitted to practice.