



Association for Healthcare Documentation Integrity (AHDI)
Statement on
Full Disclosure in Transcription Compensation

AHDI's Position

AHDI believes that full disclosure in any business relationship is characterized by both parties having full and equal access to all information relevant and necessary to maintaining an equitable business relationship. This means that both sides of that relationship have full confidence in each other's integrity and commitment to share any and all information that directly or indirectly impacts the other party. AHDI further asserts that the relationship between an employer and an employee, or a client and a subcontractor, is by nature a business relationship and should be viewed as such by both parties. *Full disclosure in transcription compensation* means that a business or entity that employs or otherwise utilizes transcriptionists for the provision of services commits to provide, at the time the relationship is initiated, all necessary compensation definitions, calculations and procedures to the transcriptionist to whom they will be applied. It further implies a commitment on the part of that business to engage in ongoing disclosure of relevant compensation information for the duration of that business relationship.

Rationale

In today's transcription marketplace and a dynamically evolving global economy, the demand for qualified MTs is higher than it has been at any time in our industry's history. The industry has placed a high market value on the commodity of medical transcription and on the skilled professionals essential to the prosperity of that market. This demand has led to diversification of almost every aspect of the documentation process, from the application of technology to the methods for MT compensation. Currently, there are no standards of practice to govern the specific definitions and principles applied to compensation of transcriptionists. AHDI believes that there should be full disclosure and an open discourse between employer and transcriptionist in all areas relevant to both parties, especially regarding the definitions and formulas utilized for compensation. Transcriptionists need the ability to verify those methods and the compensation figures derived from them.

Principles of Full Disclosure

Whether the business is a medical facility or a service that employs transcriptionists, the principles of full disclosure are the same. AHDI makes no recommendations as to the method utilized for compensation but believes that regardless of the method, an ethical transcription business will adopt compensation policies reflective of the following principles:

- Definability.* The formulas, calculations and methods for arriving at both productivity results and compensation figures should be easily defined and readily explained to the employee at the time the relationship is initiated such that the MT is enabled to make a fully informed employment decision. At any point during the relationship that the employer makes a change in those formulas, calculations or methods, such changes should be fully disclosed and explained to the employee.
- Verifiability.* The formulas, calculations and methods, when applied by the MT for the purpose of verifying productivity results and compensation figures, should produce the same result



for both parties who apply them at any point in the business relationship for the duration of that relationship.

Integrity.

The compensation policies utilized should be fair and within the reasonable scope of industry trends and practices. They should not encompass definitions and standards that are not applicable to the nature and scope of the work or are so unconventional as to not allow for industry comparison and informed decision-making on the part of the MT.

Consistency.

The formulas, calculations and methods should not be changed arbitrarily but should be altered or changed only when necessary.

Application of Principles

1. At the time of hire or initiation of the business relationship, both parties should be proactive in ensuring a full explanation has been provided and an understanding reached regarding the compensation policies and procedures that will be applied to that employee. The employer should not perceive full disclosure as an obligation *only when asked* by the transcriptionist but should assume responsibility for making sure the employee is fully informed about these practices. Likewise, the transcriptionist should play an active role by asking for necessary clarification on any issue.
2. AHDI recommends utilization of a checklist or similar method for ensuring the employee has been provided all information, explained all definitions and formulas, and allowed an opportunity to apply those formulas to a sample report for the purposes of demonstrating complete understanding of the process.
3. If there are policies that relate to compensation penalties of any kind, such as quality, productivity or turn-around-time (TAT) penalties, these should likewise be fully disclosed and explained to the employee at the initiation of the business relationship. AHDI further recommends the practice of fully disclosing, preferably *prior* to compensation, the application of penalties therein so that the transcriptionist is made aware of them and has the opportunity to dispute them.
4. If there are policies that relate to incentives or bonuses of any kind, these should be fully disclosed to the employee at the initiation of the business relationship along with a full explanation of the procedures and criteria related to the same.

An employee who has a full understanding of all compensation policies and procedures that will be applied to them will be less likely to be surprised by their application over the course of their employment, a circumstance which can have tremendous impact on job satisfaction and employee retention. Moreover, the greater benefit of such frank discourse and disclosure between employer and employee is the establishment of trust, which will strengthen the relationship, the business and the services mutually provided.

AHDI also recognizes that full disclosure is a two-way commitment and that this establishment of trust also implies an honest and fair accounting from the employee to the employer of all matters that impact that relationship. The MT should likewise be committed to full disclosure of employment history, skills and experience at the initiation of the business relationship so that both parties can make the aforementioned informed employment decision. Regardless of the party or perspective, it is in the long-term best interest of the business, the industry and the healthcare community that transcriptionists and transcription employers embrace these principles and support industry integrity.