Dear ADVANCE for Health Systems Management Reader,

Thank you for downloading the 2016 HIM Benchmark Report. The data gathered in this second annual survey has helped us evaluate the profession and marketplace more broadly so we can better educate and inform the health information management community. As leaders in the field of HIM, ADVANCE for Health Information Professionals and himagine solutions aim to educate and provide thought leadership with content that explores what is truly trending in the field of Health Information Management.

Like our inaugural survey, the 2016 report brought out some very interesting insights. We covered some of the same ground as last year including understanding the biggest challenges HIM leaders face in their department, the evolution of CDI and ongoing adoption of Computer Assisted Coding technology, as well as trends in outsourcing. In addition, we also focused on new areas including how the implementation of ICD-10 has impacted facilities and how HIM leaders are forecasting new challenges from increased claim specificity by CMS to the impact of new ICD-10 code sets on coding quality and productivity.

We received more than 140 responses from our Health Information Management community. Ultimately, this report is designed to offer meaningful insights and perspectives to HIM professionals as they strive to deliver value to their healthcare organizations.

Highlights of this report were shared at the 2016 AHIMA Convention and Exhibit in Baltimore, MD, that took place on October 15-19. We are pleased to provide you with the complete report and hope that it adds value as you look to continuously improve your HIM operation.
2016 SURVEY HIGHLIGHTS

Commitment to Quality – Coding accuracy took a big jump from last year to become the most common metric cited by HIM leaders.

Increased CDI Technology Adoption – Nearly two-thirds of respondents indicated they utilized a CDI software solution, up from only one-third in 2015 highlighting the emphasis departments put on improving physician documentation post ICD-10.

ICD-10 = Y2K? – Pre ICD-10 go live, 40% of respondents projected productivity to be impacted by at least 40%. In 2016, nearly 80% of participants stated that the actual impact was less than 20%.

Claim Denials a Non-Issue – Only 25% have seen an uptick in claim denials post ICD-10 which confirms CMS’s declaration to not deny claims based on code specificity.

Deny, Deny, Deny – Over 50% of respondents anticipate denial issues once the 12-month grace period by CMS expires. Will this exacerbate the coding accuracy challenge facilities are already dealing with?

Increased Auditing Now…..and Later – Over 70% of providers stepped up their audit efforts in 2016, presumably due to ICD-10, and a whopping 96% anticipated increasing or maintaining their level of auditing in 2016.

The Vendor Quality Conundrum – Coding accuracy is again the most critical metric to gauge performance of outsourced coders yet two-thirds of respondents stated that quality from their vendors is the biggest issue they face.

Off-shore = Off Limits (Part 2) – As with last year’s report, HIM leaders are reluctant to utilize off-shore coding resources as a mere 7% currently off-shore and only 7% of respondents indicated they would be evaluating off-shore solutions within the next 12 months.
HIM Department

What are the greatest challenges departments across the country face? What metrics do they use to gauge performance? What technologies are having an impact on their business? These questions about the overall HIM department provide insights on how your facility compares to the broader market.

How many coders do you currently employ at your facility?

Survey results included a diverse group of facilities from a size perspective so like the 2015 report, the findings are relevant to all departments.

10 or less – 58%
11-30 – 24%
30 or greater – 18%

What are your biggest challenges in managing a HIM department?

There are many challenges in managing a HIM department – from metrics to productivity to staffing. Consistent with last year, respondents cited managing discharged not final billed (DNFB) or other financial metrics, productivity and monitoring quality as their biggest challenge in the HIM department.

Managing DNFB or other financial metrics – 32%
Productivity – 27%
Monitoring quality – 26%
People management and turnover – 11%
Managing outside vendors – 7%
What are the main metrics you utilize to measure performance of your department?

As with last year, coding accuracy is the main metric used to measure department performance. DNFB impact was the second most common metric just behind accuracy which is a significant change from last year when productivity was the #2 selection. Perhaps this signals a move to utilize more financial metrics to gauge department performance in addition to the traditional quality and productivity data sets.

Coding accuracy – 37%
DNFB impact – 34%
Productivity – 18%
Impact on A/R days – 12%
Results of 3rd party audits – 4%

Do you currently utilize Computer Assisted Coding technology?

Utilization of Computer Assisted Coding remained essentially unchanged versus last year with 46% of respondents saying they have a CAC solution vs. 44% last year. In 2015 more than 75% of those who did not have CAC indicated that they intended to acquire CAC within the next 12 months yet this intention did not result in an increase in adoption. Perhaps this was due to ICD-10 productivity declines being less severe than indicated.

Yes – 46%
No – 54%

Do you anticipate acquiring any CAC technology within the next 12 months.

For 2016 only 17% indicated they intended to acquire CAC in the next 12 months, essentially the opposite of what respondents indicated last year. Is this an indication that CAC adoption is reaching its peak?

Yes – 17%
No – 83%
2016 Benchmark Report

Do you have a formal CDI process in place at your facility?

The percent of facilities with a formal CDI program in place is equivalent to that of last year.

Yes – 70%
No – 30%

If no, do you anticipate developing one within the next 12 months?

Growth of CDI appears to be robust given two-thirds of respondents indicate their intention to develop a program shortly.

Yes – 66%
No – 34%

Do you utilize an IT solution, such as a natural language processing tool, as part of your CDI workflow?

CDI IT solutions saw significant growth year over year.

Yes – 62%
No – 38%

If no, do you anticipate investing in this type of technology within the next 12 months?

However, those who do not have an IT solution indicated that they do not intend to invest in one within the next 12 months indicating some potential market softening.

Yes – 17%
No – 83%
ICD-10

The ICD-10 code set has been in place for a year now. Let’s look at how the projections from last year compare to 2016 and what HIM leaders are anticipating in the near future.

What has been the overall impact on coder productivity on a percentage basis from ICD-10 at your facility?

In 2015, 40% felt productivity would be impacted by at least 40%. In 2016, 78% report the impact was less than 20%.

Less than 10% - 40%
10-20% - 38%
20-30% - 15%
30-40% - 4%
Greater than 40% - 3%

Was this in line, greater, or less than what you projected before go live in 2015?

Clearly the productivity impact of ICD-10 was much less than anticipated.

In line - 48%
Less - 47%
Greater - 5%
Which coding type has seen the most dramatic reduction in productivity?

Not surprisingly, inpatient records had the highest level of productivity decline although all coding types did experience some regression.

- Inpatient – 62%
- Outpatient – 19%
- ED – 9%
- Ancillary – 6%
- Professional services – 4%

If yes, what percentage increase in denials have you experienced?

- Less than 10% – 60%
- 10-20% – 35%
- 20-30% – 3%
- Greater than 30% – 2%

Have you seen an increase in claim denials since ICD-10 go live?

As part of the transition to ICD-10, CMS stated that they would not deny claims based solely on the specificity of the codes as long as valid ICD-10 codes were utilized. Given that 75% of respondents have not experienced an increase in claim denials, the intentions of CMS have effectively been implemented.

- Yes – 25%
- No – 75%

Are you anticipating any additional denial issues once the CMS moratorium on code specificity expires on October 1, 2016?

Over half of respondents anticipate denial issues once the 12-month grace period by CMS expires in October, which indicates the potential for some increase in quality issues moving forward.

- Yes – 53%
- No – 47%
Do you anticipate any productivity impact from the addition of 3,651 ICD-10 hospital inpatient procedure codes and about 1,900 ICD-10 diagnosis codes effective October 1, 2016?

Over 40% of respondents anticipate some productivity impact from the new code sets being added this October.

Yes – 44%
No – 56%

Did you increase or plan to increase the amount of coder auditing in 2016 due to the implementation of ICD-10?

Over 70% of providers stepped up their audit efforts in 2016 due to the implementation of ICD-10.

Yes – 72%
No – 28%

If yes, did you invest internal resources, use a 3rd party vendor, or both?

Of those who did increase audit activity, 65% used a third party auditor to perform the work.

Both – 46%
Internal – 35%
Vendor – 19%

Do you anticipate increasing, maintaining, or decreasing your level of auditing for 2017?

The commitment to auditing coders looks to continue as we move into 2017 as 96% of respondents anticipated increasing or maintaining their level of auditing.

Maintaining – 73%
Increasing – 23%
Decreasing – 4%
Outsourcing

Healthcare outsourcing is projected to grow to $52 billion by 2020, according to McKinsey & Co.* What healthcare outsourcing trends are leaders in HIM seeing


What percentage of your coding needs is outsourced to external vendors vs. managed internally?

63% of respondents indicate they outsource at least a portion of their coding needs, which is up from 56% from 2015. Most likely this can be attributed to the additional resources needed as a result of ICD-10.

What are the biggest issues you face with outsourced coding vendors?

Quality of outsourced vendor coders continues to be a pain point for providers. Two-thirds of respondents stated this was the biggest issue they face. Comparing that number to 34% in 2015, it seems that the quality issue has worsened.

Quality – 66%
On boarding time too long – 14%
Productivity – 11%
Lack of auditing – 8%
Availability – 5%
What metrics do you use to gauge the performance of your outsourced coders?

As with 2015, coding accuracy is the most important metric providers use to gauge the performance of outsource coders, yet the percentage increased dramatically from 38% in 2015 to 56% in 2016. HIM departments are demanding better accuracy.

Accuracy – 56%
Productivity – 21%
Impact on DNFB – 13%
Impact on A/R days – 9%
Results of 3rd party audits – 2%

How long on average does it take your outsourced coding vendor to onboard coders?

Coder onboarding times for 2016 are essentially the same as last year.

- 2 weeks or less – 59%
- 4 weeks – 29%
- 4-6 weeks – 7%
- 6-8 weeks – 5%

Do you utilize an offshore vendor for any coding services?

Like last year, utilization of offshore coding vendors is still very low.

- Yes 7%
- No 93%
If yes, what percentage of your coding needs do you offshore?

Of those who do utilize offshore vendors the majority outsource a very small portion of their needs. Sixty-five percent of respondents indicated that they use offshore resources for less than 10% of their charts.

Less than 10% – 65%
10-30% – 20%
30-50% – 10%
Greater than 50% – 5%

If no, will you be evaluating the utilization of offshore resources within the next 12 months?

Only 7% of respondents who do not currently partner with offshore vendors expect to in the near future. This is very consistent with the data from 2015 and demonstrates an ongoing reluctance to move coding offshore.

Yes – 7%
No – 93%

ABOUT THIS REPORT

This 2016 HIM Benchmark Survey was conducted by ADVANCE for Health Information Professionals over a 30-day period in August and September 2016. More than 140 HIM professionals completed this survey. All participants responded to the survey via digital marketing efforts, which included emails, e-newsletter ads and social media promotion, and all questions were answered using an online survey tool.

For more information about the survey, please contact sweaver@advanceweb.com or visit www.advanceweb.com/him for more information about the Health Information Management community.

ABOUT himagine solutions, inc.

himagine solutions is a leading provider of healthcare outsourcing solutions with a focus on Health Information Management and related services. himagine has the largest team of HIM professionals in the U.S. that serve various healthcare service providers, including short- and long-term acute care facilities, community-based hospitals, physician practices, and outpatient facilities. Our professional HIM outsourcing services include an industry-leading managed coding solution along with auditing, registry, and clinical documentation improvement. We are committed to our Mission – solving healthcare providers HIM and reimbursement challenges with innovative and differentiated services.

For more information, visit www.himagesolutions.com or email us at HIMmarketing@himagesolutions.com.