HFMA's Executive Survey: Clinical Documentation Meets Financial Performance

Sponsored by Nuance Communications, Inc.

November 2013
Key Findings

1. Priorities
2. Opportunities
3. Barriers
4. Outsourcing
5. Implementation of Clinical Documentation Initiatives
Key Findings

1. Priorities

- Transitioning to the ICD-10 code set is the top clinical documentation priority for organizations.
- Among executives, optimizing reimbursement follows closely behind.
Key Findings

2 Opportunities

• Improving the accuracy of clinical documentation is the greatest opportunity for financial improvement.

• Decreasing denials ranks second.
Key Findings

3 Barriers

- Executives and directors identify disruption of physician workflow as the most challenging barrier to improved clinical documentation.
- Clinician/physician difficulty working with EHR and other technologies/systems ranks second.
- Overall, opportunities rated higher than barriers.
Key Findings

4 Outsourcing

- Organizations are most likely to outsource transcription and ICD-10 training now and in the future.
Key Findings

Implementation of Clinical Documentation Initiatives

• Organizations struggle with resources and physician participation.

• Yet some are making progress through a variety of strategies and have demonstrated early signs of success.
Transitioning to ICD-10 Is the Highest Priority, Followed by Optimizing Reimbursement

Please rate the following goals related to clinical documentation in terms of priority level in your organization.

- Transitioning to the ICD-10 code set
- Optimizing reimbursement
- Improving compliance
- Implementing an EHR
- Redesigning processes to improve efficiency or timeliness
- Progressing towards value-based payment
- Implementing technologies (other than EHR) to improve efficiency or timeliness

N=126
5 point scale used. Chart shows the top 2 points.
Improving Accuracy is the Greatest Area of Opportunity for Financial Improvement

What level of opportunity do you anticipate for improving financial performance through clinical documentation initiatives in the following areas?

- Improving the accuracy of clinical documentation: Very High Opportunity
- Decreasing denials: Very High Opportunity
- Protecting reimbursement by capturing the appropriate case mix: High Opportunity
- Protection against RAC audits: High Opportunity
- Improving compliance with DRG coding requirements: High Opportunity
- Improving patient care: High Opportunity
- Accelerating payment (i.e. reducing DNFB): High Opportunity

N=126
5 point scale used. Chart shows the top 2 points.
Disruption of Physician Workflow Is the Top Barrier; Overall, Opportunities Rated Higher Than Barriers

Please indicate the level of challenge associated with the following barriers to improved clinical documentation.

- New documentation processes disrupt physician workflow: 56
- Clinician/physician difficulty working with EHR and other technologies/systems: 54
- Inadequate physician/clinician education: 53
- Lack of ability to analyze existing data efficiently: 48
- Lack of appropriate physician incentives: 48
- Inadequate staffing resources allocated to clinical documentation: 42
- Clinician/physician resistance to EHR: 40

N=126

5 point scale used. Chart shows the top 2 points.
Most Organizations Outsource Transcription Today

What represents your current position regarding outsourcing the following functions?

- Transcription: 51
- ICD-10 education/staff training: 34
- Clinical documentation audit/review: 17
- Coding: 15
- Medical Imaging: 10

N=126
Executive Survey on Clinical Documentation: 2013
Organizations Struggle with Resources and Physician Participation

**Major resource challenges around clinical documentation**

- “Limited number of experienced people to hire.”
- “Difficult to find experienced coders.”
- “The unbelievable amount of training and limited staff time to meet the challenge while completing all other duties.”

**Major challenges around physician participation**

- “Resistant docs.”
- “Getting our physicians to 'think in ink.'”
Yet Some Are Making Progress Through a Variety of Strategies

Respondents described their strategies to overcome lack of resources

• “Our biggest challenge was to allocate the appropriate resources to clinical documentation. We have addressed it by hiring a CDI specialist and providing the necessary tools as well as budgeting for an ROI as it relates to improved documentation.”

• “We are a small hospital, and we haven't had the resources to focus on clinical documentation. We just hired a CDI specialist yesterday, so hopefully we'll have more to share six months from now.”
Yet Some Are Making Progress Through a Variety of Strategies (cont.)

Respondents described their strategies to overcome physician resistance

- “Medical staff were not engaged in the process. We worked with hospitalists and case management to focus on documenting the level of services and the detail provided.”
- “We match computer-savvy nurses with less computer-savvy physicians to help them.”
- “We have a hospitalist nurse whose role is to facilitate communication/education with the hospitalist providers. Our CDI specialists, coders, and utilization review/case management nurses work directly with the hospitalist nurse.”
- “We are bringing in a documentation expert who is a physician to talk to our medical staff.”
Some Organizations Report Early Signs of Success

Respondents described their measurable successes to date

“When we first put [our clinical documentation management program] in place, we had a hard time getting physicians to respond to the queries. We made the response rates transparent by physician and linked the response rates and improved revenue. The physicians loved seeing that their efforts were making a difference, and now our response rates are near 100 percent.”
Some Organizations Report Early Signs of Success (cont.)

Respondents described their measurable successes to date

“Across our facilities, we had a number of legacy CDI programs in place, which have since been replaced by a standard CDI program. We also hired CDI specialists…. System-wide, the new CDI program has shown incredible results… From October 1, 2012, to June 30, 2013, the benefit exceeded $6 million.”

“We were able to recruit a great leader in the area and get the program up and running in a short timeframe with the help of a major consulting firm. We trained our own staff, [primarily] good clinical nurses and/or case managers. $7 million annual benefit achieved.”
Respondent Demographics: Level and Title

126 Hospitals and Health System Leaders Participated in the Survey

<table>
<thead>
<tr>
<th>Level</th>
<th>%</th>
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<tbody>
<tr>
<td>Executive</td>
<td>75%</td>
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<tr>
<td>Director</td>
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<table>
<thead>
<tr>
<th>Title</th>
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<tbody>
<tr>
<td>CFO/VP, Finance</td>
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<tr>
<td>VP, Revenue Cycle</td>
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<tr>
<td>Director, Patient Financial Services/Revenue Cycle</td>
<td>24%</td>
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<td>Other</td>
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Respondent Demographics: Size of Parent System or Hospital

<table>
<thead>
<tr>
<th>Organization Range of Bed Size</th>
<th>Survey Respondents</th>
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<tbody>
<tr>
<td>Small Hospital &lt; 200 Beds</td>
<td>41</td>
</tr>
<tr>
<td>Mid-Size Hospital 200 – 399 Beds</td>
<td>12</td>
</tr>
<tr>
<td>Large Hospital 400+ Beds</td>
<td>14</td>
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<tr>
<td>Small IDN &lt; 1,000 Beds</td>
<td>8</td>
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<tr>
<td>Mid-Size IDN 1,000 – 2,999 Beds</td>
<td>19</td>
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<tr>
<td>Large IDN &gt; 3,000 Beds</td>
<td>24</td>
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Note: In this table, survey respondents are categorized by the system with which they are affiliated. If at a free standing hospital (non-affiliated), they are categorized by beds at the facility level.
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