

Navigating the coder shortage

The current state of medical coding

Medical coding is one of the

20 fastest growing occupations in the United States¹

The Bureau of Labor Statistics estimates medical coding jobs will increase by 15% from 2014 to 2024, with an additional **29,000** new medical coding jobs expected by 2024.

Roughly **40%**

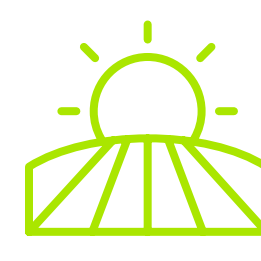
of healthcare financial leaders report a lack of capabilities they find “extremely important” for success, such as in-house expertise and resources for value-based or risk-based payment models.²

So why the shortage?



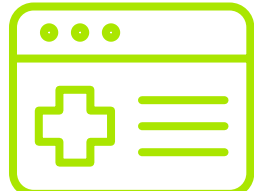
Lack of qualified candidates

More than 90% of independent groups and solo practices have high turnover rates, with more than 80% experiencing difficulty recruiting candidates with experience in ICD-10, value-based care and MACRA (Medicare Access and CHIP Reauthorization Act).³



Large-scale retirement

After the release of ICD-10, facilities faced escalated retirement from coders unwilling to transition from ICD-9. And now, with an average age coder of 54, more mass retirements are coming.^{4 5}



Widespread electronic health record (EHR) adoption

The EHR adoption rate for office-based physicians is nearly 90% and continues to climb, leading to massive coding process overhauls.⁶



Baby boomers

81.7 million Americans will enroll in Medicare by 2030, up from 55 million in 2015, creating a need for increased medical staffing across the healthcare industry.⁷

Potential impacts of the coder shortage



Increasing accounts receivable

Coding backlogs cause an increase in accounts receivable that has a detrimental effect on revenue and operating income.



Increasing denials and write-offs

Hastily-assigned, inaccurate, or non-specific codes cause an increase in denials and write-offs as well as over- and under-payments.



Increasing compliance risk

Lack of oversight related to coding and documentation causes increased compliance risk, including the risk of audits and fines from CMS.

How to respond

Automate to compensate

30%

Organizations using computer-assisted coding (CAC) have increased coder productivity by more than 30 percent.⁸

60%

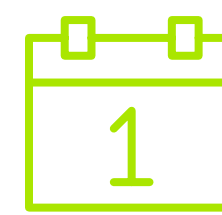
Using CAC, medical facilities are sending over 60 percent of some specialty coding directly to billing. (3M client data)

Consider outsourcing

Many outsource coding companies:



have established a more than **95% chart acceptance rate**, meaning insurance carriers accept and pay nearly all the submitted codes.⁹



provide a **one-day turnaround time**, on average, for backlog requests.⁹

More than **75%** of chief financial officers plan to leverage outsourcing coding, revenue cycle and transcription needs.¹¹

More than **90%** of independent physicians plan to outsource at least part of their revenue management.⁵

25% ↑

By outsourcing their coding, some organizations have increased their efficiency by more than 25 percent.¹⁰

78% ↑

78 percent of hospitals with fewer than 200 beds attributed **6.2 percent of their revenue increases to the decision to outsource all or most of their RCM operations**, according to the Black Book poll.²



What's next?

For more information call 800-367-2447 or visit us online at www.3m.com/his

Sources

- 1 Bureau of Labor Statistics: Occupational Outlook Handbook - Medical Records and Health Information Technicians - <https://www.bls.gov/ooh/healthcare/medical-records-and-health-information-technicians.htm#tab-1>
- 2 Becker's Hospital Review: How Hospital can protect the bottom line, increase efficiency by outsourcing key revenue cycle functions - <http://www.beckershospitalreview.com/finance/how-hospitals-can-protect-the-bottom-line-increase-efficiency-by-outsourcing-key-revenue-cycle-functions.html>
- 3 The Factoring Blog: Archive for the 'Medical Coding Industry News' - <https://www.thefactoringblog.com/category/medical-coding-industry-news/>
- 4 ICD-10 Monitor: Winning the War for ICD-10 Coding Talent - <https://www.icd10monitor.com/winning-the-war-for-icd-10-coding-talent>
- 5 PR Newswire: Medical Billing Outsourcing Market Worth 169 Billion by 2024 - <http://www.prnewswire.com/news-releases/medical-billing-outsourcing-market-worth-169-billion-by-2024-grand-view-research-inc-596501001.html>
- 6 Centers for Disease Control and Prevention: National Center for Health Statistics - <https://www.cdc.gov/nchs/fastats/electronic-medical-records.htm>
- 7 AARP Public Policy Institute: The Medicare Beneficiary Population - https://assets.aarp.org/rgcenter/health/fs149_medicare.pdf
- 8 3M Health Information Systems: Real Results with Real results with 3M™ CodeRyte™ CodeAssist™ System - http://multimedia.3m.com/mws/media/9916330/3m-cr-codeassist-system-real-results.pdf?&fn=CodeAssist_Real%20Results.pdf
- 9 Healthcare Business Today: A Clinical Analysis of Outsourcing Your Medical Coding - <http://www.healthcarebusinesstoday.com/a-clinical-analysis-of-outsourcing-your-medical-coding/>
- 10 3M Health Information Systems: Medical Imaging Physicians, Inc. - http://multimedia.3m.com/mws/media/10832480/3m-coderyte-mip-case-study.pdf?fn=3m_coderyte_mip_cs.pdf
- 11 Becker's Hospital Review: Offshore Coding: The remedy for healthcare's ICD-10 - <http://www.beckershospitalreview.com/healthcare-information-technology/offshore-coding-the-remedy-for-healthcare-s-icd-10-hangover.html>