



HOSPITAL EMPLOYEES' UNION

NEWS RELEASE

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Spiralling costs for outsourced medical transcription puts pressure on strained health budgets, says HEU

The cost of outsourcing medical transcription services in the Lower Mainland has increased by an average of 26 per cent a year over the last five years, according to financial documents produced by health authorities.

Yet despite the high costs of outsourcing, these same health authorities plan to completely contract out in-house medical transcription later this year and fire about 130 medical transcriptionists (MTs), who currently work directly for health authorities.

HEU secretary-business manager Bonnie Pearson is urging the B.C. government to reel in health authorities' plans in order to control costs and protect patient services.

"Last Tuesday's budget signalled a very tough year for cash-strapped health authorities and overstretched front-line health care workers," says Pearson.

"But health authorities' failure to manage costs of outsourced medical transcription puts other programs and services at risk."

Providence Health Care (PHC), which manages transcription on behalf of all Lower Mainland health authorities, recently admitted that there was currently a "significant backlog" in medical transcription, despite massive outsourcing of the service.

"We have about 130 skilled and experienced hospital MTs working to full capacity with huge amounts of overtime to deal with the growing backlog of patient reports," says Pearson. "And they also spend a lot of that time fixing errors by outsourced workers."

HEU is also concerned about the accuracy and privacy of patients' medical reports when transcribed by a network of home-based workers across the country, and recently asked B.C.'s privacy commissioner to launch an investigation into the matter.

Between 2007 and 2012, Lower Mainland health authorities' outsourcing costs for medical transcription have increased from \$1.7 million to \$7.8 million. Currently, about 50 per cent of medical transcription volume is outsourced.

PHC recently signed a contract with private-for-profit M*Modal Canada to take over Lower Mainland medical transcription services.

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A backgrounder is attached to the electronic version of this release at www.heu.org

