



Findings of the HIMSS Survey on ICD-10 and 5010 Industry Readiness April/May 2010

The HIMSS Survey on ICD-10\5010 Industry Readiness is intended to assess the progress of key industry stakeholders, particularly providers, in preparing for the 5010 conversion due January 1, 2012 and ICD-10 due on October 1, 2013. Survey results are intended to inform the overall planning and support activities for these initiatives within HIMSS and across the broader community of industry stakeholders.

The initial survey, conducted in November 2009, found that most respondents had yet to begin work on these initiatives or were just starting their ICD-10\5010 projects.

The second survey was conducted in April-May 2010. The total number of responses was 202, 181 of those from providers. Hospitals/facilities represented 74% of the responses and provider practices 26%. The on-line survey was publicized by HIMSS and American Association of Healthcare Administrative Management (AAHAM) but does not represent a statistically significant sample of the industry. The findings reported focus on the providers who responded to the survey only, with responses from other organizations removed to give a truer picture of provider readiness.

Key Findings - 5010

Six months before the January 1, 2011 deadline when trading partners are required to begin testing, responding providers reported only limited progress on 5010:

- One-third of providers do not expect to have a 5010 project started before the end of the year.
- Only 40% had even started an impact assessment, the first step in preparing for 5010.
- Only 21% had an approved project budget.
- Only 15% had started contacting their vendors.
- Over one-third (35%) reported their organization had yet to consider 5010 planning.

On the positive side:

- Over one-third have a specific 5010 project compared to 6% in November.

- The level of understanding of the 5010 timeline and changes required had increased since the November survey.
- Almost 20% has started making the changes required for 5010.
- Most respondents had decided on an approach to meeting 5010 compliance, with 74% planning to upgrade an existing system, 17% choosing to rely on clearinghouse services, and 9% planning to replace their system.

The providers responding indicated they faced a number of major challenges:

- 51% reported finding staff, particularly knowledgeable staff, as a major challenge.
- 47% need additional information about 5010.
- 47% reported concerns about the ability of their vendors to deliver 5010 compliant software in time to allow for adequate testing.
- 31% indicated challenges with funding their 5010 initiative.

Providers also reported facing a number of significant competing initiatives:

- About half of providers reported that HITECH meaningful use (49%) and other clinical system improvement efforts (51%) were competing with 5010.
- 38% indicated other business initiatives were distracting 5010 efforts.
- About one-third indicated other federal/state regulatory related projects were competing with 5010.

Conclusions – 5010

While progress is being made toward 5010 compliance, this survey suggests that many providers are lagging behind the timeline set by CMS. Since the majority of providers reported that they will follow an approach of upgrading systems, but at the same time indicate problems finding knowledgeable staff and have concerns about vendor readiness, it seems unlikely that providers will “catch-up.” Furthermore, efforts to qualify for HITECH EHR incentives and other business initiatives appear to be eclipsing 5010 as an organizational priority. These factors suggest a 2011 scenario that finds most providers testing later in the year and few taking advantage of the opportunity to implement with trading partners before the 1/1/2012 mandated compliance date. Demand for vendor, clearinghouse, and consulting support services may correspondingly peak in Q2-Q4 of 2011, but it is questionable if the industry will be capable of supplying these needs. As a result, many organizations may be in the situation of implementing 5010 on 1/1/2012 but with inadequate testing. This will result in organizations fixing 5010 problems well into and perhaps through the end of 2012 as the 5010 “stabilization” period is extended.

5010 Recommendations

- Industry efforts to advance 5010 education and awareness must continue with an additional sense of urgency.

- Coordination efforts to promote 5010 testing and education are important to encourage providers and others to begin testing as early as possible. Practical information on testing approaches, status of vendor readiness, and success stories are needed.
- Providers should consider decoupling 5010 and ICD-10 efforts from a program, project and resource perspective. Organizations that expect to address 5010 and ICD-10 serially risk anticipated delays in 5010, impacting delays for their ICD-10 project timeline if the 5010 resource demands continue through 2011 and into 2012. Organizations that run these programs in parallel are less likely to experience delays in moving forward with ICD-10.

ICD-10 Findings

The survey included a number of questions regarding ICD-10 implementation which is due October 1, 2013. Overall, ICD-10 efforts were at a similar stage as 5010 efforts for many organizations, a favorable sign considering that the ICD-10 implementation date occurs 21 months after the 5010 implementation date.

On a seven-point scale providers rated their organizations' knowledge of the ICD-10 timeline at 5.2 (compared to 4.1 in November 2009) and at 4.5 for knowledge of the changes needed (compared to 3.2 in the earlier survey). Specific progress reported:

- Almost one-third (30%) have an ICD-10 project established with 28% starting in the next six months and 20% within the year.
- Twenty-two (22) percent indicated they had no plans at this time for an ICD-10 project.
- Over half (54%) of providers had started or completed their impact assessment, but only 14% reported having an approved budget.

The vast majority (77%) of organizations reported they will upgrade their systems for ICD-10. Seventeen percent (17%) indicated that they would do this in conjunction with their efforts to implement an EHR system to achieve meaningful use. Almost one-third (32%) indicated that their solution would depend on using a crosswalk of ICD-9-10 codes.

Providers cited challenges and competing initiatives similar to those indicated for 5010. Key challenges were:

- Lack of resources (53%);
- Information needs (46%); and
- Vendor readiness (41%).

Among the competing initiatives were:

- Other technology projects (48%);
- EHR implementations (47%); and
- Business initiatives (32%).

ICD-10 Conclusions

Respondents indicated a level of awareness and activity for ICD-10 similar to 5010, and over half have started or completed their impact assessments. Considering that ICD-10 implementation is 21 months later, this is a favorable result. At the same time, few have resourced projects and face significant obstacles. Interestingly, only 17% see ICD-10 and EHR implementation synergistically while 47% see them as competing initiatives.

ICD-10 Recommendations

- Continue with existing programs, adapting them to address the emerging needs of providers as they continue on their ICD-10 journey.
- Continue to work with other industry stakeholders to identify and address ICD-10 challenges and opportunities.
- Examine efforts to build synergies among ICD-10 and other industry initiatives, such as EHR planning and implementation.

Future Surveys

The next ICD-10\5010 industry readiness survey is scheduled to be distributed in November 2010.