



## 14th Annual HIMSS Leadership Survey

Healthcare Chief Information Officer Results

February 10, 2003

Vendor CEO Survey

Healthcare  
IT  
Industry



Healthcare CIO Survey  
Final Report

Healthcare CMO Survey



Sponsored by Superior Consultant Company, Inc.

# 14<sup>th</sup> Annual HIMSS Leadership Survey

Sponsored by Superior Consultant Company

## Final Report: Healthcare CIO

Sponsored by Superior Consultant Company Inc., the 14<sup>th</sup> Annual HIMSS Leadership Survey reports the opinions of executives from healthcare provider and vendor organizations from across the U.S. regarding the use of IT in their organizations. The survey is designed to obtain information about IT priorities, barriers, applications, and other crucial factors in the use of IT to enhance healthcare. For the first time this year, the opinions of CEOs, and physician and nursing executives in healthcare organizations were also gathered.

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## 1. Executive Summary

The 14<sup>th</sup> Annual HIMSS Leadership Survey indicates that information technology executives increasingly believe that information technology must be implemented to reduce medical errors and promote patient safety. As IT executives aim to improve patient safety, they are turning their attentions to appropriate technologies. For example, IT executives in this survey cite computer-based practitioner order entry (CPOE) as the most important application that their healthcare organizations need to implement in the next two years. With a number of critical 2003 deadlines approaching, compliance with the Health Insurance Portability and Accountability Act of 1996, or HIPAA, remains a top concern for information technology executives.

Other key findings of the survey include:

- **Financial support:** Executives in this survey said they are still not receiving enough financial support from their organizations to implement IT. Some 23 percent said this lack of financial support was the top barrier to implementation. Also cited as a barrier was vendors' inability to provide products that meet crucial needs.
- **Important applications:** This survey's IT executives consider CPOE and bar coding applications to be an important technology for their healthcare organizations as they use information technology in efforts to improve patient safety. Also, more executives cite interest in computer-based patient records. Nearly one in five executives responding to the survey reported that their organizations have a fully operational CPR system in place.
- **Security concerns:** IT executives in healthcare organizations are more worried about internal breaches of security. Some 55 percent of respondents to the 2003 Leadership Survey said this was their biggest concern, compared with 46 percent the previous year.
- **Top technologies:** There's been rapid growth in adoption of wireless information systems, data security applications and extensible markup language (XML) among healthcare organizations represented in this survey. Adoption of application service provider-based (ASP) approaches also is expected to double in the next two years.
- **Internet applications:** Also on the increase will be the functionality of Web sites for consumers. In the next two years, more Web sites will enable access to medical records and health assessment applications, respondents predict.

Other notable findings include:

- More healthcare organizations will outsource IT functions over the next two years. Even so, IT staffing needs and budgets will continue to rise, although at slower rates than in past years. More than two-thirds of respondents said they believe their IT operating budgets would increase.
- The majority of respondents indicated they were satisfied with the products and services they receive from suppliers and consultants. Fewer than 10 percent reported dissatisfaction with these vendors.

## 2. Methodology

To ensure the most informed, representative coverage of the field possible, data were solicited from one individual—a senior IT executive – per healthcare organization. Almost 1,500 chief information officers (CIOs) at healthcare facilities across the United States were contacted via e-mail. This represents a shift in methodology from last year, when individuals were contacted via both e-mail and U.S. mail. This invitation-only format helped eliminate the risk that more than one person at a facility might respond to the survey.

A total of 291 respondents completed the self-administered, Web-based questionnaire during a six-week period beginning on December 11, 2002; a total of 287 responses were usable, representing a response rate of almost 20 percent. These individuals represented 287 healthcare provider organizations located throughout the United States. Data from industry vendors, suppliers and consultants were gathered in a separate survey; the results from which will be reported this Spring. Results from healthcare CEOs, and physician/nursing executives also will be released in separate reports at the same time.

### 3. Profile of Survey Respondents

About 93% of survey respondents were chief information officers (CIOs) or directors of information systems (IS). Specifically, 70 percent of respondents were corporate CIOs or IS directors; another 24 percent were hospital CIOs or IS directors. Slightly more than six percent of respondents were department heads or directors. This year, corporate CIOs represented a greater proportion of the sample—70 percent—compared with 42 percent in 2002.

Nearly half of the respondents work for either a multi-hospital system or an integrated delivery network. Another 40 percent work for a stand-alone hospital. This means that 89 percent of respondents work at a hospital; in last year's survey, 90 percent worked in a hospital setting. Other types of healthcare facilities represented include physicians' offices, mental/behavioral healthcare facilities, long-term care facilities, and home health agencies. In addition, the majority of healthcare facilities in this study—86 percent—were not-for-profit, a percentage similar to that recorded in last year's survey.

Annual gross revenue for the provider organizations represented in this year's survey were:

- \$50 million or less—9 percent;
- \$51 million to \$200 million—31 percent;
- \$201 million to \$350 million—21 percent;
- \$351 million to \$500 million—14 percent;
- \$501 million to \$1 billion—12 percent;
- More than \$1 billion—10 percent; and
- Don't Know/Not Applicable—3 percent.

All of this year's respondents are based in the United States. Again this year, the East North Central, South Atlantic and Mountain regions had the largest number of respondents. This year, the West North Central region had the lowest number of respondents, a distinction held by the New England region last year.

The number of full-time equivalent employees in information technology departments in the healthcare organizations represented in this survey can be broken down as follows:

- Fewer than Five—3 percent;
- Five to Nine—11 percent;
- 10 to 24—30 percent;
- 25 to 50—25 percent;
- 51 to 75—10 percent;
- 76 to 100—7 percent;
- More than 100—14 percent.

With respect to the amount of the facility's operating budget spent on IT, 52 percent of respondents indicated that the amount was 2.5 percent or less. Another 32 percent indicated that the amount was from 2.5 to 3.5 percent. The remaining 13 percent of respondents indicated that their facility spent 3.6 percent or more of their operating budget on information technology.

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## 4. IT Priorities

### **Patient safety and HIPAA are the two top concerns for IT executives in this survey. Interest in implementing enterprise wide systems is increasing, while interest in training personnel to use systems is declining.**

Concern for patient safety tops the list of priorities for this year's information technology (IT) healthcare executives, surpassing HIPAA issues, which falls to the second biggest priority. Implementing technology to reduce medical errors and promote patient safety is the top IT priority for 52 percent of respondents, up from 46 percent last year.

With privacy, security, and transaction and code sets deadlines looming ahead this year, the percentage of respondents who are upgrading security on information technology IT systems to meet the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements has declined to 47 percent, down from 60 percent in 2002. However, implementing privacy modifications to meet HIPAA requirements was the third most cited priority, identified by 46 percent of respondents. This was not offered as a response last year. When these responses are analyzed together, 66 percent of respondents are taking some action to ensure that their organizations meet HIPAA requirements; 27 percent are implementing both types of technology.

Interest in deploying Internet technology continues to wane. The number two priority in 2001, interest in Internet technology has fallen eight points each of the last two years. This year, it was identified by 23 percent of respondents as a top priority for their organizations.

Large declines in interest from last year also were reported for training personnel to use existing and newly installed systems (falling eight percentage points to 15 percent) and replacing/upgrading inpatient financial/administrative systems (falling eight percentage points to 13 percent).

Additionally, interest in enterprise-wide systems jumped this year by 14 percentage points (from 12 percent to 26 percent). However, this year's question includes a broad spectrum of enterprise-wide applications, including master patient index applications (MPI), enterprise-wide resource planning applications, and clinical information sharing technology. Last year's question was limited to deployment of MPIS. As a result, it's possible that respondents' increased interest in these types of applications might only reflect the broader array of applications.

Some 59 percent of respondents also identified increasing patient safety and reducing medical errors as their top priority in the next two years, up from 46 percent last year. Last year, upgrading security on IT systems to meet HIPAA requirements was the top anticipated priority, but these upgrades fell to number two this year, cited by 43 percent of respondents, compared with 56 percent in 2002. Implementing a computer-based patient record system (CPR) was mentioned next, identified as a priority by 40 percent of respondents, compared with 33 percent in 2002.

Implementing privacy modifications to meet HIPAA requirements, identified by 46 percent of respondents as a current IT priority, is identified by only 15 percent of respondents as a priority in the next two years. Additionally, perhaps because many organizations already have begun to

take this step, implementing EDI to meet HIPAA requirements declined 21 percentage points—29 percent today compared to nine percent in two years.

Implementing enterprise-wide applications, defined more broadly in this year's survey, doubled as a future priority compared to last year, jumping to 34 percent. Only 13 percent of respondents indicated that training personnel to use existing and newly installed systems would be a future priority, a decline of nine percentage points from last year.

For the first time, respondents this year identified increasing patient safety/reducing medical errors as the business issue that will have the most impact on the healthcare industry in the next two years. This was identified by 63 percent of respondents. Last year, reducing medical errors was identified by 52 percent of respondents, ranking it second; 26 percent of respondents last year also identified patient safety as the top issue. In 2002, 61 percent of respondents indicated that either medical errors, patient safety or both were a top business issue.

Despite 2003's approaching HIPAA deadlines, compliance with those regulations was ranked second in response to the most important business issue, mentioned by 61 percent of respondents, down 20 percentage points from the 2002 survey. This may reflect that respondents believe they have made sufficient progress toward meeting HIPAA requirements. For the second year in a row, cost pressures rounds out the top three business issues, this year mentioned by 56 percent of respondents, compared with 51 percent who mentioned this issue in 2002. Other items that had a large shift in percent from 2002 to 2003 include:

- Obtaining capital—down 14 percentage points to 22 percent
- Other compliance issues (non-HIPAA)—down 11 percentage points to two percent
- Clinical transformation (adopting clinical best practices)—up ten percentage points to 23 percent
- Government regulation—down nine percentage points to 15 percent
- Medicare cutbacks—up eight percentage points to 47 percent

#### Figures:

Figure 8. Current IT Priorities (Within Next 12 Months)

Figure 9. Projected IT Priorities (Next Two Years)

Figure 10. Top Business Issues Facing Healthcare (Within Next Two Years)

## 5. IT Barriers

### Healthcare providers continue to be frustrated by the lack of financial support and vendors' inability to deliver products.

Respondents continue to name lack of financial support as the biggest barrier to implementing IT at healthcare organizations, identified by 23 percent of healthcare IT executives. However, the gap seems to be narrowing. Last year, nearly 10 percentage points separated lack of financial support from the second most frequently mentioned response, vendors' inability to effectively deliver product or service to their clients' satisfaction (27 percent versus 18 percent). This year, only four percentage points separate the same two issues (23 percent versus 19 percent). Rounding out the top three barriers is difficulty in proving return on investment, reported by 13 percent of respondents. Last year's third-place response, difficulty achieving end-user acceptance, dropped nearly six percentage points and fell into fifth place.

Staffing issues appear to be more of a concern for respondents this year. Last year, four percent of respondents indicated that difficulty recruiting and retaining high-quality IT staff was a barrier. This year, 12 percent of respondents indicated that lack of staffing resources was a barrier.

#### Figures:

Figure 11. Most Significant Barriers to Implementing IT

## 6. IT Applications

### **CPOE and bar coding are two top healthcare applications; clinical information systems also continue to be popular. Implementation rates for CPRs are increasing.**

Cited by 64 percent of respondents, computer-based practitioner order entry (CPOE) was identified as the most important healthcare application for their organizations in the next two years. This application was not included as a possible choice in last year's survey. Clinical information systems, last year's top response to this question, fell to second place, identified by 53 percent of respondents. This represents a decline of more than 20 percentage points from last year's response rate of 74 percent. Rounding out the top three is another survey newcomer, bar coded medication management, which was cited by 46 percent of the healthcare IT executives responding to this survey.

There is a general decline in the percentage of respondents who identified application areas as important; every item in this category received fewer responses than they did last year. Specifically, point-of-care clinical decision support, clinical data repositories, computer-based patient records, financial/administrative information systems, and telemedicine systems all dropped by at least 10 percentage points.

For the first time in three years, respondents report that CPR use has increased. More than 19 percent of healthcare IT executives in this survey reported that their organization has a fully operational CPR system in place. By survey definition, this means that healthcare facilities are electronically maintaining information about an individual's lifetime health status in a completely paperless fashion. This represents an increase from the 13 percent of respondents who answered this question in both 2002 and 2001. Conversely, the number of respondents suggesting that their organization has not yet begun to plan for the use of a CPR declined from 29 percent in 2002 to 20 percent this year.

#### **Figures:**

Figure 12. Most Important Applications (Next Two Years)

Figure 13. Status of CPR System Implementation

## 7. IT Security and HIPAA

**Internal breaches of security are viewed as the biggest threat to data security to this year's survey respondents; organizations are using multiple technologies to secure data. Testing products with partners for compliance, and implementing and documenting policies and procedures are top steps organizations are taking to comply with HIPAA.**

Concern about complying with HIPAA security regulations is waning. This year, only 39 percent of respondents indicated that this is their top concern involving the security of computerized medical information. This is down from 53 percent in 2002 and 73 percent in 2001. The problem that is currently of concern to most senior healthcare IT executives are internal breaches of security. Some 55 percent of respondents identified this issue, up from 46 percent in 2002.

Rounding out the top three concerns is the limits of existing security technology. In 2003, this was cited by 33 percent of respondents, which represents nearly a six-percentage point increase from 2002. This area appears to be rebounding, as nearly 40 percent of respondents identified this as a concern in 2001.

Last year's third place response, having inadequate security systems in place, dropped nearly seven percentage points to 21 percent and fell into fifth place.

With respect to the original October 2002 deadline for complying with HIPAA's transactions and code set mandates, most organizations have taken advantage of the chance to apply for a one-year extension. Some 93 percent of respondents said their organizations had applied for this extension; only five percent of respondents indicated that their organization met the original deadline.

To meet the October 2003 transactions and code set deadline, most organizations represented in this year's survey (84 percent) are testing their products with partners. Respondents reported that 58 percent are implementing security policies and procedures, and 57 percent are reworking their contracts with existing vendors to prepare for compliance. Documenting security policies and procedures also was identified by at least half of respondents (51 percent).

Respondents also are preparing for the other HIPAA deadlines—privacy in April 2003 and security, which was not in final rule form as of early 2003. Some 88 percent of respondents indicated that staff members at their organizations are being trained on new policies and procedures. Another 81 percent of respondents are documenting their organizations' policies and procedures. At least three-quarters of the respondents also are reworking contracts with existing vendors to prepare for compliance (79 percent) and implementing security policies and procedures (78 percent).

Healthcare organizations continue to place an emphasis on data security, and the use of several technologies has increased substantially. All healthcare organizations represented in this survey use at least one security application, and 99 percent use more than one application. In fact, nearly 75 percent use at least six of the security tools identified in the survey.

The most frequently used security applications by healthcare facilities has not changed in the past year. The top four security tools identified by respondents are:

- Firewalls (used by 98 percent of healthcare organizations, compared to 94 percent in 2002)
- User access controls based on role/location (85 percent, compared with 86 percent in 2002)
- Multi-level passcodes (82 percent, compared with 76 percent in 2002)
- Off-site storage (78 percent, compared with 68 percent in 2002)

Additionally, the use of several other technologies rose substantially in the past year. Specifically:

- Use of data encryption increased 17 percentage points, from 48 percent to 65 percent.
- Audit logs, showing each time that patient health records are accessed, are in use at 71 percent of healthcare organizations, up from 58 percent in 2002.
- Use of electronic signature increased 12 percentage points, from 44 percent to 56 percent.
- Use of disaster recovery tools increased nine percentage points, from 58 percent to 68 percent.

What are the tools of the future? Some 79 percent of respondents indicate that they will maintain audit logs detailing each time patient health records are accessed. This represents an increase of seven percentage points over current use. Data encryption came in a very close second, identified by 78 percent of respondents, an increase of 13 percentage points over the 65 percent of IT executives who report that their organizations are currently using this type of technology. Firewalls round out the top three technologies, identified by 77 percent of respondents. The security tool that was identified as being used by the fewest healthcare organizations in two years is public key infrastructure, identified by 40% of respondents.

#### Figures:

Figure 14. Top Concerns—Security of Computerized Medical Information

Figure 15. Compliance with Transaction & Code Set Deadline

Figure 16. Steps Towards Compliance in 2003

Figure 17. HIPAA Compliance—Security & Privacy

Figure 18. Security Tools (Today vs. Next Two Years)

## 8. Technology Adoption

**Use of wireless information systems, data security tools and XML all increased at least 15 percent over last year. Future interest in XML and ASP services are expected to double in two years, up from declines in future interest last year.**

High-speed networks (LANs, WANs) continue to be the technology used most frequently by healthcare organizations, cited by 95 percent of respondents. Like last year, intranets (mentioned by 87 percent) and client/server systems (noted by 85 percent) round out the top three. These use rates represent an increase of four to five percentage points over the use reported last year. According to the respondents, use of several other technologies identified in the survey increased over last year. The five areas showing the largest increases are:

- Wireless information systems, up 22 percentage points to 72 percent
- Data security technologies, up 17 percentage points to 55 percent
- XML (extensible markup language), up 15 percentage points to 29 percent
- Application service provider services, up 14 percentage points to 35 percent
- Data warehouses, up 13 percentage points to 39 percent

Additionally, 70 percent of respondents said their facilities are using bar codes, positioning that technology in fifth place. This item was not available for selection in last year's survey.

Wireless networks continues to be the technology that most respondents said their facilities would like to implement in the next two years, at 76 percent (up from 54 percent in 2002 and 50 percent in 2001). Bar code technology was identified next most frequently, by 72 percent of respondents; it was not an available selection in 2002.

Interest in all the technologies identified in the survey was expected to increase over last year's projections. Some of the largest increases in interest are in technologies that are used

extensively at this time; all of the technologies identified below are in the top four most currently used technologies.

- High speed networks, up 40 points to 68 percent
- Client-server systems, up 36 points to 59 percent
- Intranet, up 35 points to 67 percent

XML (extensible markup language), and ASP services, which both saw large decreases in future interest from 2001 to 2002, are both predicted by respondents to double in use over the course of the next two years.

#### Figures:

Figure 19. Current Use of Information Technology  
Figure 20. Technology Adoption (Next Two Years)

## 9. Web Site/Intranet Use

**Web-site functionality for patients, including access to medical records and health assessment applications, is expected to increase in the next two years. The use of an intranet to provide access to clinical information, purchase supplies and assist in conducting managed-care transactions with payers is expected to increase.**

Nearly all respondents said their organization has a Web site, up from 94 percent in 2002. Marketing/promotion of the organization remains the No. 1 Web site use reported (98 percent). Employee recruitment and use of online physician and provider directories round out the top three, offered by 91 and 79 percent of respondents, respectively. Some 78 percent of respondents also say their organizations are providing consumer health information on their Web sites.

Promoting the organization and marketing is predicted to continue to be the top area of Web site utilization in the next two years, cited by 80 percent of respondents. Rounding out the top three are employee recruitment (78 percent) and providing consumer health information (77 percent).

Consumers should benefit from even more functionality in the next two years, according to survey respondents. Some 39 percent of respondents indicated that their organizations would give patients secure and authenticated online access to medical records in two years; only two percent of organizations currently do so. Additionally, according to respondents the number of Web sites that will provide patients with health assessment tools is expected to more than double in the next two years (27 percent currently, increasing to 60 percent in two years).

Nearly 91 percent of healthcare IT executives responding to the survey indicate that their organization has an intranet. The most popular use for an intranet is posting policies and procedures, cited by 84 percent of respondents. Rounding out the top three are the availability of resource tools, such as Micromedex (70 percent) and providing access to patient clinical information, such as lab results and vital signs (44 percent).

According to respondents, these uses also comprise the top three ways in which an intranet will be used in the future. However, only the provision of access to patient clinical information will increase, rising from a current utilization rate of 44 percent to a projected rate of 61 percent. Also increasing is the number of organizations that indicate that expect to use their intranet for supply purchasing (37 percent current use it for that purpose, compared to 58 percent who expect to use it in that way).

## Figures:

Figure 21. Current Web Site Functions

Figure 22. Additional Web Site Functions Planned (Next Two Years)

Figure 23. Intranet Functions

## 10. IT Outsourcing/Satisfaction with Vendor Performance

**Three-quarters of respondents' facilities currently outsource IT functions. Two-thirds of respondents predict they will outsource IT functions in the next two years, up from 57 percent last year.**

Nearly three-quarters of respondents (71 percent) indicated that their healthcare organization outsourced at least one of their facility's IT functions; this is an increase over the 67 percent who outsourced last year. Web site maintenance and development continues to be the area for which healthcare IT executives sign contracts with outsourcers, cited by 30 percent of respondents. This represents a decrease of five percentage points over last year. Applications development (14 percent) and ASP services (13 percent) round out the top three areas in which healthcare IT executives report that they will outsource.

Approximately one-third of respondents (32 percent) indicated that they will not outsource any IT functions in the next two years, down from 43 percent last year. The areas that healthcare IT executives in this survey report they will consider for future outsourcing engagements are the same as those outsourced today. Web site development is the function that healthcare IT executives are most likely (23 percent) to turn over to an outsourcer. Other areas include ASP services (14 percent) and applications development (13 percent).

On the whole, respondents indicate they are satisfied with the products and/or services they receive from suppliers and consultants. Nearly two-thirds (64 percent) of respondents indicated they were satisfied or very satisfied; fewer than 10 percent reported dissatisfaction.

## Figures:

Figure 24. IT Functions Currently Outsourced

Figure 25. Current and Future Plans for Outsourcing

## 11. IT Budget and Staff

**IT staffing and budgets are predicted to continue rising. However, for the majority of respondents, the percent of budget increase will be 10 percent or less.**

Some 56 percent of healthcare IT executives in this survey predicted that the number of FTEs in their IT departments will increase in the next twelve months, compared with 47 percent in last year's survey. However, the changes will be relatively small—38 percent of respondents report that the size of their staff will increase by less than 10 percent. Another eight percent of this year's respondents report that the size of their staff is going to decrease, compared with five percent that predicted downsizing last year.

Network and architecture support continues to be the area in which the most healthcare IT executives reported that they have staffing needs—cited by 34 percent of respondents. Applications support/development was cited by 29 percent of respondents, representing a six-percentage point increase over last year's survey. Clinical transformation (27 percent) rounds out the top three. PC/server support, last year's second biggest concern, came in fourth this year, decreasing by eight percentage points to 26 percent. Staffing needs for intranet/Internet and user

training each declined by nine percentage points this year to 23 percent and 21 percent, respectively.

IT executives continue to report that the IT operating budgets at their organizations will increase. Two-thirds of this year's respondents (68 percent) predicted that the IT operating budgets at their organizations will increase (similar to last year's finding). Among those predicting an increase, 28 percent reported a probable increase, and 40 percent reported a definite increase. The percentage of respondents predicting no budget change (19 percent) or a cut in their budget decrease (12 percent) showed almost no change from last year's numbers.

Although almost the same percentage of senior-level executives reported a probable or definite budget increase this year as last year, projected increases are small. This year, 88 percent of IT executives expected their budgets to increase by 10 percent or less, compared with 83 percent in 2002 and 74 percent in 2001.

Like last year, overall growth in the number of systems and technologies is the No. 1 reason that IT executives are projecting budget increases in 2003. Overall budget increases were cited next, at 48 percent. An increase in the long-term IT or organizational strategic plan rounds out the top three, mentioned by 42 percent.

Among the organizations in this survey that are experiencing a decline in IT budget, 58 percent expected the decrease to be five percent or less. Of those expecting a budget cut, 85 percent indicated that this decrease was a result of overall budget cuts. Some 61 percent of respondents also attributed the decrease to deteriorating financial conditions related to cutbacks in Medicare and Medicaid.

Approximately one-quarter of survey respondents indicate that more than 20 percent of the IT spending is controlled outside of the IT department. The percent remains relatively unchanged from last year.

#### **Figures:**

Figure 27. Projected Change in 2003 IT Operating Budget

Figure 28. Reason for Increase in 2003 Budget

Figure 29. Percent of Projected Increase in 2003

Figure 30. Reason for Decrease in 2003 Budget

Figure 31. Percent of Projected Decrease in 2003

Figure 32. Percent of IT Spending Controlled Outside IT Department

Figure 33. Expected Change in IT Staff in Next Twelve Months

Figure 34. 2002 IT Staffing Needs

## **12. Survey Sponsors**

### **About Superior Consultant Company**

Superior Consultant specializes in Digital Business Transformation(tm) services that enable clients to thrive in the information-driven economy. Superior's outsourcing, management and information technology consulting services and solutions help clients plan and execute better business strategies and meet their fiscal challenges while advancing clinical quality. Superior's best practices outsourcing model includes a full range of flexible business process and information technology solutions, including data center services, 24/7/365 network monitoring and help desk services, facility management, interim management, and application outsourcing services. For more than 18 years, Superior has been recognized as one of the most innovative within the healthcare industry and has been rewarded with full and partial outsourcing contracts, thousands of engagements, approximately 150 interim management assignments, and nearly 3,000 clients.

For more information on Superior Consultant Holdings Corporation simply dial 1-800-PRO-INFO and enter the Company ticker: SUPC (a no-cost fax-on-demand service) or visit the Company's Web site at <http://www.superiorconsultant.com>.

### **About HIMSS**

The Healthcare Information and Management Systems Society (HIMSS) provides leadership in healthcare for the advancement and management of information technology. Headquartered in Chicago, HIMSS provides services to more than 13,000 members, including IT healthcare corporations, firms and professionals from around the globe. Through the collaboration of 42 chapters and 19 special interest groups, HIMSS directs and shapes the healthcare industry, encourages emerging technology and promotes public policies that will improve healthcare delivery. For more information, visit HIMSS at [www.himss.org](http://www.himss.org).

## **13. How to Cite This Study**

Individuals are encouraged to cite this report and any accompanying graphics in printed matter, publications, or any other medium, as long as the information is attributed to the 14<sup>th</sup> Annual HIMSS Leadership Survey sponsored by Superior Consultant Company.

## **14. For more information, contact:**

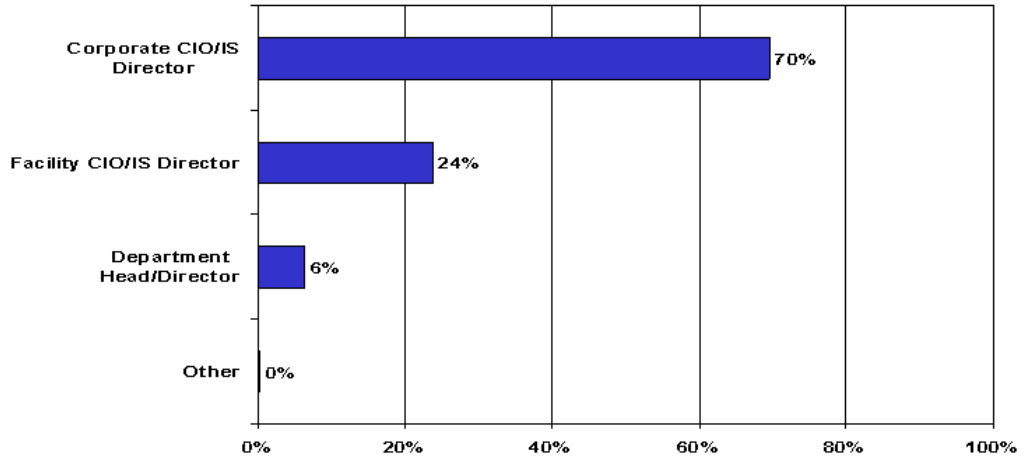
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# Participant Profile

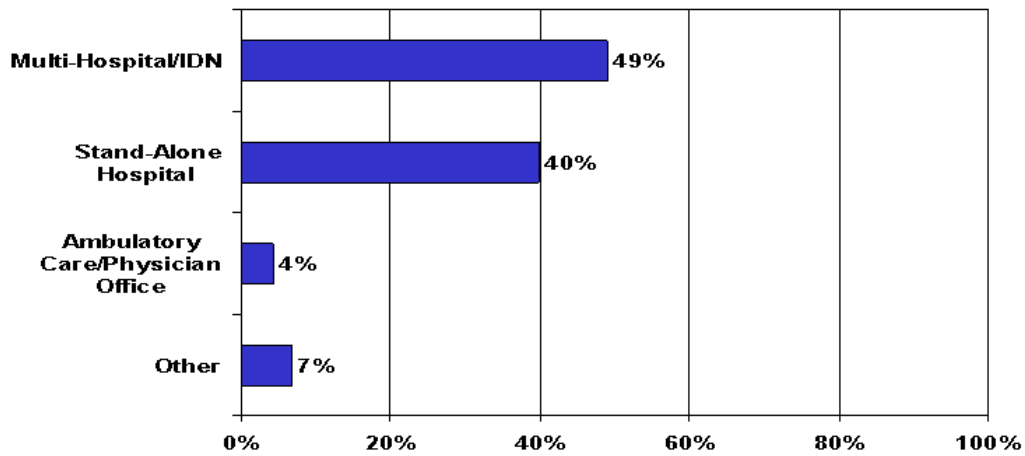
## Participant Profile – Titles

Figure 1



## Participant Profile – Facility Type

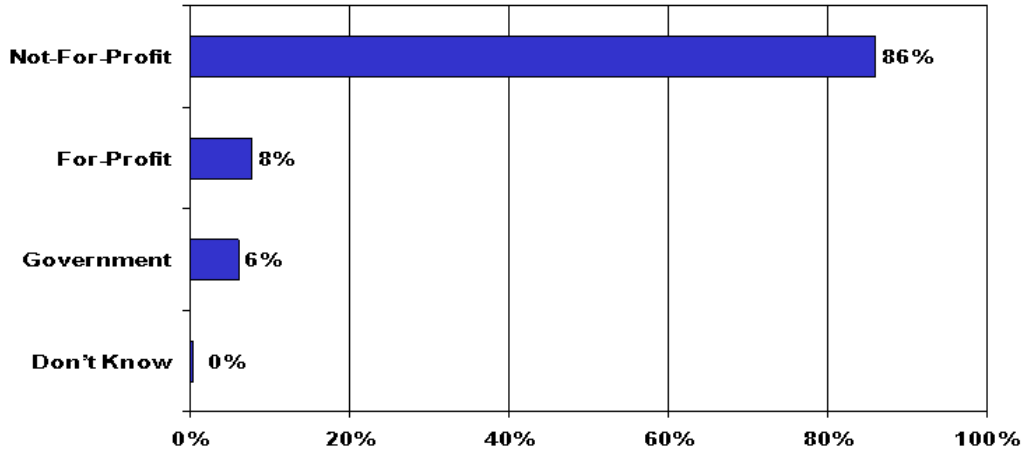
Figure 2



# Participant Profile (continued)

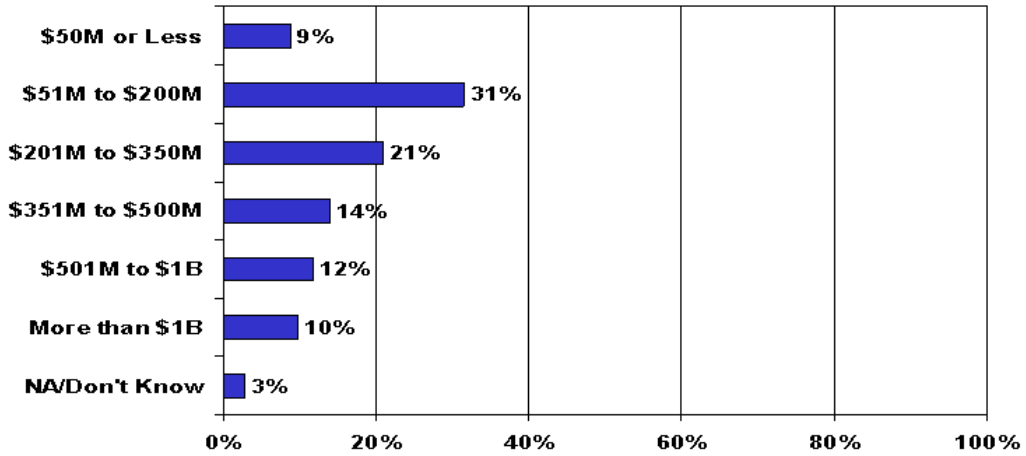
## Participant Profile – Facility Tax Status

Figure 3



## Participant Profile – Facility Revenue

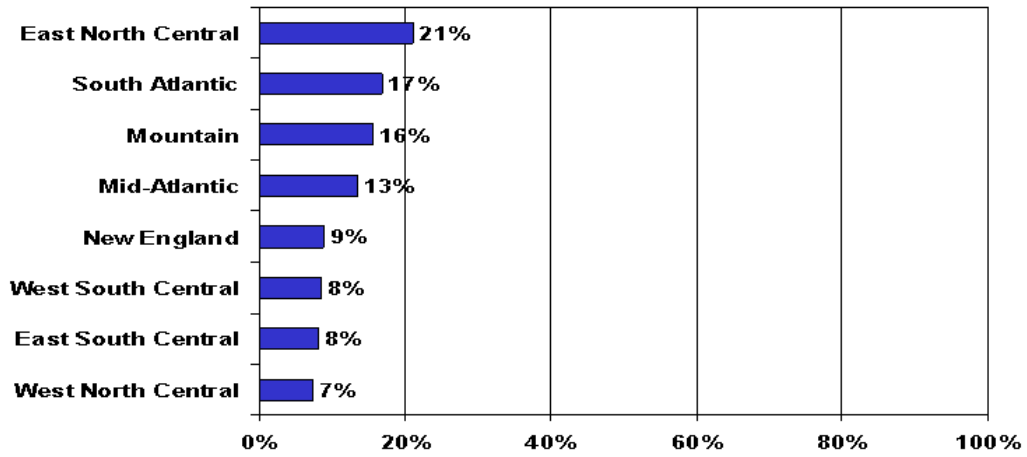
Figure 4



# Participant Profile (continued)

Participant Profile – Region

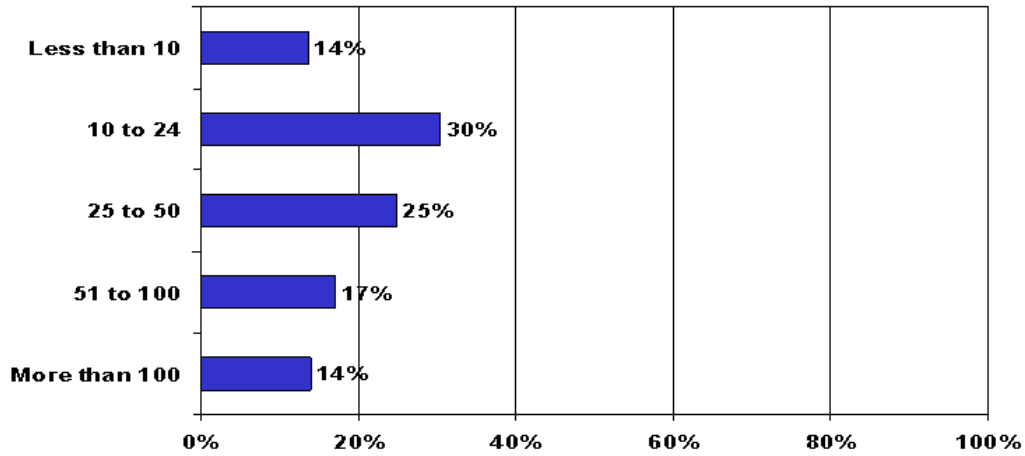
Figure 5



# IT Priorities

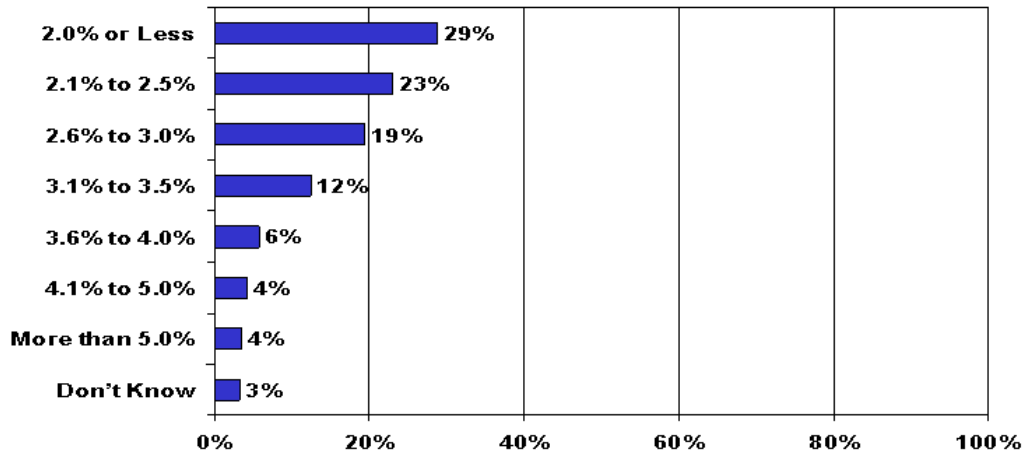
## Participant Profile – Number of IT FTEs

Figure 6



## Participant Profile – IT Budget as % of Operating Budget

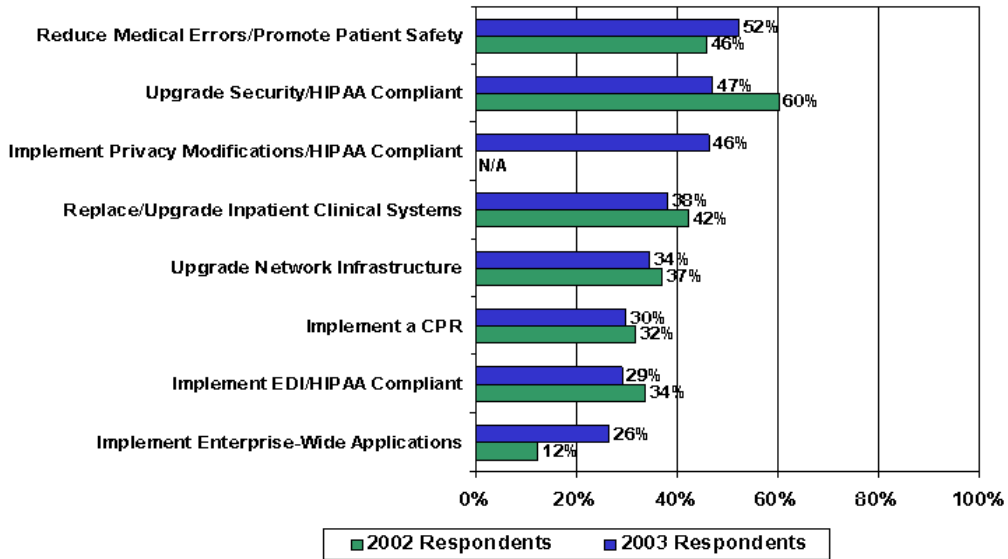
Figure 7



# IT Priorities (continued)

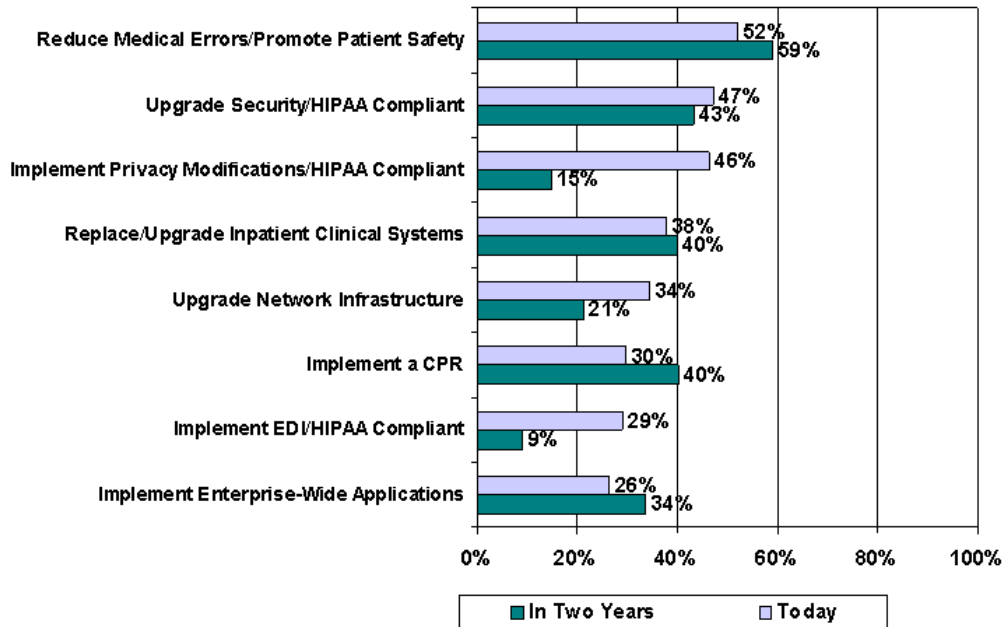
**Current IT Priorities (Within Next 12 Months)**  
(2003 Results vs. 2002 Results)

Figure 8



**Projected IT Priorities**  
(Today vs. Next Two Years)

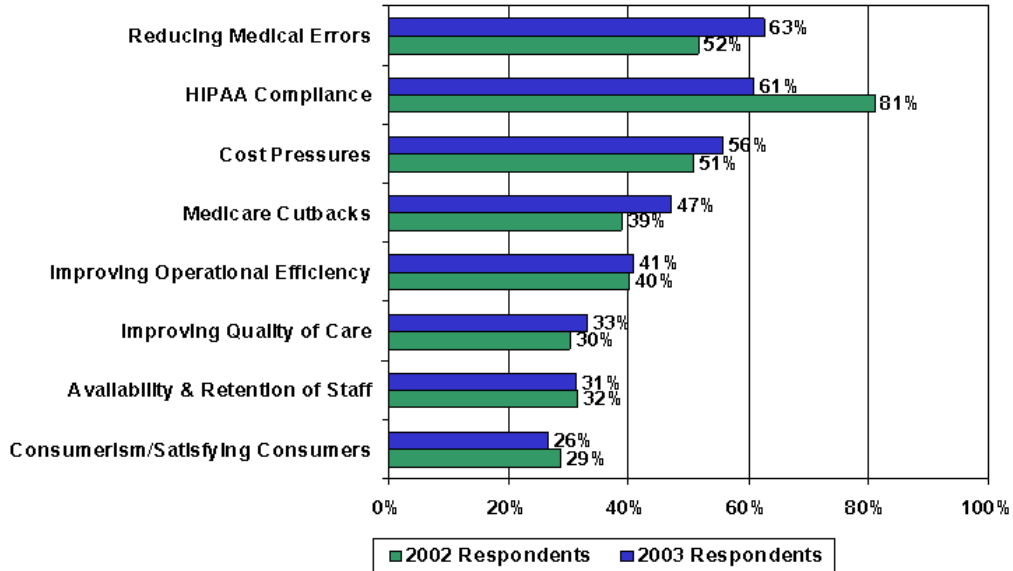
Figure 9



# IT Priorities (continued)

**Top Business Issues Facing Healthcare  
(Within Next Two Years)**  
(2003 Results vs. 2002 Results)

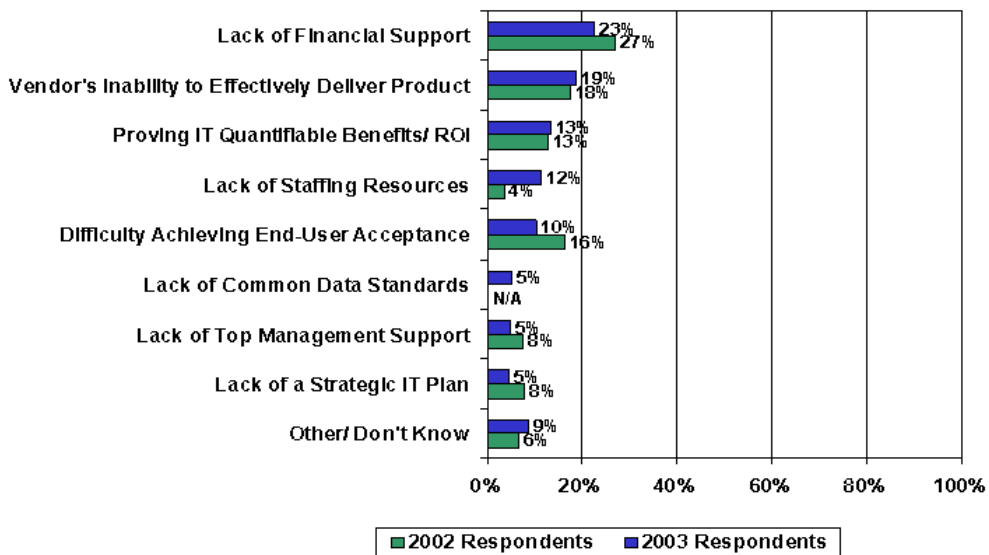
Figure 10



# IT Barriers

**Most Significant Barriers to Implementing IT**  
(2003 Results vs. 2002 Results)

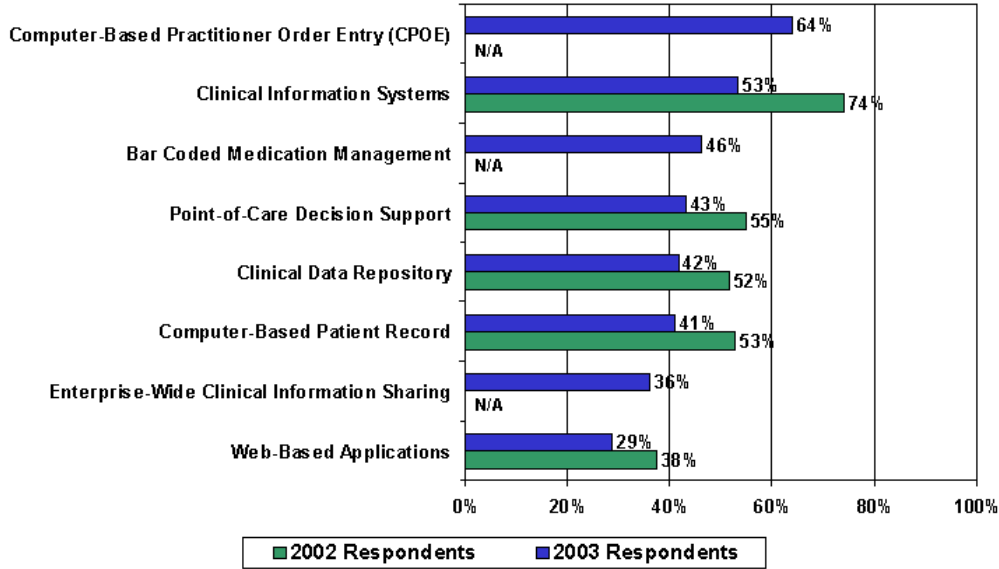
Figure 11



# IT Applications

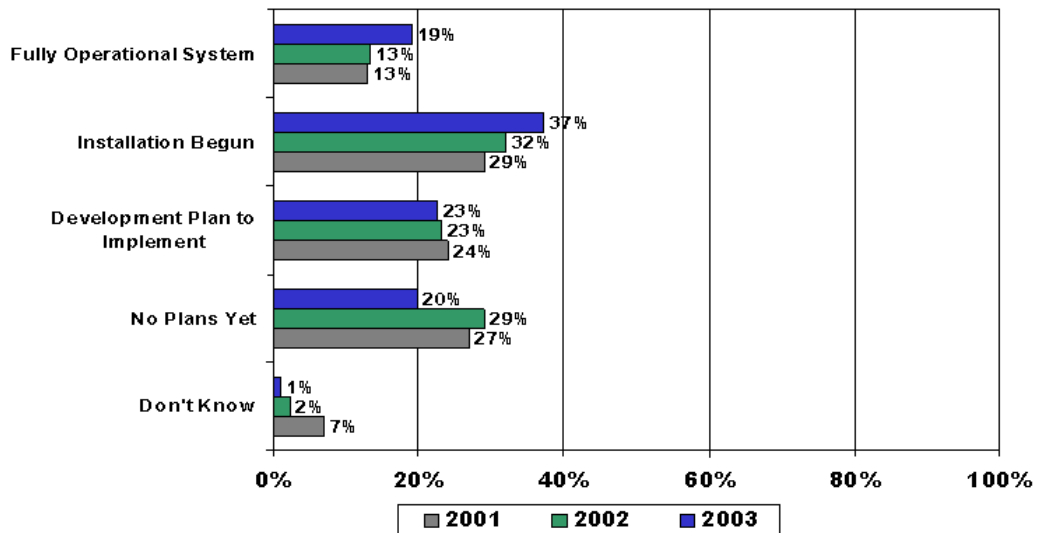
**Most Important Applications (Next Two Years)**  
(2003 Results vs. 2002 Results)

Figure 12



**Status of CPR System Implementation**  
(Comparison of 2003, 2002, and 2001 Results)

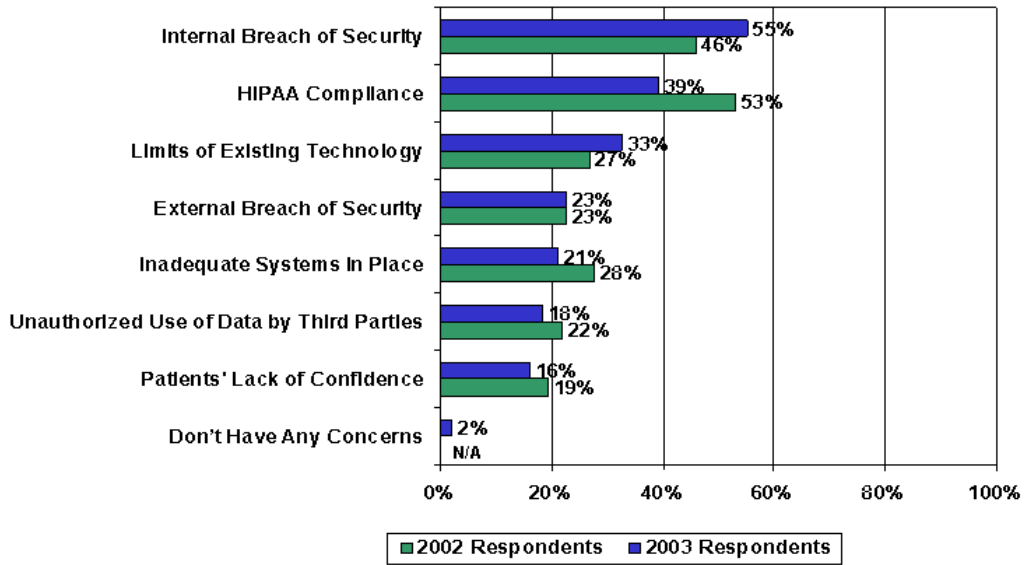
Figure 13



# IT Security and HIPAA

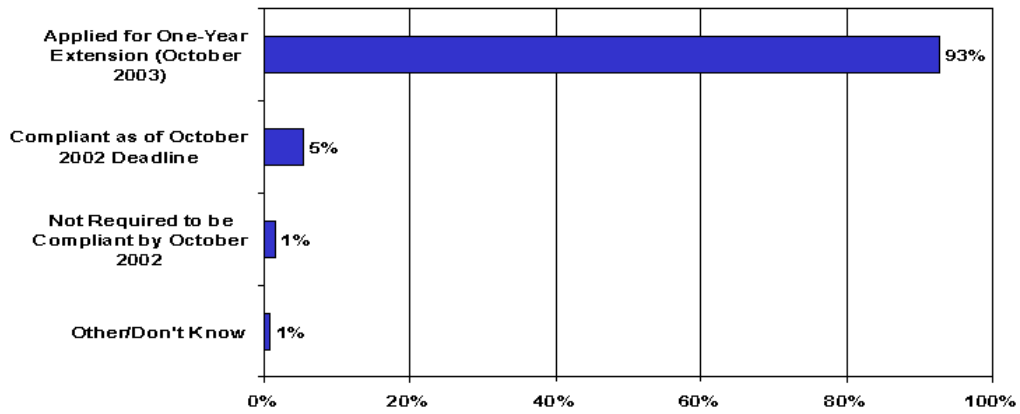
## Top Concerns – Security of Computerized Medical Information (2003 Results vs. 2002 Results)

Figure 14



## Compliance with Transaction & Code Set Deadline

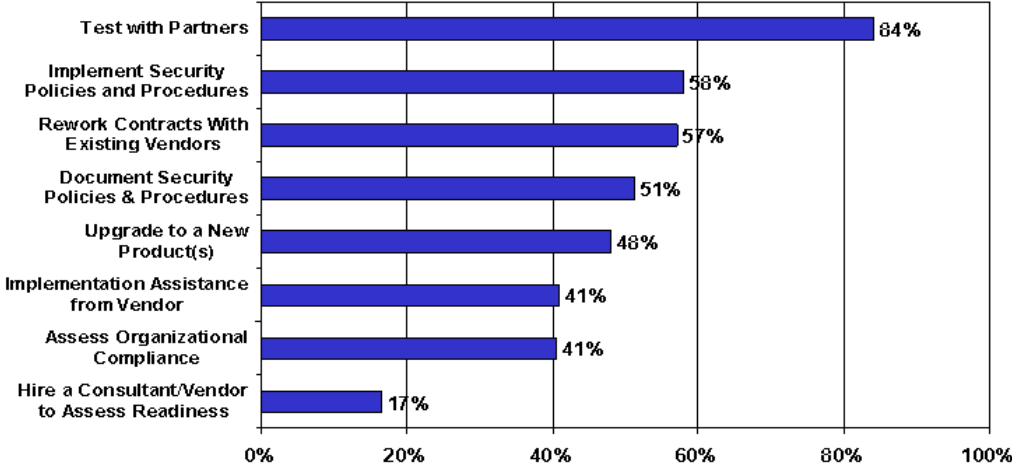
Figure 15



# IT Security and HIPAA (continued)

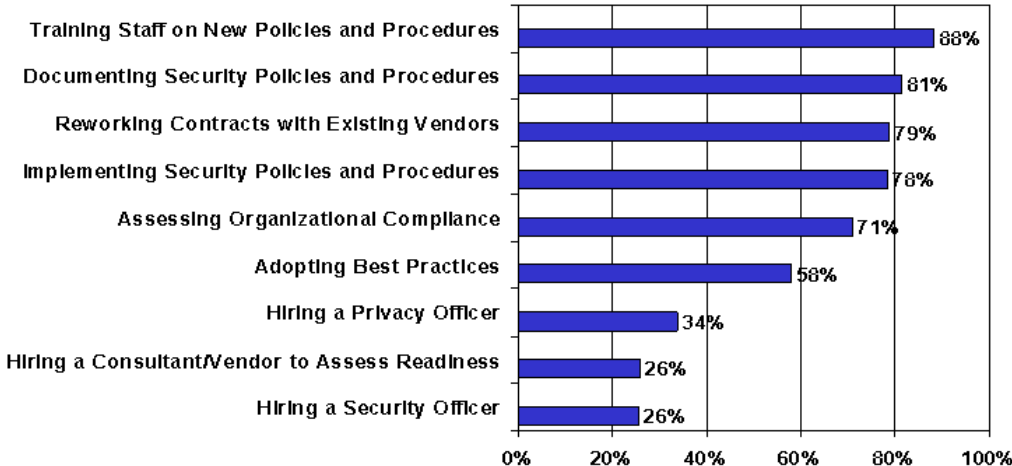
## Steps Towards Compliance In 2003

Figure 16



## HIPAA Compliance—Security & Privacy

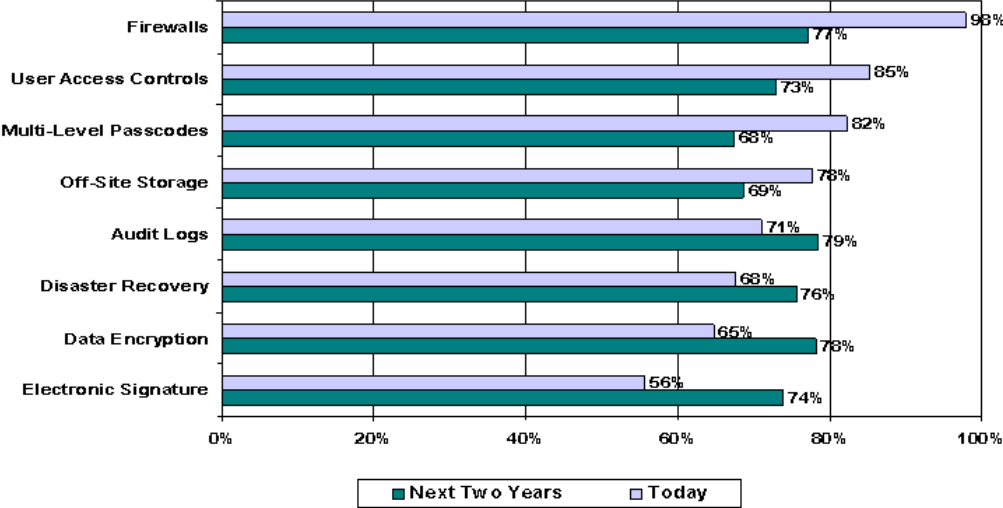
Figure 17



# IT Security and HIPAA (continued)

**Security Tools**  
(Today vs. Next Two Years)

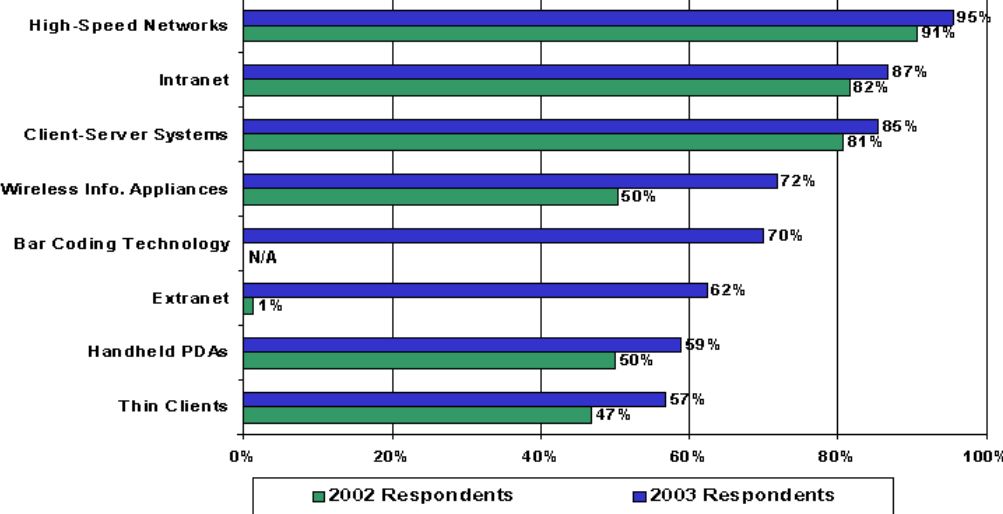
Figure 18



# Technology Adoption

**Current Use of Information Technology**  
(2003 Results vs. 2002 Results)

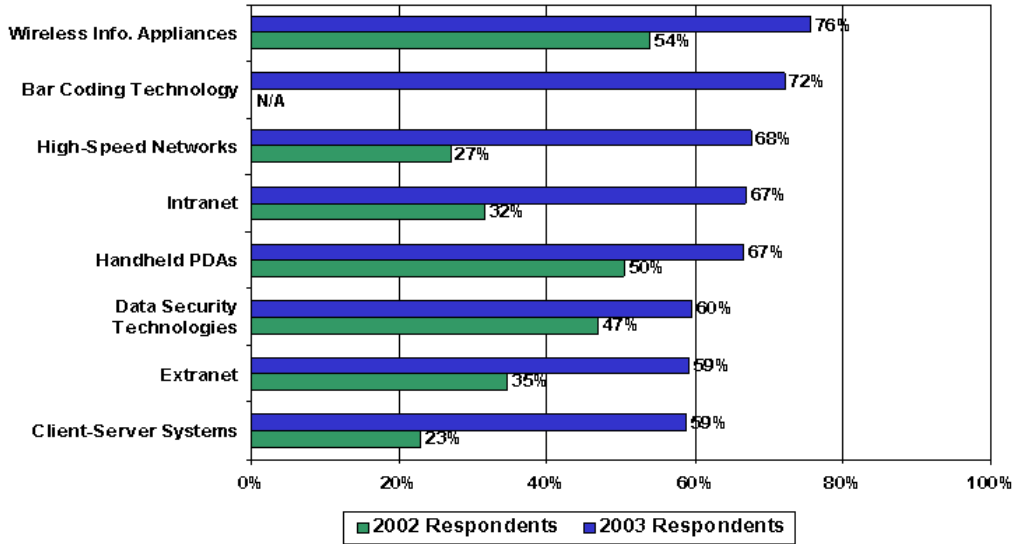
Figure 19



# Technology Adoption (continued)

**Technology Adoption (Next Two Years)**  
(2003 Results vs. 2002 Results)

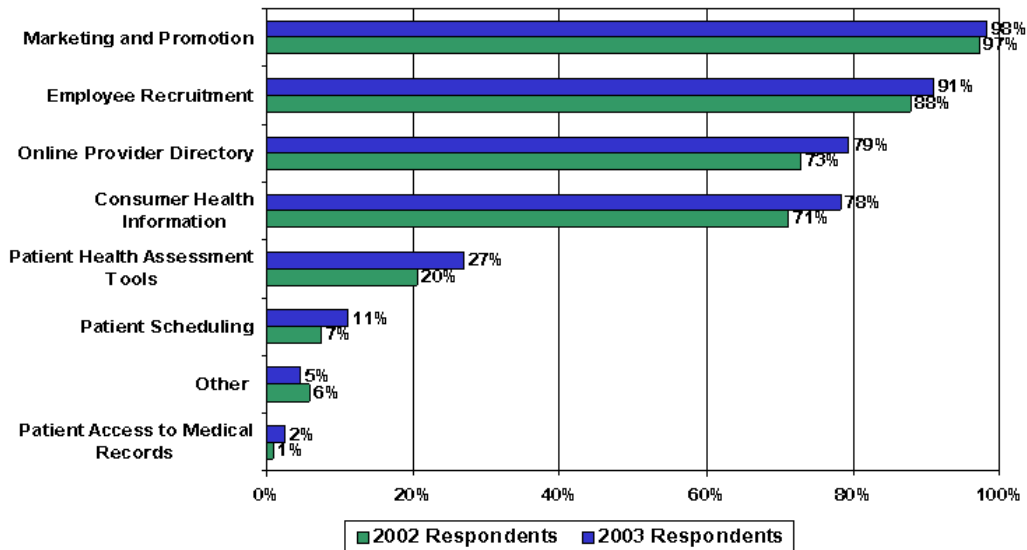
Figure 20



## Web Site Use

**Current Web Site Functions**  
(2003 Results vs. 2002 Results)

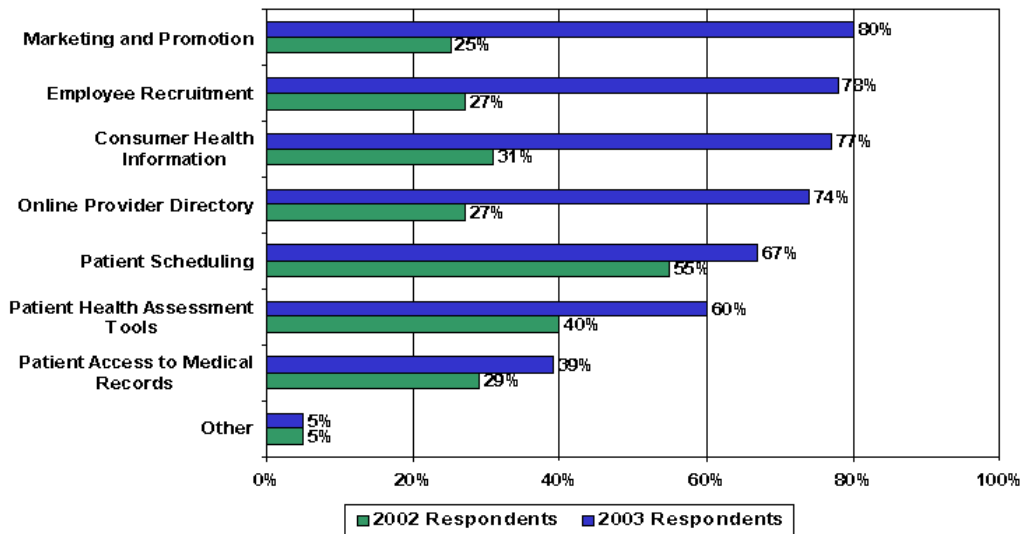
Figure 21



# Web Site Use (continued)

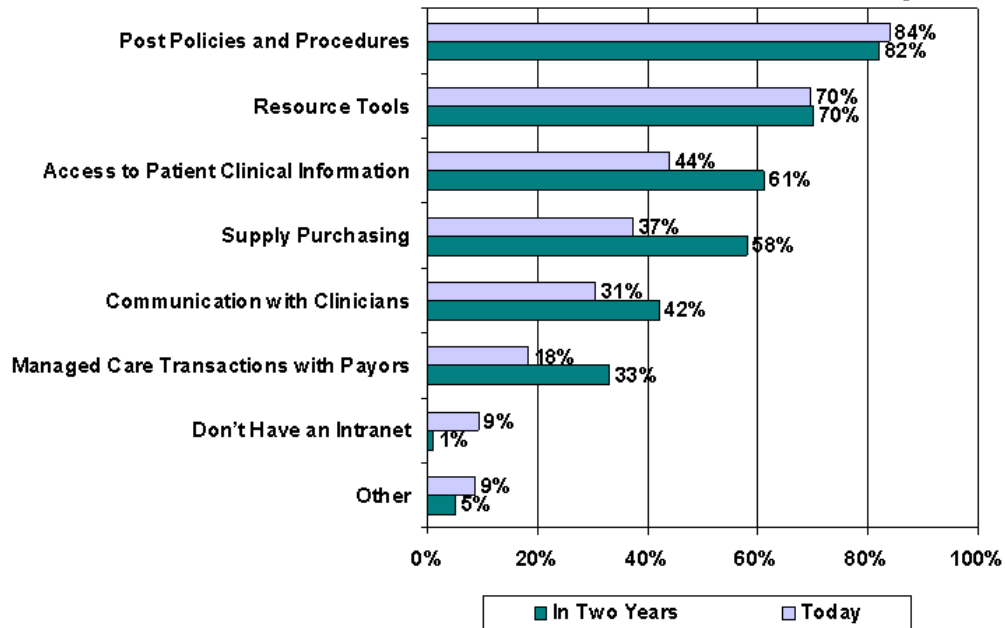
**Additional Web Site Functions**  
(2003 Results vs. 2002 Results)

Figure 22



**Intranet Functions**  
(Today vs. Next Two Years)

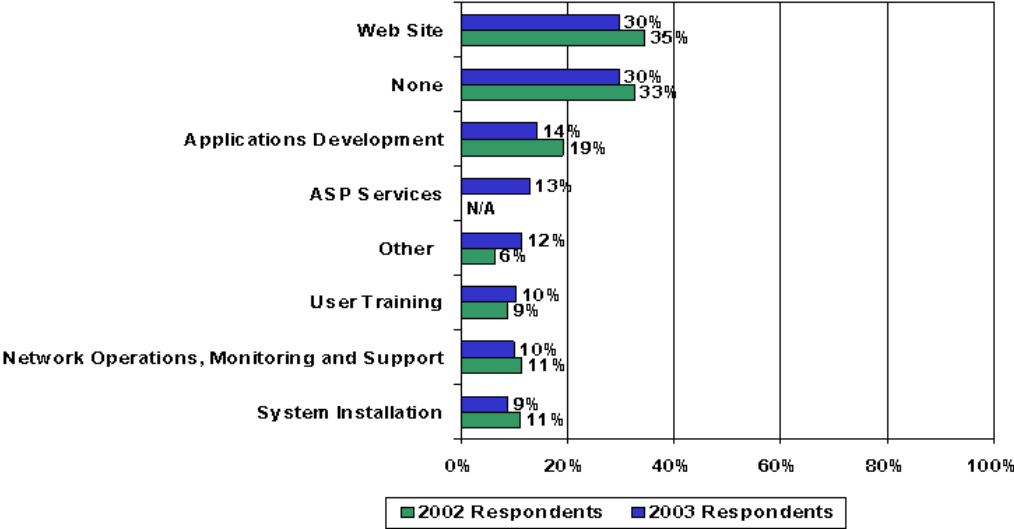
Figure 23



# IT Outsourcing

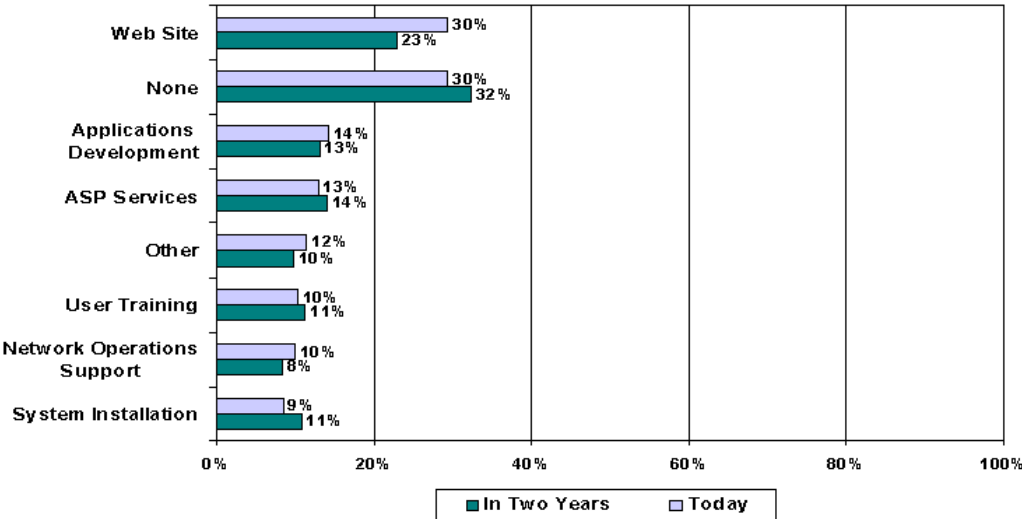
## IT Functions Currently Outsourced (2003 Results vs. 2002 Results)

Figure 24



## Current and Future Plans for Outsourcing (Within Next Two Years)

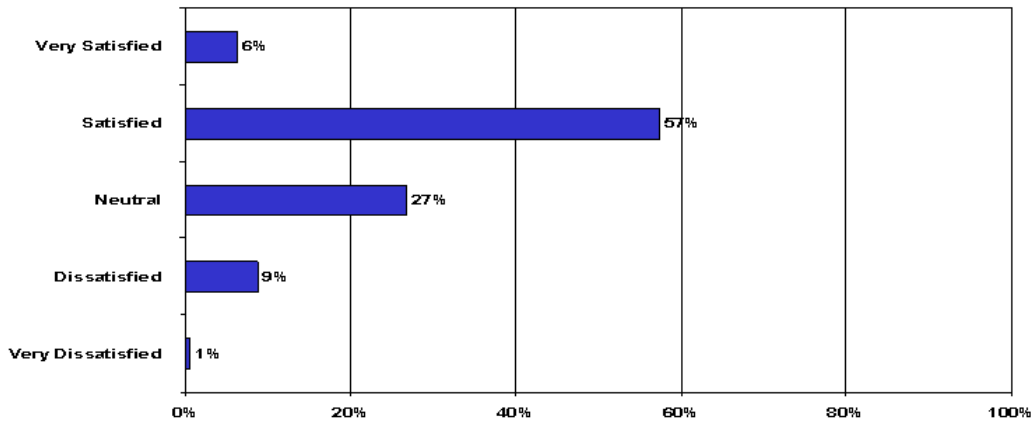
Figure 25



# IT Outsourcing (continued)

## Satisfaction with Vendor Performance

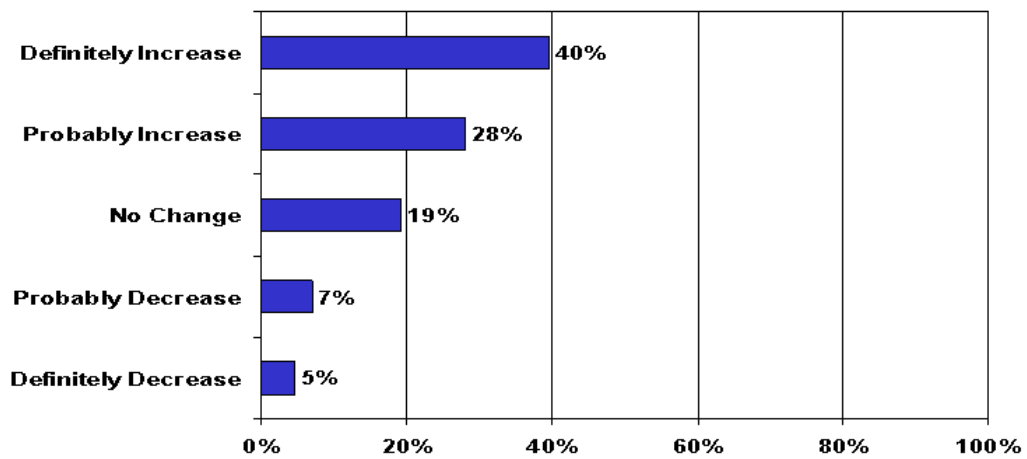
Figure 26



# IT Budget and Staff

## Projected Change in 2003 IT Operating Budget

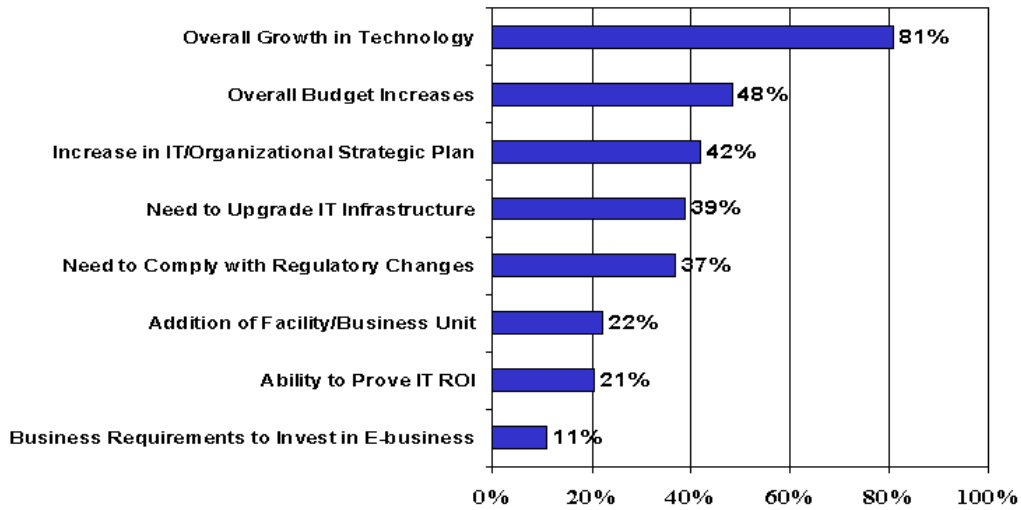
Figure 27



# IT Budget and Staff (continued)

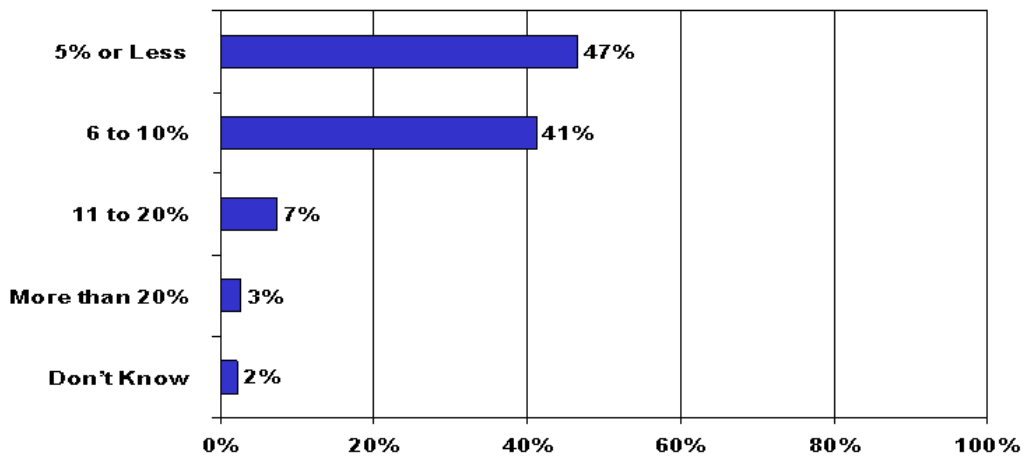
## Reason for Increase in 2003 Budget

Figure 28



## Percent of Projected Increase in 2003

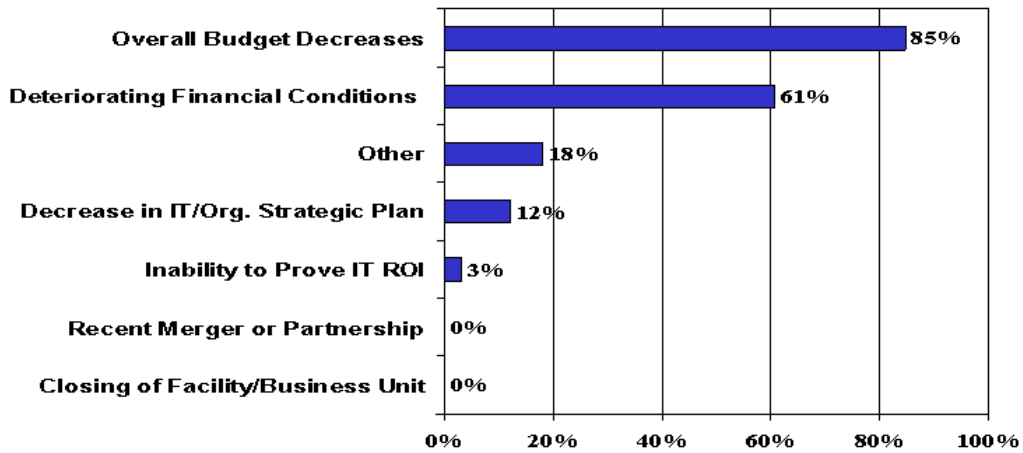
Figure 29



# IT Budget and Staff (continued)

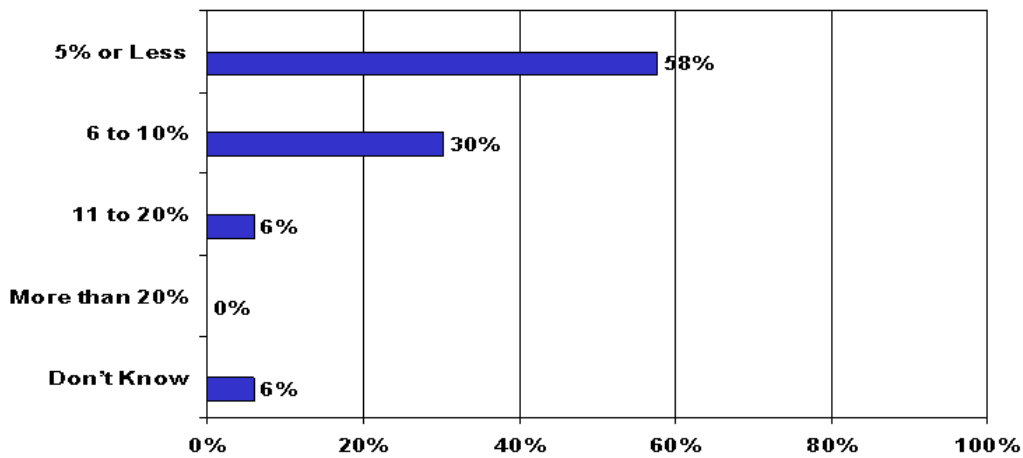
## Reason for Decrease in 2003 Budget

Figure 30



## Percent of Projected Budget Decrease in 2003

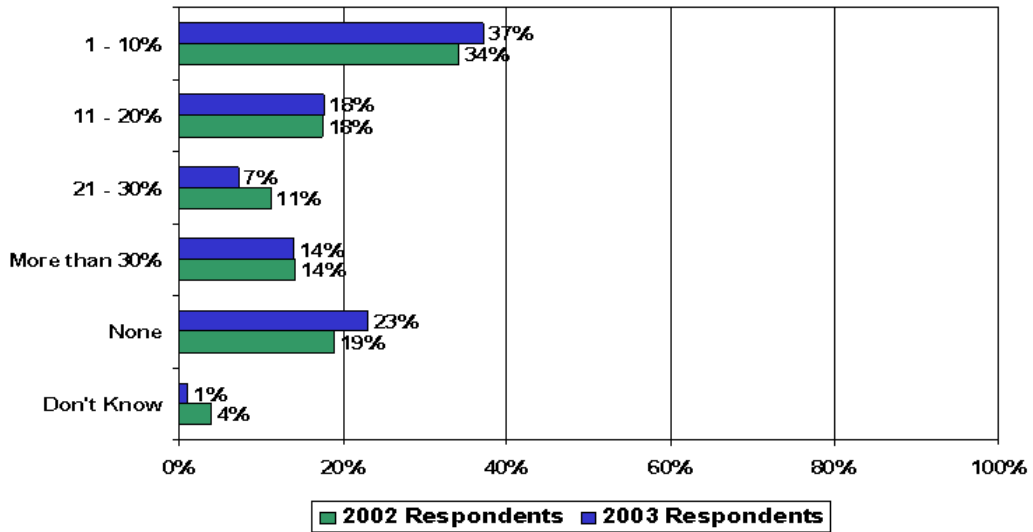
Figure 31



# IT Budget and Staff (continued)

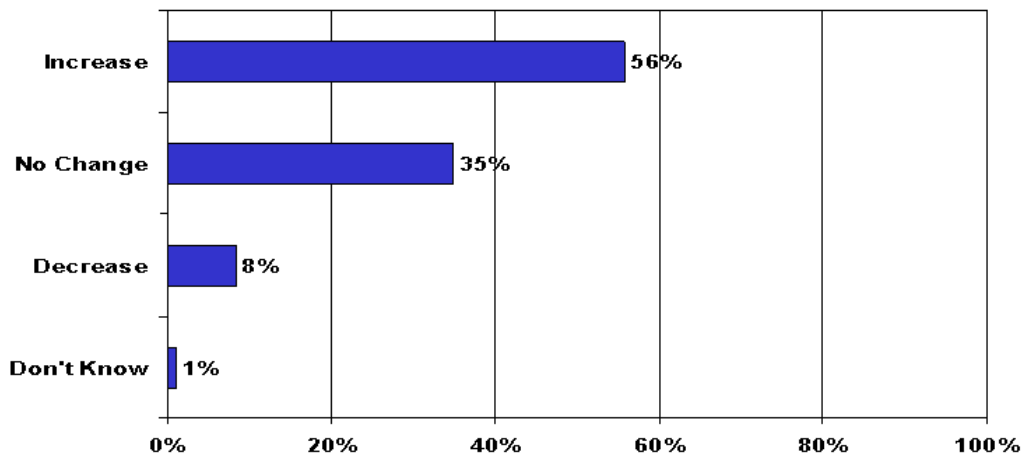
**Percent of IT Spending Controlled Outside IT Department**  
(2003 Results vs. 2002 Results)

Figure 32



**Expected Change in IT Staff in Next Twelve Months**

Figure 33



# IT Budget and Staff (continued)

## 2003 IT Staffing Needs

Figure 34

