

HIMSS

LEADERSHIP SURVEY

February 23, 2004



HEALTHCARE CIO RESULTS: FINAL REPORT

15th Annual HIMSS Leadership Survey

Sponsored by Superior Consultant Company, Inc.

Final Report: Healthcare CIO

Sponsored by Superior Consultant Company, Inc., the 15th Annual HIMSS Leadership Survey reports the opinions of information technology (IT) executives from healthcare provider organizations across the U.S. regarding the use of IT in their organizations. The study was designed to collect information about IT priorities, technology adoption, application usage and other crucial factors in the use of IT to enhance healthcare.

Three other groups were also included in this study. Data collected from vendor chief executive officers (CEOs), provider CEOs and medical and nursing executives will be released in three separate reports in the spring of 2004.

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1. Executive Summary

Increasing patient safety/reducing medical errors is among the top business issues that will have the most impact on healthcare in the next two years, according to healthcare IT executives who participated in the 15th Annual HIMSS Leadership Survey. Focus on this issue is further demonstrated by participant responses regarding their current/future top IT priorities and the importance of IT applications. When asked to identify their organization's top IT priorities, both today and in the next two years, implementing technology to reduce medical errors/promote patient safety topped the list of future priorities and was second only to upgrading security on IT systems to meet HIPAA requirements among current priorities. While HIPAA compliance still tops the list of current IT priorities, its importance is expected to diminish considerably in the next two years as organizations complete their security upgrades. Bar coded medication management, clinical information systems, electronic medical record (EMR) and computer-based practitioner order entry (CPOE)—all of which can have a significant impact on reducing medical errors—were the most frequently cited application areas respondents considered most important to their organization over the next two years.

Other key survey findings and comparisons to 2003 results include:

Financial support: Financial support for IT continues to be an issue for healthcare IT executives. Nearly one quarter of respondents cited lack of adequate financial support as the most significant barrier to successfully implementing IT in their organization.

Security concerns: Primary concerns regarding the security of computerized medical information continue to be internal breaches of security and compliance with HIPAA security regulations. Over 70 percent of respondents indicated they plan to implement single sign-on in the next two years. Only 16 percent of respondent facilities are currently using this security tool.

Top technologies: High-speed networks, the Intranet, client server systems and wireless information systems continue to be the most frequently cited technologies currently in use at respondent's facilities.

Technology adoption: Over half of survey participants cited personal digital assistants (PDAs), bar coding technology and speech recognition as technologies their facility plans to implement in the next two years. Sixty percent of respondents indicated they have either developed a plan to implement an electronic medical record (EMR) system or they have begun to install EMR hardware and software.

Web-site use: A majority of respondents (71 percent) indicate their facility plans to add patient scheduling to their Web site in the next two years, compared to 12 percent who report this tool is currently in use.

IT budgets: Respondents were more likely to report their IT budgets will increase, compared to 2003 survey results. Additionally, these increases were projected to be slightly larger.

IT outsourcing: Seventy percent of respondents indicated that their facility currently outsources some IT functions. No projected decrease in outsourcing over the next two years was indicated.

Vendor satisfaction: In general, respondents were satisfied with the IT products/services they receive from suppliers, application vendors and consulting firms--sixty-four percent indicated they were satisfied, and seven percent indicated they were very satisfied.

2. Methodology

To ensure the most informed, representative coverage of the field possible, data was solicited from one individual—a senior IT executive – per healthcare organization. Nearly 2,000 chief information officers (CIOs)/directors of information systems at healthcare facilities across the United States were invited to participate via e-mail.

A total of 307 respondents completed the self-administered, Web-based questionnaire between November 21, 2003 and January 29, 2004. These individuals oversee the technology operations at over 700 hospitals located throughout the United States.

Three other groups were also included in this study. Data collected from vendor chief executive officers (CEOs), provider CEOs and medical and nursing executives will be released in three separate reports in the spring of 2004.

3. Profile of Survey Respondents

Over 90 percent of survey respondents were chief information officers (CIOs) or directors of information systems (IS). Specifically, 71 percent of respondents were corporate (system level) CIOs/IS directors; another 22 percent were hospital CIOs or IS directors. This distribution is very similar to last year's survey participants. The remaining respondents reported their position as department head/director, manager or "other."

Over half of the survey respondents report they work for a multi-hospital system, with another 34 percent reporting that they work at a stand-alone hospital. Thus, 86 percent of respondents worked for an organization headed by a hospital, compared to 89 percent in 2003. Other types of healthcare facilities represented include physicians' offices, mental/behavioral health facilities, long-term care facilities and home health agencies.

Respondents working in a hospital setting were asked to identify the number of hospitals at which they oversee the technology decisions. Over half report that they are responsible for the technology at a single hospital, and another 28 percent oversee technology at two or three hospitals. Six percent of respondents oversee the technology decisions at ten or more hospitals.

The majority of healthcare facilities represented in this study—82 percent—were not-for-profit, down from 86 percent in 2003. The number of government facilities in this year's survey was ten percent, up from six percent in 2003.

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

- \$50 million or less—16 percent;
- \$51 million to \$200 million—26 percent;
- \$201 million to \$350 million—14 percent;
- \$351 million to \$500 million—14 percent;
- \$501 million to \$1 billion—16 percent;
- More than \$1 billion—10 percent; and
- Don't Know/Not Applicable—5 percent.

For the second consecutive year, the majority of respondents were from the East North Central region¹. This was closely followed by the Mountain² and South Atlantic³ regions. The East South Central region⁴ had the smallest number of participants.

¹ Illinois, Indiana, Michigan, Ohio, Wisconsin

² Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming

³ Washington, DC, Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia

⁴ Alabama, Kentucky, Mississippi, Tennessee

The number of full-time equivalent employees (FTEs) reported to be employed in the IT departments of participant's organizations were:

- Fewer than Five—8 percent;
- Five to Nine—13 percent;
- 10 to 24—25 percent;
- 25 to 50—20 percent;
- 51 to 75—11 percent;
- 76 to 100—7 percent;
- More than 100—17 percent.

Nearly half of respondents indicated that their organization's total IT operating budget was 2.5 percent or less of the total general budget, 31 percent indicated this amount to be between 2.6 to 3.5 percent, and 15 percent of respondents indicated it was 3.6 percent or more. Five percent of respondents did not report this information.

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4. IT Priorities

Patient safety and HIPAA compliance remain top priorities for IT executives. Implementation of speech recognition systems is anticipated to be a priority in the next two years.

Asked to identify their facility's top IT priorities today, survey participants most frequently cited upgrading security on IT systems to meet HIPAA requirements (48 percent) and implementing technology to reduce medical errors/promote patient safety (47 percent). These two areas were also the top two identified in the 2003 study.

Replacing/upgrading inpatient clinical systems—identified by 44 percent of respondents—also topped the list of current IT priorities. This represents an increase of six percent over last year.

In 2003, with the Health Insurance Portability and Accountability Act (HIPAA) privacy deadline looming in April, 46 percent of survey respondents indicated that implementing privacy modifications to meet HIPAA requirements was a top priority for their organization (placing it third overall). In 2004, the number of respondents who identified this issue as a top priority decreased to 14 percent. Likewise, implementing EDI to meet HIPAA requirements decreased in importance; EDI was identified by 17 percent of respondents, compared to 29 percent in 2003. For 2004 respondents, HIPAA security requirements are the highest priority; however, this is also expected to decline over the next two years as organizations complete their HIPAA initiatives.

Other areas which showed an increase in importance, compared to 2003 data were:

- Implementing wireless systems (37 percent, compared to 20 percent in 2003)
- Process/workflow redesign (32 percent, compared to 16 percent in 2003)
- Training personnel to use systems (26 percent, compared to 15 percent in 2003)

Survey respondents were also asked to identify what their facility's top IT priorities would be over the next two years. Implementing technology to reduce medical errors/promote patient safety (48 percent), implementing an EMR (43 percent) and replacing/upgrading inpatient clinical systems (33 percent) ranked highest. These three areas were also among the top four identified in the 2003 study. As noted previously, HIPAA requirements continue to decline in importance as deadlines for compliance pass.

Compared to current IT priorities, implementing speech recognition systems is anticipated to increase in importance over the next two years. Thirteen percent of respondents indicated it was among their top IT priorities today, compared to 31 percent who indicate it will be among their top priorities in the next two years.

For the second consecutive year, increasing patient safety/reducing medical errors ranked highest among the business issues respondents believed would have the most impact on healthcare in the next two years; it was identified by 64 percent of respondents this year and 63 percent in 2003. The next two most frequently identified issues were cost pressures (54 percent) and patient/customer satisfaction (44 percent; an increase from 26 percent in 2003).

Since most HIPAA compliance deadlines have passed, this issue continues to decline in importance. In 2004, it was selected by only 27 percent of respondents, compared to 61 percent in 2003 and 81 percent in 2002.

Also showing a large decline was availability/retention of IT staff, decreasing from 31 percent in 2003 to nine percent in 2004; however, this may be attributed to a change in the category description. In 2003, the survey simply stated "availability/retention of staff." In 2004, a distinction was made between IT and nursing staff, and thus while availability/retention of IT staff declined, nursing shortage was identified by 34 percent of respondents as a top business issue.

Three areas showed a substantial increase in importance from 2003 to 2004.

- Improving quality of care—43 percent, compared to 33 percent in 2003
- Clinical transformation—37 percent, compared to 23 percent in 2003
- Medicare cutbacks—35 percent, compared to 47 percent in 2003

Figures:

Figure 9. Current IT Priorities (Within Next 12 Months)

Figure 10. Projected IT Priorities

Figure 11. Top Business Issues Facing Healthcare (Within Next Two Years)

5. IT Barriers

Lack of financial support continues to be the most significant barrier to IT implementation.

For the fourth consecutive year, survey respondents identify lack of adequate financial support for IT as the most significant barrier to a successful implementation of IT in their organization. This response was chosen by 23 percent of respondents. The next two responses were vendors' inability to satisfactorily deliver products and services (14 percent) and difficulty in proving quantifiable results or ROI (13 percent).

The responses identified by healthcare IT executives responding to the 2004 survey were not remarkably different from those who took the survey in 2003.

Figures:

Figure 12. Most Significant Barriers to Implementing IT

6. IT Applications

Bar coding, clinical information systems, EMRs and CPOE continue to be the top applications of the future.

Bar coded medication management was the IT application that was cited most frequently by survey respondents as being the healthcare application area they considered to be important to their organization in the next two years. The 52 percent of respondents who identified this issue in 2004 represents a six-percentage point increase compared to those who selected this item in 2003.

The second most frequently cited areas were clinical information systems and an EMR, each identified by 52 percent of respondents. For EMRs, this represents an increase of nearly 11 percent compared to 2003.

In third place are computer-based practitioner order entry (CPOE) systems, identified by half of the respondents. This is down from the 64 percent of respondents who identified this as a top application in 2003.

Digital Picture Archiving and Communications Systems (PACS) were identified by 43 percent of respondents as an application of importance over the next two years.

The number of survey respondents identifying web-based applications as important to their facility in the next two years has declined for the fifth consecutive year. Identified as a top application by 18 percent of survey respondents in 2004, this was identified by 70 percent of those individuals responding to the 2000 survey.

Despite a shift in terminology from computer based patient record (CPR)⁵ to EMR⁶, installation rates of EMRs are nearly identical to those reported in 2003. However, an effort was made to keep the definitions compatible so that the data could be compared from one year to the next. Approximately 19 percent of the healthcare IT executives responding to this survey indicate that their organization has a fully operational EMR 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. Additionally, 37 percent of respondents report that their organization is presently installing EMR hardware and software, while 23 percent report a plan to implement an EMR. Only 21 percent of respondents report that they have not yet begun to plan for the implementation of an EMR.

Figures:

Figure 13. Most Important Applications (Next Two Years)

Figure 14. Status of Electronic Medical Record Implementation

⁵ A CPR is electronically maintained information, derived from multiple sources, about an individual's lifetime health status and healthcare. A CPR supports clinical decision-making and replaces the paper medical record as the primary source of information about a patient's care.

⁶ An EMR is electronically originated and maintained clinical health information, derived from multiple sources, about an individual's lifetime health status and healthcare. An EMR is supported by clinical decision systems and replaces the paper medical record as the primary source of patient information.

7. IT Security

Internal breaches of security continue to be identified as the primary concern regarding data security, and healthcare IT executives continue to secure data with multiple technologies.

Survey respondents continue to express concern that internal breaches may compromise the security of electronic medical information. This was identified as a top concern by 65 percent of respondents, compared to 55 percent in 2003 and 46 percent in 2002. As in 2003, rounding out the top three are compliance with HIPAA's security regulations (33 percent) and limitations of existing technology (27 percent).

Healthcare organizations continue to place an emphasis on data security. All healthcare organizations represented in this survey use at least one security application, and 99 percent use more than one application. In fact, nearly 70 percent use at least six of the security tools identified in the survey; last year 75 percent reported using six or more technologies.

Firewalls (99 percent), user access controls (86 percent), off-site storage (78 percent) and multi-level passcodes (77 percent) are the top security tools in place at this time. These were also among the top four in 2003.

Survey respondents were most likely to identify single-sign on as the security tool they would use at their organization in the next two years, identified by 72 percent of respondents. Presently, only 16 percent of respondents use this technology. Fifty-six percent of survey respondents report that their organization will use biometric technologies for data security in two years; present use is 11 percent. Disaster recovery rounds out the top three, identified by 52 percent of respondents.

Figures:

Figure 15. Top Concerns—Security of Computerized Medical Information

Figure 16. Security Tools

8. Technology Adoption

PDAs, bar-coding and speech recognition are the top technologies that survey respondents intend to implement in the next two years.

The technologies most frequently used by healthcare organizations have not changed since 2003. Healthcare IT executives have identified the four most frequently used technologies as:

- High-speed networks (implemented in 96 percent of healthcare organizations, compared with 95 percent in 2003)
- Intranet (implemented in 88 percent of healthcare organizations, compared to 87 percent in 2003)
- Client server systems (implemented in 82 percent of healthcare organizations, compared to 85 percent in 2003)
- Wireless information systems (implemented in 72 percent of healthcare organizations, compared to 72 percent in 2003)

The top technologies that respondents plan to implement in the next two years are PDAs (55 percent), bar coding technology (54 percent) and speech recognition (53 percent). Presently, 28 percent of respondents report using speech recognition technology. Last year, 76 percent of respondents reported that wireless information systems were a top technology; this year only 47 percent of respondents report this to be among the top technologies of the future.

Figures:

Figure 17. Current Use of Information Technology

Figure 18. Technology Adoption (Next Two Years)

9. Web Site/Intranet Use

Web site functionality for patients, including scheduling, access to medical records and health assessment applications, is expected to increase in the next two years. The use of Intranets is also projected to increase in the next two years; staff communication is the most frequent use of Intranets.

Nearly all survey respondents reported that their organization has a Web site. Marketing/promotion of the organization continues to be the function for which Web sites are most frequently used (96 percent). Employee recruitment and use of online physician and provider directories round out the top three, offered by 90 and 77 percent of respondents, respectively. Some 72 percent of respondents also say their organizations are providing consumer health information on their Web sites.

In 2003, respondents reported that consumers should benefit from additional Web site functionality in the next two years; this appears to continue to be the trend. Patient scheduling (71 percent), patient health assessment tools (50 percent), giving patients secure on-line access to medical records (47 percent) and providing consumer health information (41 percent) are the top four areas in which organizations plan to use their Web site in the next two years.

Sixty-five percent of respondents who report that they currently do not offer patient scheduling on their Web site anticipate that they will do so in the future. Other areas with similarly high increases include:

- Provision of consumer health information—59 percent
- Patient health assessment tools—51 percent
- Online medical records—41 percent

Use of Intranets has increased marginally in the past two years. Nearly 94 percent of respondents indicated their organization has an Intranet, compared to 91 percent in 2003. Staff communications, a category newly added to the 2004 survey, was the function that respondents most frequently reported (91 percent). Rounding out the top three are last year's top choice—posting policies and procedures (87 percent)—and the availability of resource tools (72 percent).

Future use of Intranets is projected to increase. Presently, 94 percent of healthcare IT executives report that they use an Intranet; 99 percent report they will use an Intranet in two years. The projected top uses of the Intranet will be access to patient clinical information (48 percent), posting policies and procedures (48 percent) and staff communication (45 percent).

Figures:

Figure 19. Current Web Site Functions

Figure 20. Additional Web Site Functions

Figure 21. Intranet Functions

10. IT Outsourcing/Satisfaction with Vendor Performance

Nearly three-quarters of respondents' facilities currently outsource one or more IT functions. No projected decrease in outsourcing over the next two years is expected.

Nearly three-quarters of respondents (71 percent) reported their organization outsources at least one IT function, compared to 70 percent in 2003. Web site maintenance and development (32 percent), applications development (19 percent) and ASP services (16 percent) were the most frequently outsourced areas.

Among those respondents that reported their organization uses outsourcing services, over one-third (36 percent) report that their organization outsources only one function. Another 53 percent report that their organization outsources between two and four functions.

Approximately 70 percent of respondents reported that they will outsource one or more IT functions in the next two years. Web site maintenance and development (20 percent), applications development (13 percent) and the help desk (13 percent) are the top three IT functions that will be outsourced in the next two years.

Over 70 percent of respondents report that they are satisfied or very satisfied with the products and/or services they receive from suppliers, applications vendors and consulting firms. This is up from 64 percent in 2003. Only ten percent of respondents report they are dissatisfied or very dissatisfied.

Figures:

Figure 22. IT Functions Currently Outsourced

Figure 23. Current and Future Plans for Outsourcing

Figure 24. Satisfaction with Vendor Performance

11. IT Budget and Staff

IT staff and budgets are predicted to increase.

Nearly 60 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 56 percent in last year's survey. However, the changes will be relatively small—65 percent of those respondents indicating that their staff would increase projected an increase of less than 10 percent. As with 2003, only eight percent of this year's respondents report that the size of their staff is going to decrease.

Despite the fact that network and architecture support continues to be the area in which respondents are most likely to report staffing needs, the number of respondents selecting this option has steadily declined in the past three years. In 2004, 34 percent of respondents reported this was a top area, and in 2003, only 31 percent of respondents reported this as a top priority. Respondents also identify a need for staff in the IT department to address clinical issues. Clinical transformation (25 percent), clinical champions (24 percent) and clinical informaticists (24 percent) round out the top four responses.

Staffing needs in several areas showed substantial declines between 2003 and 2004.

- Internet/Intranet (12 percent in 2004 compared to 23 percent in 2003)
- Application support/development (19 percent in 2004 compared to 29 percent in 2003)
- PC/Server support (16 percent in 2004 compared to 26 percent in 2003)
- User training (13 percent in 2004 compared to 21 percent in 2003)
- Regulatory, reimbursement and accreditation issues (5 percent in 2004 compared to 14 percent in 2003)

The only area in which an increased number of IT executives identified a staffing need in 2004 was data security, which showed a one-percent increase to 21 percent. Six percent of respondents indicated there were no areas in which they had a staffing need.

IT executives responding to the 2004 survey were slightly more likely to report their budget would increase (72 percent), compared to those responding to the 2003 survey (68 percent). Among those predicting an increase, 25 percent reported a probable increase, and 47 percent reported a definite increase. Only ten percent of respondents indicated their budget would decrease in 2004, compared to 12 percent in 2003.

Not only do more respondents identify a budget increase, the projected amount of the increase is larger. Nearly 60 percent of respondents indicate that their budget will increase by at least six percent, compared to 51 percent in 2003.

The top three reasons for a budget increase are overall growth in the number of systems and technologies (78 percent), overall budget increases (44 percent) and an increase in the long-term IT or organizational strategic plan (43 percent).

Only ten percent of respondents projected a decline in their IT budget. Among those respondents, 43 percent expected the decrease to be five percent or less. Nearly 80 percent of respondents attribute the projected budget decrease to overall organizational budget decreases.

Nearly one-quarter of healthcare IT executives report that all of the IT spending is controlled within the department. Conversely, 19 percent of executives report that more than 20 percent of IT spending is controlled outside the department. This is similar to the 2003 data.

Figures:

Figure 25. Projected Change in 2004 IT Operating Budget

Figure 26. Reason for Increase in 2004 Budget

Figure 27. Percent of Projected Increase in 2004

Figure 28. Reason for Decrease in 2004 Budget

Figure 29. Percent of Projected Decrease in 2004

Figure 30. Percent of IT Spending Controlled Outside IT Department

Figure 31. Expected Change in IT Staff in Next Twelve Months

Figure 32. 2004 IT Staffing Needs

12. Survey Sponsors

About Superior Consultant Company, Inc.

The recipient of Frost & Sullivan's 2003 Best Bang for the Buck Award for providing services and solutions with the highest ratio of value to cost, Superior Consultant is a leading national provider of outsourcing, management and information technology consulting services and solutions to the healthcare industry. Superior specializes in Digital Business Transformation™ services that enable clients to thrive in the information-driven economy. Its 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 19 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

HIMSS (Healthcare Information and Management Systems Society) is the healthcare industry's membership organization exclusively focused on providing leadership for the optimal use of healthcare information technology and management systems for the betterment of human health. Founded in 1961 with offices in Chicago, Washington D.C., and other locations across the country, HIMSS represents more than 14,000 individual members and some 220 member corporations that employ more than 1 million people. HIMSS frames and leads healthcare public policy and industry practices through its advocacy, educational and professional development initiatives designed to promote information and management systems' contributions to ensuring quality patient care. Visit www.himss.org for more information.

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 15th Annual HIMSS Leadership Survey sponsored by Superior Consultant Company.

14. For more information, contact:

Joyce Lofstrom
Corporate Communications Specialist
HIMSS
312/915-9237
jlofstrom@himss.org

Sue Synor
Executive Vice President
Superior Consultant Holdings Corporation
248/386-8300
sue_synor@superiorconsultant.com

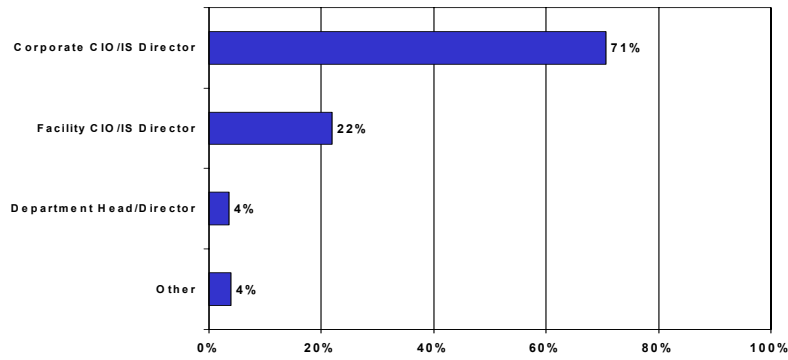
Participant Profile

15th Annual HIMSS Leadership Survey

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Participant Profile – Titles

Figure 1

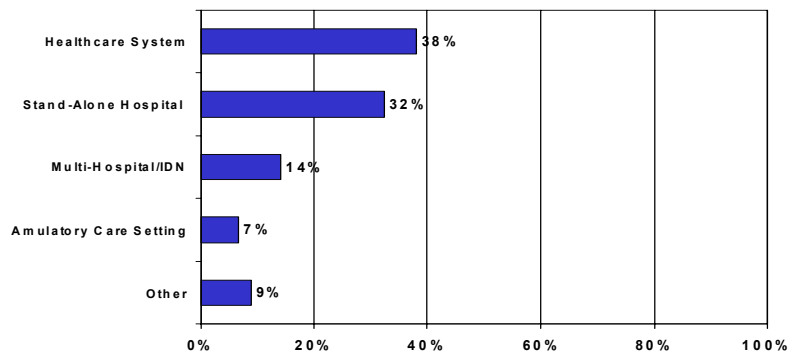


15th Annual HIMSS Leadership Survey

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Participant Profile – Facility Type

Figure 2



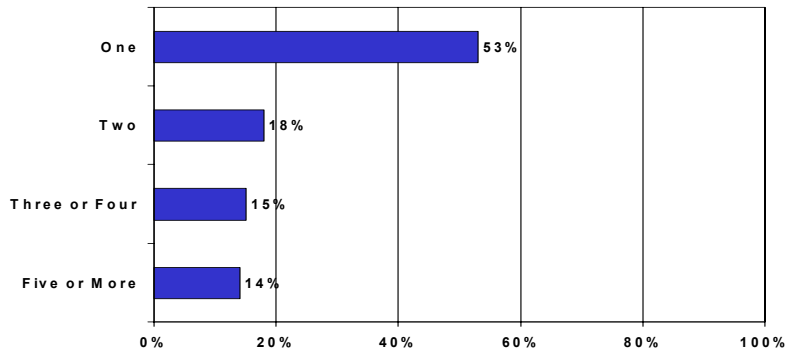
Participant Profile (continued)

15th Annual HIMSS Leadership Survey

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Participant Profile – Number of Hospitals

Figure 3

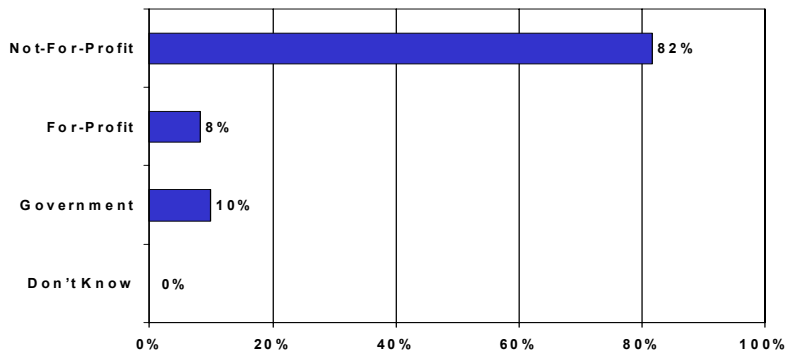


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Participant Profile – Facility Tax Status

Figure 4



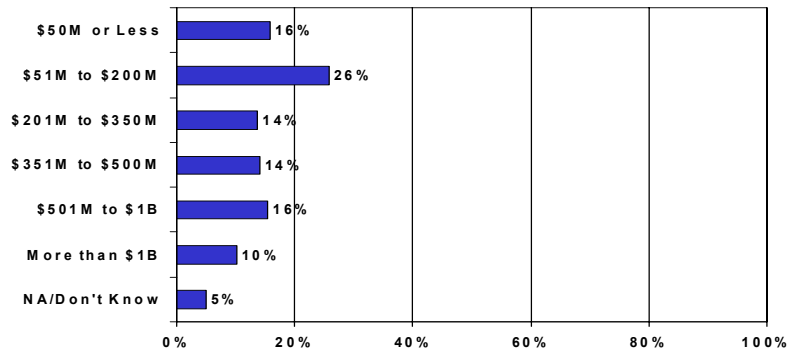
Participant Profile (continued)

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Participant Profile – Facility Revenue

Figure 5

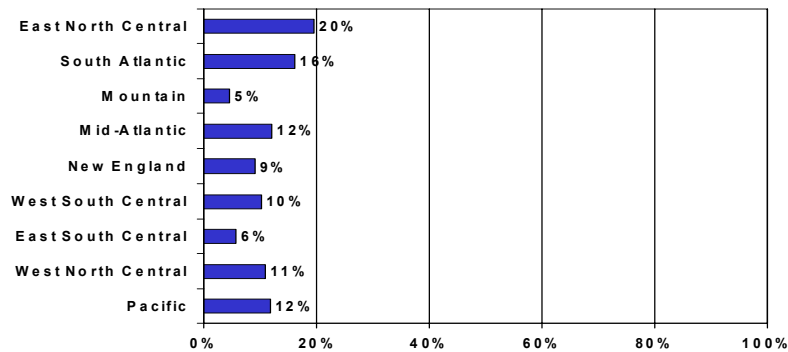


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Participant Profile – Region

Figure 6



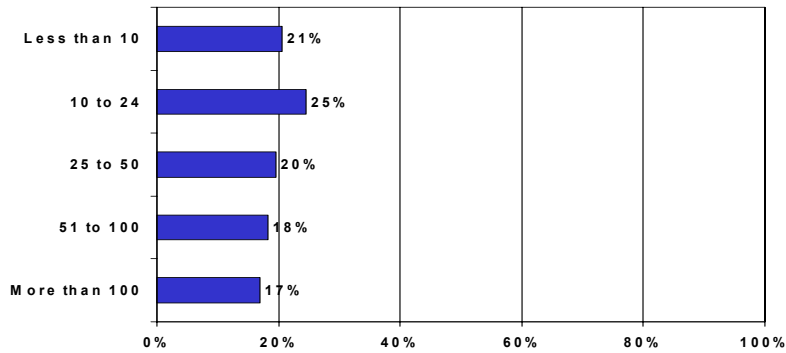
Participant Profile (continued)

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Participant Profile – Number of IT FTEs

Figure 7

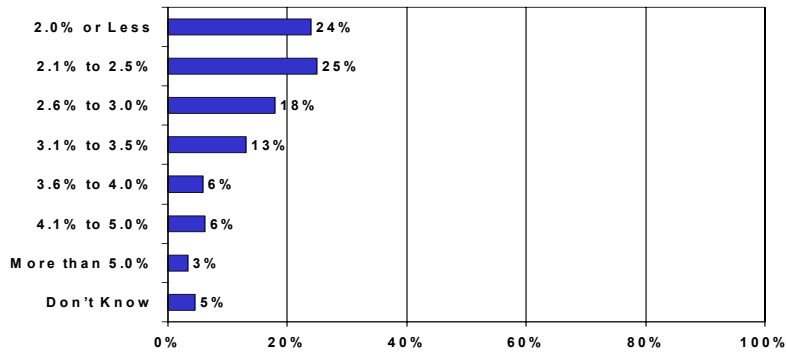


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Participant Profile – IT Budget as % of Operating Budget

Figure 8



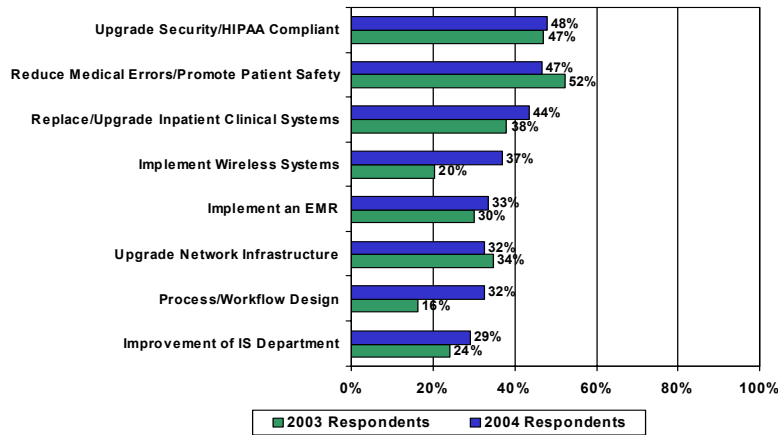
IT Priorities

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Current IT Priorities (Within Next 12 Months)
(2004 Results vs. 2003 Results)

Figure 9

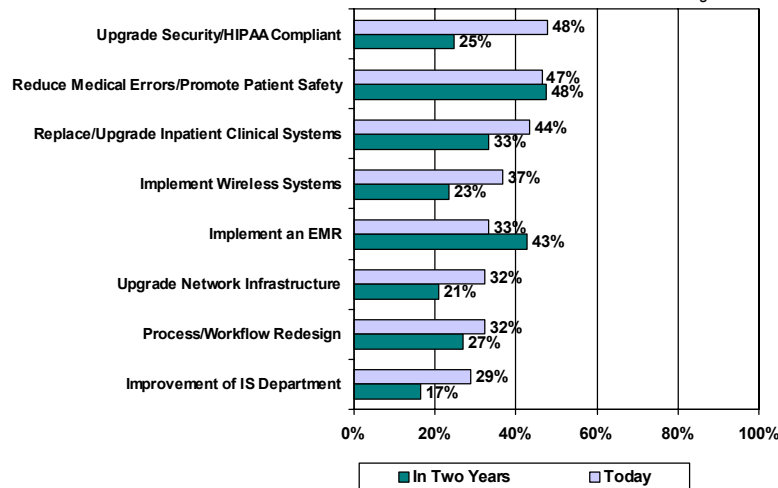


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Projected IT Priorities
(Today vs. Next Two Years)

Figure 10



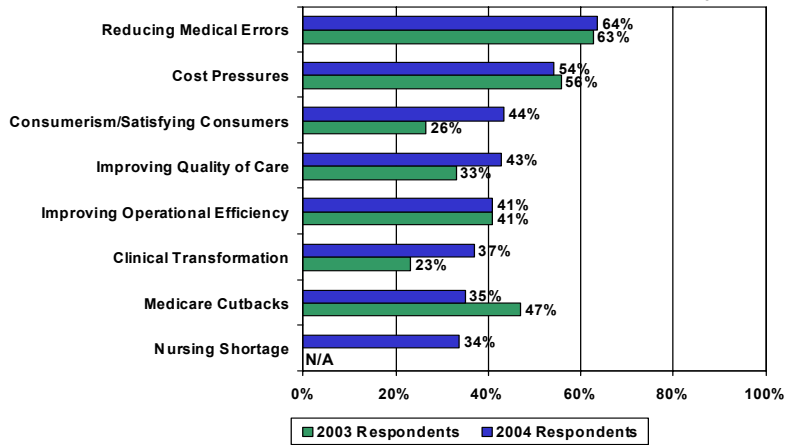
IT Priorities (continued)

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**Top Business Issues Facing Healthcare
(Within Next Two Years)**
(2004 Results vs. 2003 Results)

Figure 11



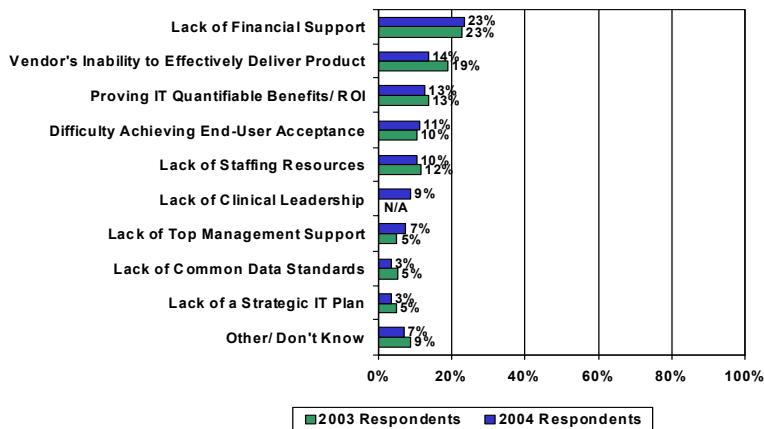
IT Barriers

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Most Significant Barriers to Implementing IT
(2004 Results vs. 2003 Results)

Figure 12



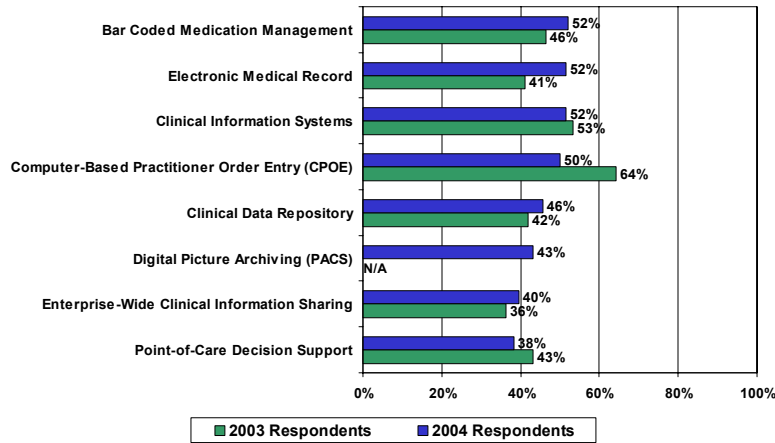
IT Applications

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Most Important Applications (Next Two Years)
(2004 Results vs. 2003 Results)

Figure 13

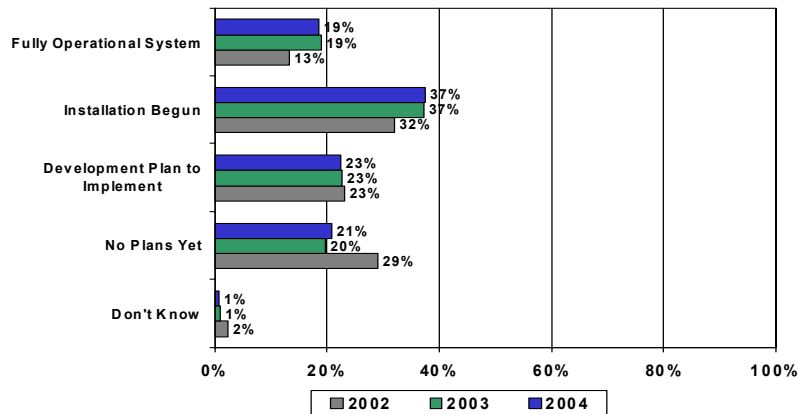


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Status of Electronic Medical Record Implementation
(Comparison of 2004, 2003, and 2002 Results)

Figure 14



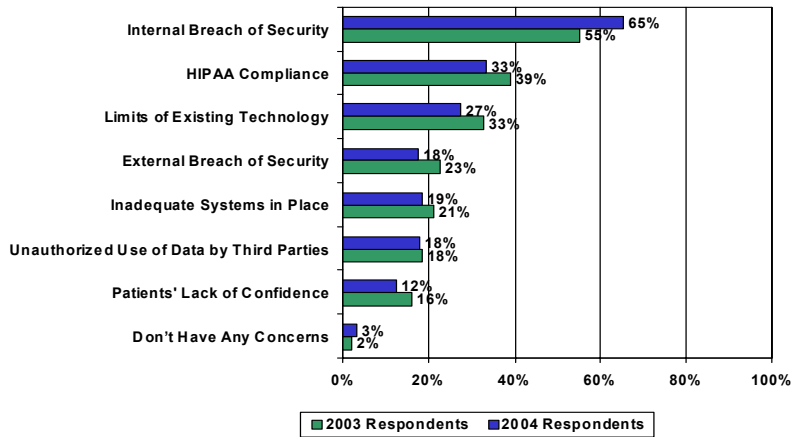
IT Security

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Top Concerns – Security of Computerized Medical Information (2004 Results vs. 2003 Results)

Figure 15

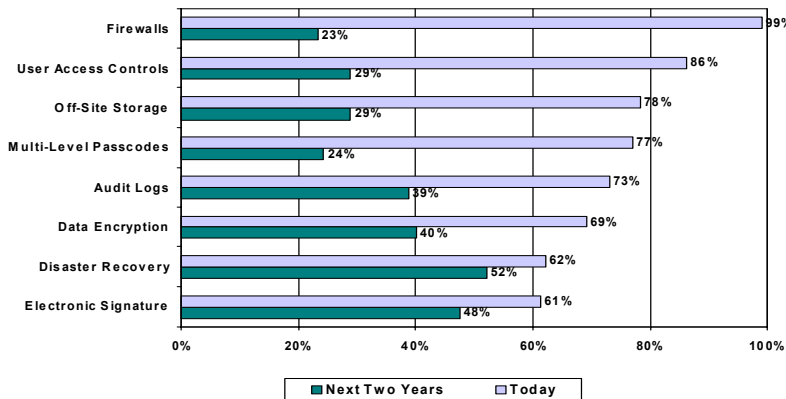


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Security Tools (Today vs. Next Two Years)

Figure 16



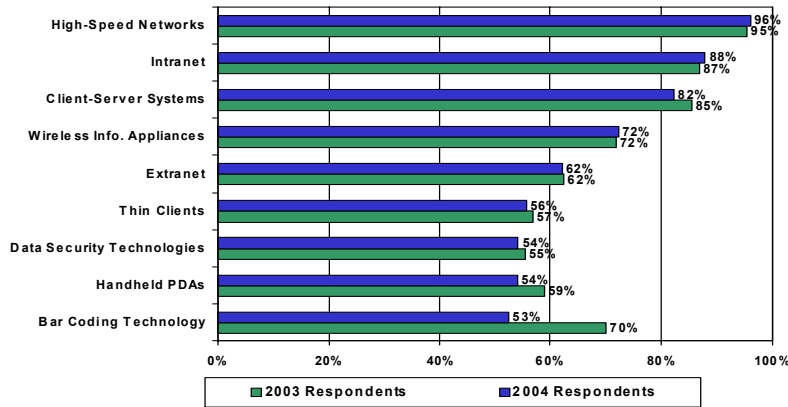
Technology Adoption

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Current Use of Information Technology
(2004 Results vs. 2003 Results)

Figure 17

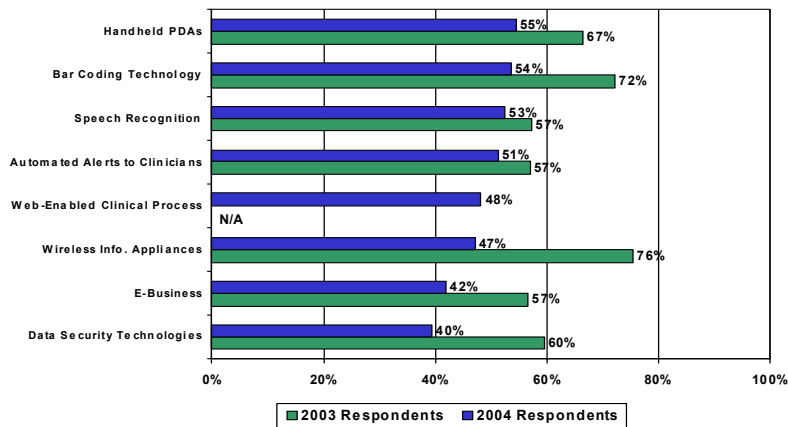


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Technology Adoption (Next Two Years)
(2004 Results vs. 2003 Results)

Figure 18



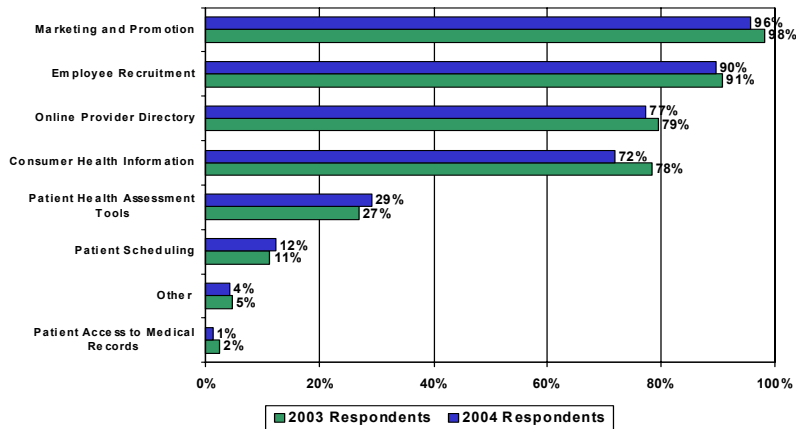
Web Site Use

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Current Web Site Functions
(2004 Results vs. 2003 Results)

Figure 19

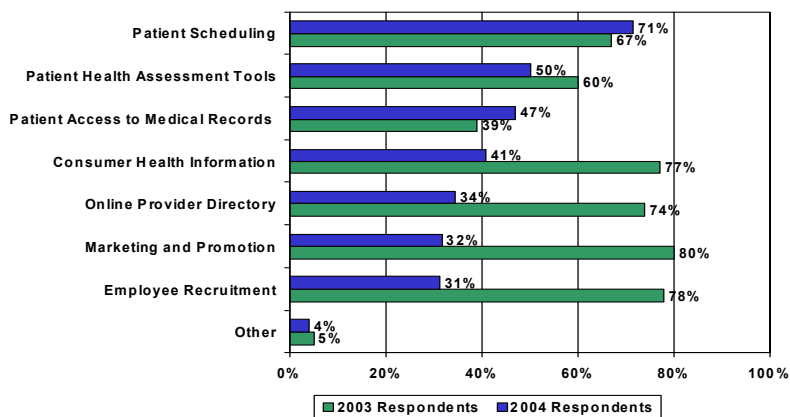


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Additional Web Site Functions
(2004 Results vs. 2003 Results)

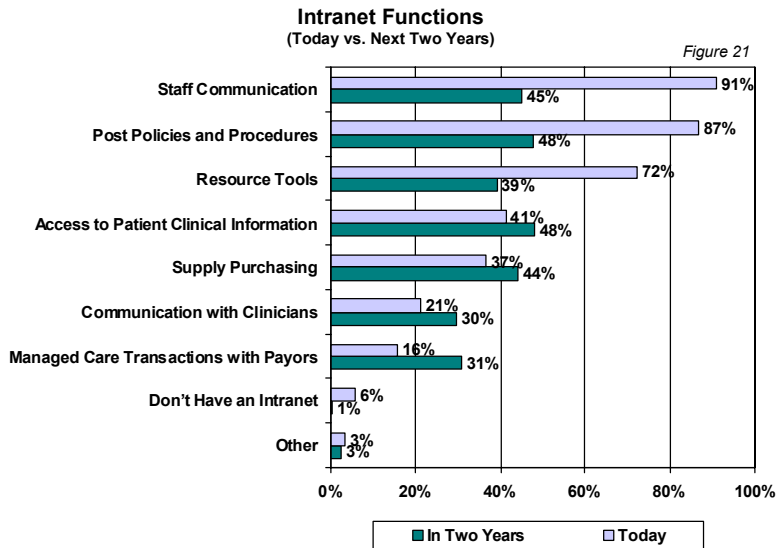
Figure 20



Intranet Use

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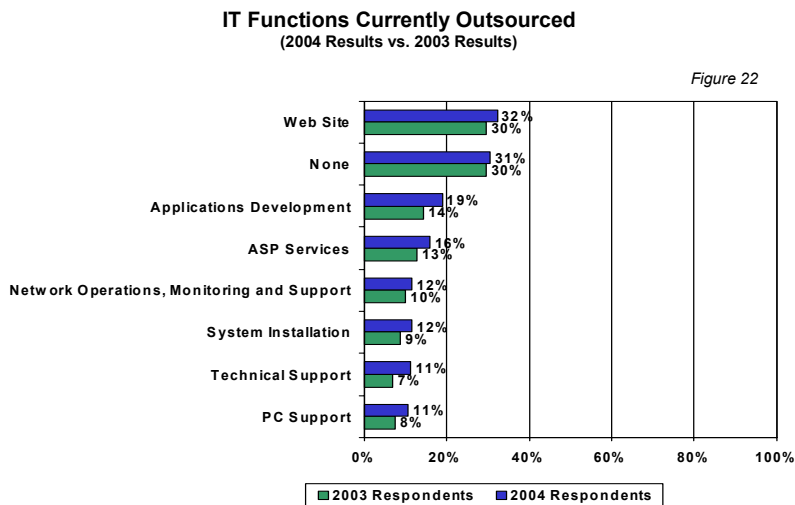
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IT Outsourcing

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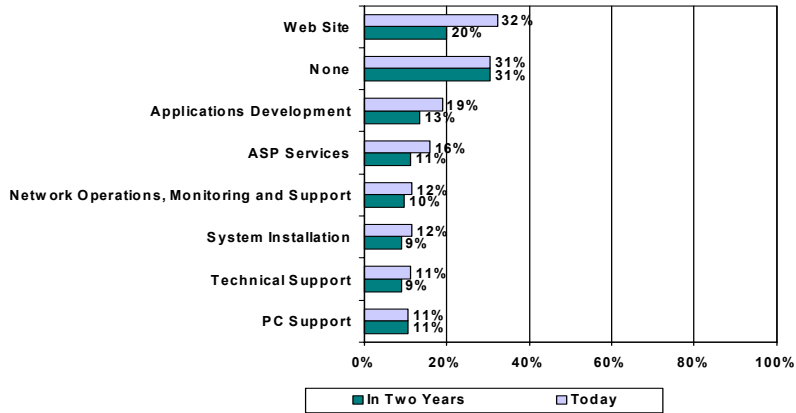
IT Outsourcing (continued)

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

Figure 23

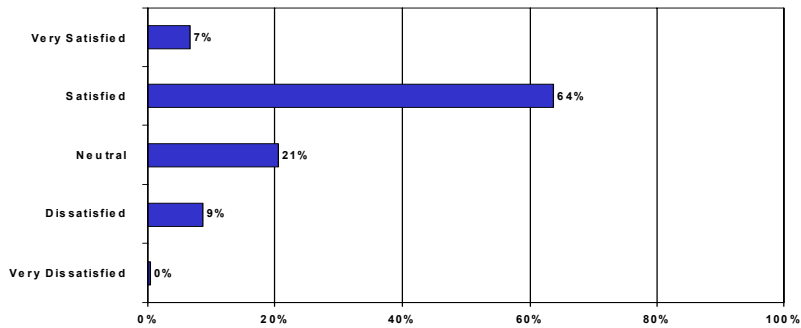


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Satisfaction with Vendor Performance

Figure 24



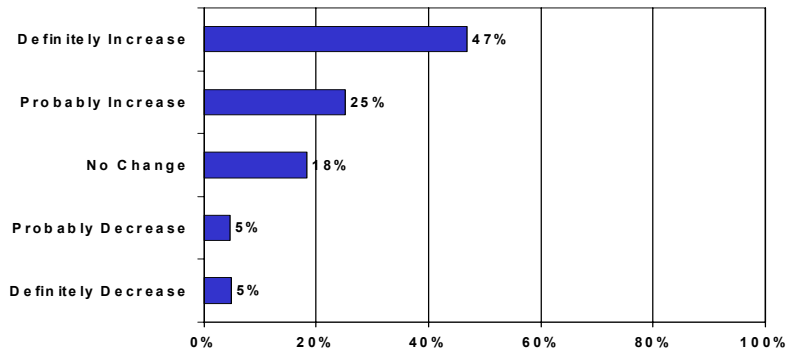
IT Budget and Staff

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Projected Change in 2004 IT Operating Budget

Figure 25

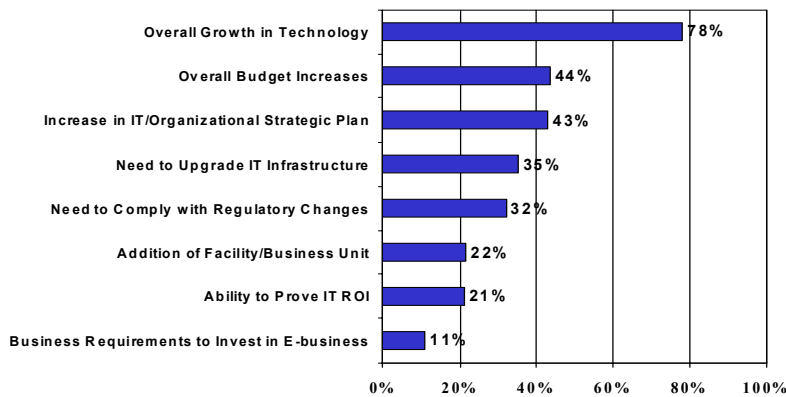


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Reason for Increase in 2004 Budget

Figure 26



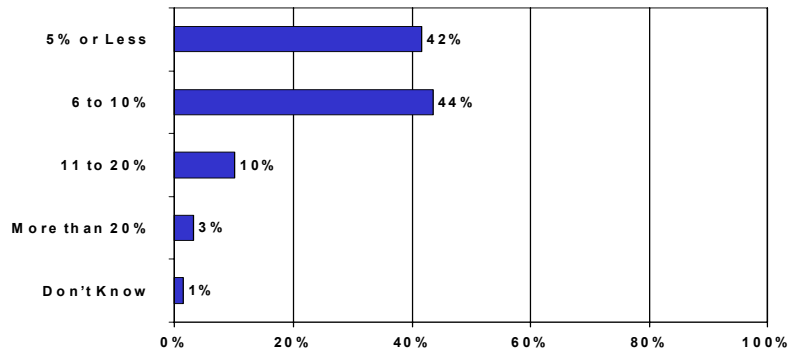
IT Budget and Staff (continued)

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Percent of Projected Increase in 2004

Figure 27

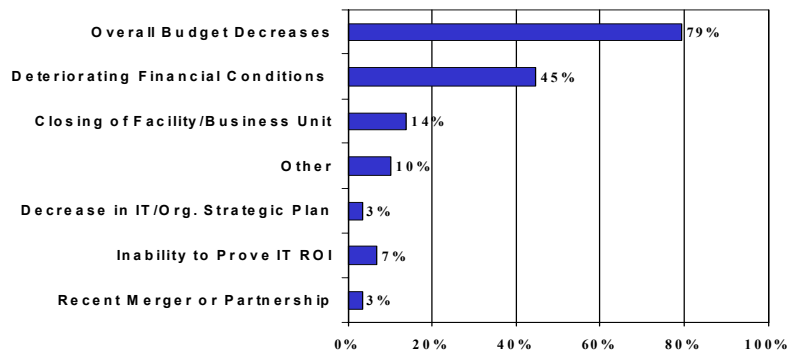


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Reason for Decrease in 2004 Budget

Figure 28



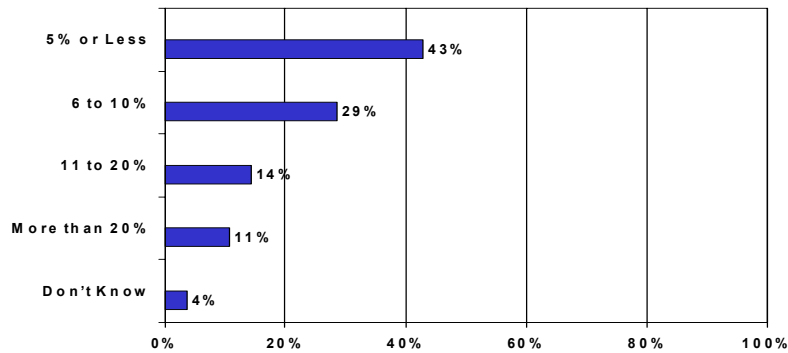
IT Budget and Staff (continued)

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Percent of Projected Budget Decrease in 2004

Figure 29

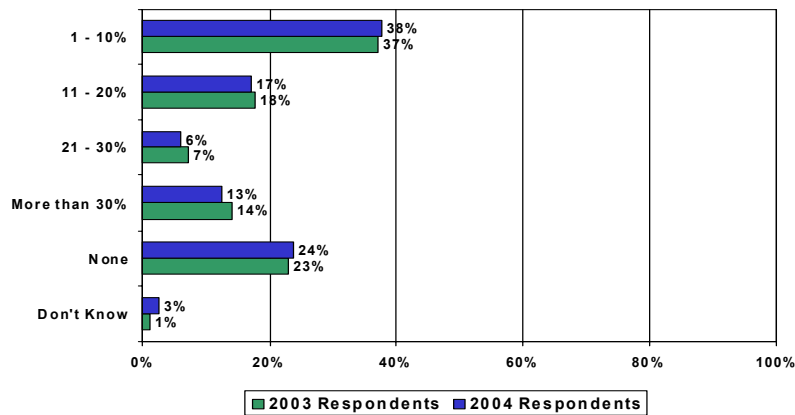


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Percent of IT Spending Controlled Outside IT Department
(2004 Results vs. 2003 Results)

Figure 30



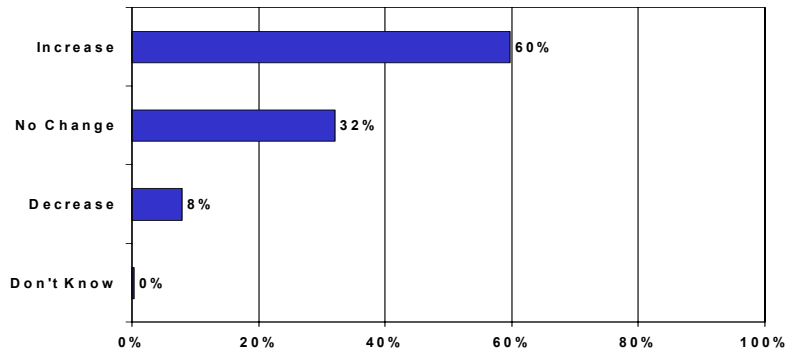
IT Budget and Staff (continued)

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Expected Change in IT Staff in Next Twelve Months

Figure 31



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2004 IT Staffing Needs

Figure 32

