

HIMSS ICD-10\5010 Industry Readiness Survey

Progress on 5010 but Challenges Ahead

December's third semi-annual survey of 5010/ICD-10 readiness collected 256 responses from hospitals and IDNs (69 percent), practices and clinics (18 percent) and other providers, such as long term-care providers (13 percent). The 5010 transactions address electronic claims, electronic eligibility verification, electronic claim status, electronic referral certification and authorization, electronic remittance and more.

5010 Survey Findings

The poll found that 63 percent of respondents now have a 5010 project compared to only 38 percent of the respondents six months earlier. Almost one-third of those professionals responding to the survey will be upgrading their systems for 5010 compliance; 30 percent reported they will start testing with external trading partners in the first quarter of 2011.

While there appears to be a strong set of "early adopters," about half of providers are focusing their efforts on the second half of 2011. Survey results show:

- 17 percent of respondents indicate they will test in the latter half of 2011; and
- 30 percent of respondents indicate they don't know when they will start testing.

While the 5010 final rule authors envisioned a full year of testing in 2011, the HIMSS 5010 survey findings suggest that much of the testing with trading partners will be focused in the second half of 2011.

Providers, who depend on their system vendors to deliver 5010-ready code and clearinghouses and payers to accept the new transactions, are understandably concerned about the readiness of others for 5010.

- Two out of three survey respondents worry that payers will not be ready to pay claims and process other transactions in the 5010 format.
- About half of the respondents have doubts about their software vendor's ability to deliver 5010 compliant versions and their clearinghouses to process 4010 and 5010 transactions in time for adequate testing and implementation.

The complexity of testing was cited as a concern by some providers responding to the survey. This is understandable as 66 percent of the providers plan to upgrade their systems; more than half of these are planning to test with clearinghouses and payers. Aligning a legacy system upgrade with the readiness of trading partners for testing requires careful planning and execution, if it is to be completed by the end of the year (2011).

If 5010 were the only initiative providers had on their plates, there might be less reason for concern. But providers identified a number of initiatives that are competing with their 5010 projects. These include:

- Organization's efforts to achieve meaningful use - 66 percent;
- Software projects – 56 percent; and
- Business initiatives – 40 percent.

About half of the providers responding were also concerned with staffing for the 5010 effort.

ICD-10 Survey Findings

The survey also found that providers were making significant progress on ICD-10 albeit at a slower pace than for 5010. Providers with staffed and funded projects increased from 30 percent in the May 2010 survey to 47 percent in December 2010. Just over half of the respondents had started (56 percent) or completed (13 percent) their ICD-10 impact assessments and only 10 percent had not considered ICD-10, down from 19 percent six months earlier. The NCHICA/WEDI Alternative ICD-10 Timeline suggests providers complete their preliminary impact assessment by January 31, 2011.

The vast majority of providers responding to the survey, 83 percent, indicated they would upgrade their systems for ICD-10 while 21 percent plan to replace existing systems. One-third indicated that they would be leveraging efforts to comply with meaningful use of EHRs as part of their ICD-10 efforts, suggesting that some providers are finding strategic synergies between the two CMS mandated initiatives. Some 39 percent of respondents plan to use cross walks for ICD-10.

As with 5010, meaningful use was most frequently cited (70 percent) as a competing initiative for ICD-10. Other technology projects (64 percent) and business initiatives (50 percent) were also indicated as competing with ICD-10 efforts. It is noteworthy that 27 percent of the respondents listed 5010 itself as a competing initiative suggesting that some are depending on the same resource pool for both projects.

Among the obstacles for ICD-10 projects were staffing (64 percent), knowledge of resources (53 percent) and vendor readiness (38 percent). Almost half of providers (45 percent) indicated that they needed more information on ICD-10 to assist them in their planning efforts compared to only 33 percent for 5010.

In summary, with 33 months remaining until the ICD-10 compliance date (October 1, 2013), 69 percent of the providers responding to this survey are keeping pace with the NCHICA/WEDI Alternative ICD-10 Timeline. But competition for resources and vendor readiness could threaten continued progress. Additionally, delays or problems in 5010 implementation have the potential to exacerbate resource competition, particularly for providers who are relying on the same resources to staff both efforts.

The HIMSS ICD-10\5010 Industry Readiness Survey 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 October 1, 2013. HIMSS conducted the Survey on ICD-10\5010 Industry Readiness in November 2009, May 2010 and December 2010, with the next survey scheduled for May 2011. Survey results inform the overall planning and support activities for these initiatives within HIMSS and across the broader community of industry stakeholders.

For more information about HIMSS Business-Centered Systems, please contact Juliet Santos, Senior Director, Medical Banking & Financial Systems, jasantos@himss.org, (312) 909-9602.

The HIMSS Business-Centered staff wishes to thank the substantial and ongoing efforts of Joe Miller, Director of e-business for the AmeriHealth Family of Companies, in authoring, analyzing and preparing this important industry update.