

Healthcare CIOs Still Optimistic About Stage 1, But Majority Won't Get EHR Incentive Funding Early

Quality data collection, CPOE top ongoing concerns for health IT executives

Executive Summary

One third of CHIME members who responded to a March 2011 survey expect to qualify for stimulus funding under the HITECH portion of the American Recovery and Reinvestment Act (ARRA) in the first year of the program.

Additionally, nearly all of the CIOs responding to the College of Health Information Management Executives (CHIME) survey expect to achieve meaningful use of electronic health records and incentive funding for Stage 1. In fact, more than 90 percent believe their organizations will qualify for stimulus funding in federal fiscal years 2011 to 2013, the first years of the stimulus-funding program. The percentage of respondents who expect their organizations to qualify for stimulus funding for Stage 1 has remained fairly consistent over each of the three quarterly surveys CHIME has conducted.

However, results from this latest survey illustrate a continued decline in optimism among CHIME members aiming to qualify for funding within the first six months of the federal program. Only 7.5 percent of respondents said they expected to qualify for funding by April 1, 2011, compared with 15 percent of respondents to the same question in November and 28 percent of CIOs who responded to the first CHIME survey in August 2010.

In addition to the 7.5 percent that expected to qualify by April 1, 2011, another 25 percent of CHIME members who responded to the survey expect to qualify for stimulus funding by September 30, 2011, which marks the first full year of the program. An additional 58 percent expect to qualify during Stage 1, but possibly not until late in federal fiscal years 2012 or 2013.

A majority of respondents reported that their organizations have yet to register for the federal program, the first step in declaring readiness for the incentive program and subsequently demonstrating the meaningful use of electronic health records (EHRs). A total of 19.5 percent of CIOs at standalone hospitals have already registered for the program, while 29.5 percent of CIOs at multi-hospital systems have registered all their hospitals for the program.

Responses from community hospital CIOs suggest that their organizations will need more time to qualify for stimulus funding. A total of 26 percent of CIO respondents from community hospitals expect to qualify for stimulus funding during the first year of the program, ending on September 30, 2011, with 66 percent seeking to qualify in late FY2012 or FY2013.

In comparison to the last meaningful use readiness survey by CHIME, more CIOs are accelerating plans to implement EHRs, with 40.5 percent in March versus 35.6 percent in November 2010. Those who believe their current IT strategy and existing applications would help them meet meaningful use slipped to 39.5 percent in March, compared with 41.9 percent in November.

Other findings include the following:

- Nearly 90 percent of respondents still have concerns related to meeting meaningful use requirements.
- Capturing and submitting data for quality measures has become the most frequently cited concern of CIOs responding to the survey.
- Nearly 75 percent of responding CIOs say they are concerned about legislative proposals to repeal incentive funding, including the EHR Medicare and Medicaid Incentive Program.
- Some 55 percent of CIO respondents say they still have lingering questions about the program, nearly six months after the October 1, 2010, start of the stimulus funding program.

Survey Methodology

The recent survey of CHIME members represents the third quarterly survey of the organization's membership to gauge their perceptions of progress in achieving meaningful use and to measure their views on whether they expect to achieve stimulus funding through the federal program.

CHIME's first survey, which was taken by members in August, came only a few weeks after the Centers for Medicare & Medicaid Services (CMS) released its final rule governing how hospitals and eligible professionals would be assessed for achieving meaningful use of EHRs under the HITECH provisions of ARRA. CHIME offered the second survey to its members in mid-November.

CHIME's membership comprises more than 1,400 chief information officers and other senior healthcare IT executives from a variety of provider organizations, including large hospital systems, community hospitals, for-profit hospitals, and small or rural facilities. CHIME

members typically oversee the information services department within their organizations and are leaders in implementing EHRs and other clinical systems. CHIME works to advance the role of CIOs and senior healthcare IT leaders through education, collaboration and advocacy in support of improved health and healthcare delivery.

This report is based upon responses from 200 members, or about 14 percent of CHIME's membership, who participated in the Internet-based survey, which was available from March 4 - 20, 2011. Of those, about 41 percent of respondents work for community hospitals; 30 percent are top IT executives at multi-hospital systems; 12 percent are in top IT roles at academic medical centers; and 17 percent are employed at other types of healthcare organizations, including critical access hospitals, large group practices, hospital-group practice models or others.

Responses were fairly even across a wide range of bed size categories. Bed size categories and the percentage of respondents were fewer than 199 beds, 28.5 percent; 200 to 399 beds, 28.5 percent; 400 to 599 beds, 15 percent; and more than 600 beds, 27.5 percent.

Survey Results

Organizations' Expectations for Receiving Payments

Overall, CIOs responding to the CHIME survey remain optimistic about their organizations' prospects for receiving stimulus funding, but most of the optimism for receiving the payments early in the program has declined.

When asked to assess their expectations for qualifying for stimulus funding for the meaningful use of electronic health records, slightly more than 90 percent of CIO respondents predicted that their organizations would be able to qualify for funding for Stage 1 of the program. That is nearly identical to the percentage of CIOs responding positively to this question in the two previous CHIME surveys conducted in August 2010 and November 2011.

In addition, about a third of the respondents to the t recent survey said they hope to qualify for funding in the first year of the program on Sept. 30, 2011.

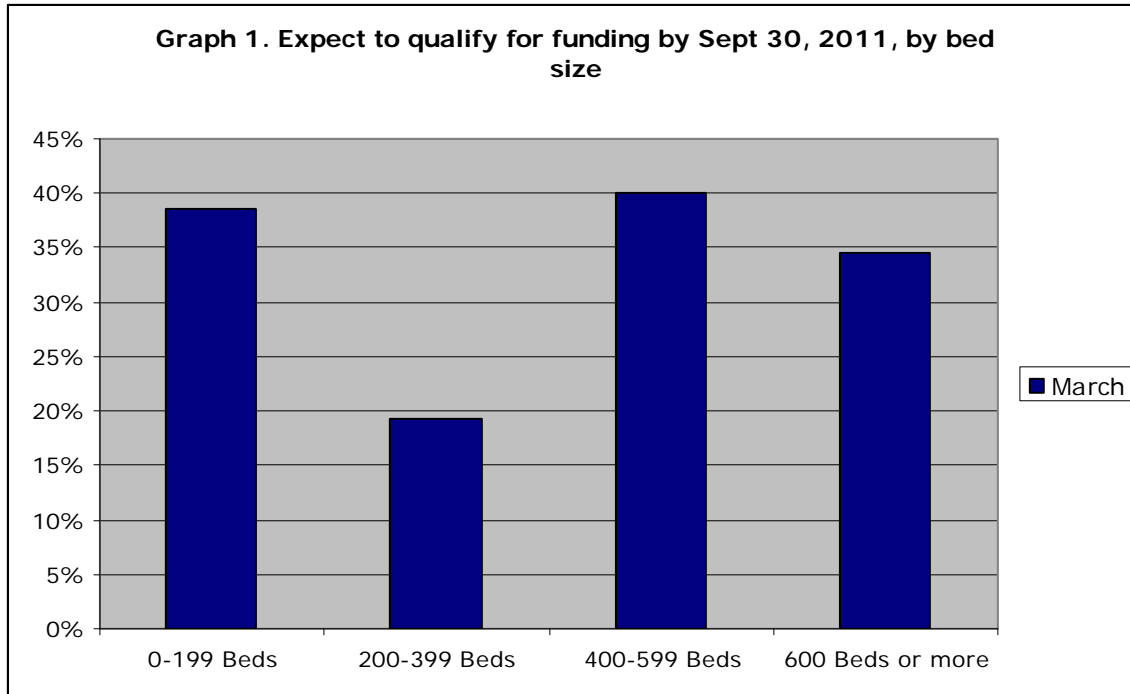
The latest survey shows that the percentage of respondents who believed their organization would qualify for funding within the first six months of the program has continued to fall. A reported 7.5 percent of CIOs said their organizations would qualify for funding within the first six months, or as of April 1. By contrast, 15 percent in the November 2010 survey reported that they would qualify by that date, and 28 percent in first CHIME survey in August 2010.

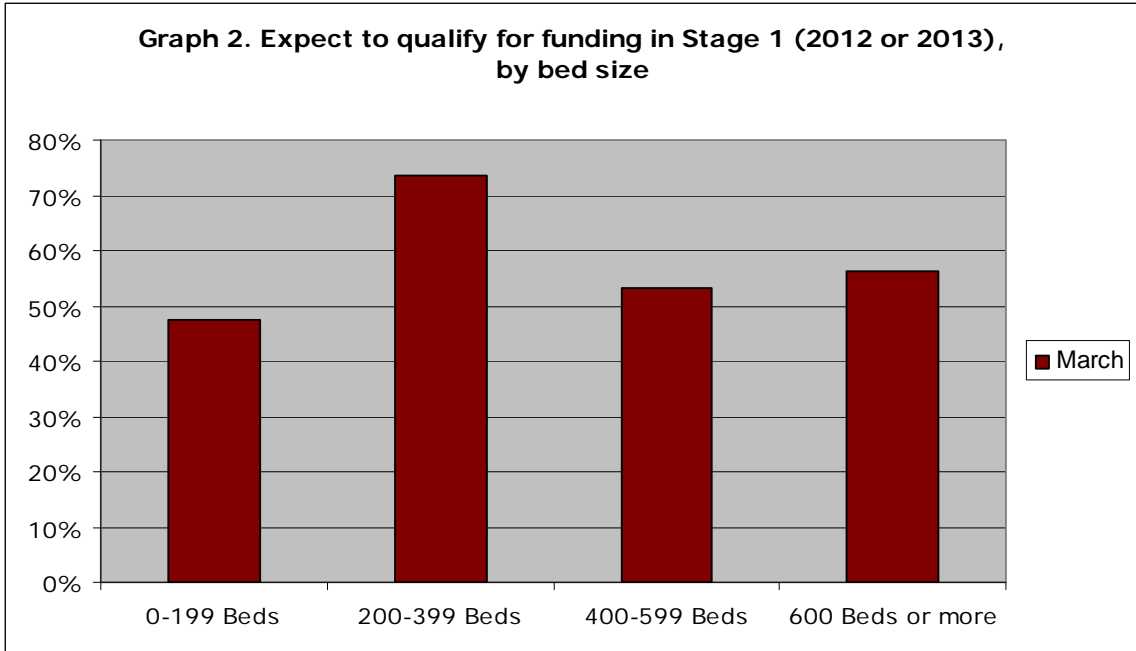
Another 25 percent of CIOs expect their organizations to qualify for stimulus funding by Sept. 30, 2011, the end of fiscal year 2011 for the federal government, which will mark the first year of the program.

By contrast, 58 percent of respondents said they would qualify for funding, but were unlikely to do so until later in the timeframe for Stage 1, either in federal fiscal year 2012 or fiscal year 2013, ending September 30, 2013.

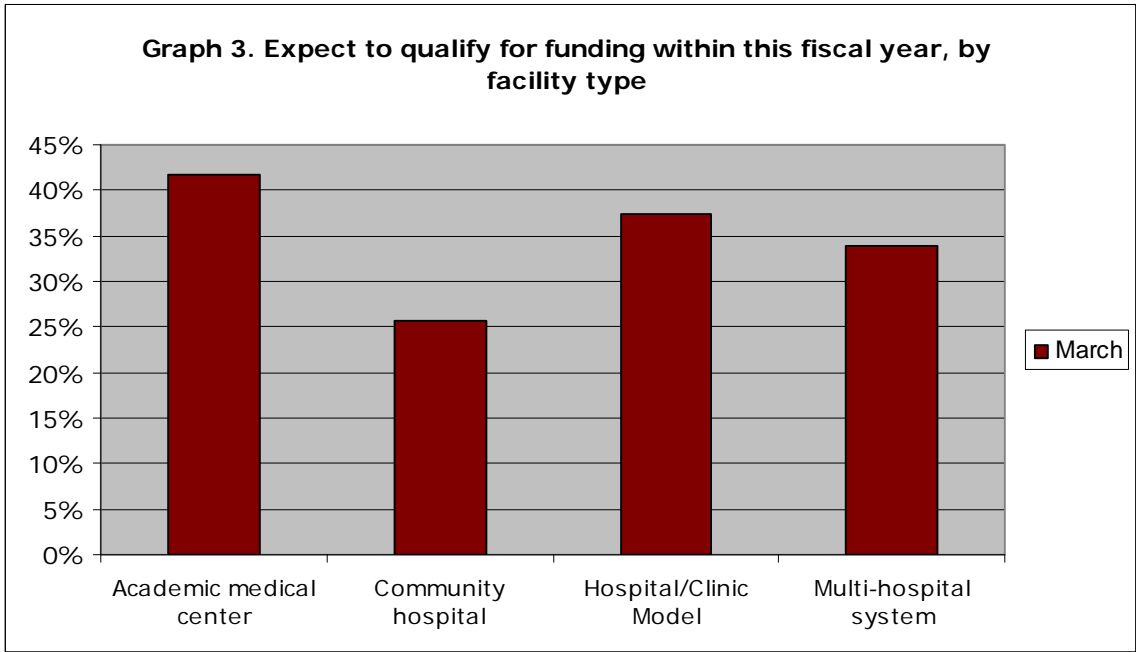
Finally, some 9.5 percent of CIOs said their organizations would not qualify for funding until fiscal year 2013 or later, slightly down from the two previous surveys.

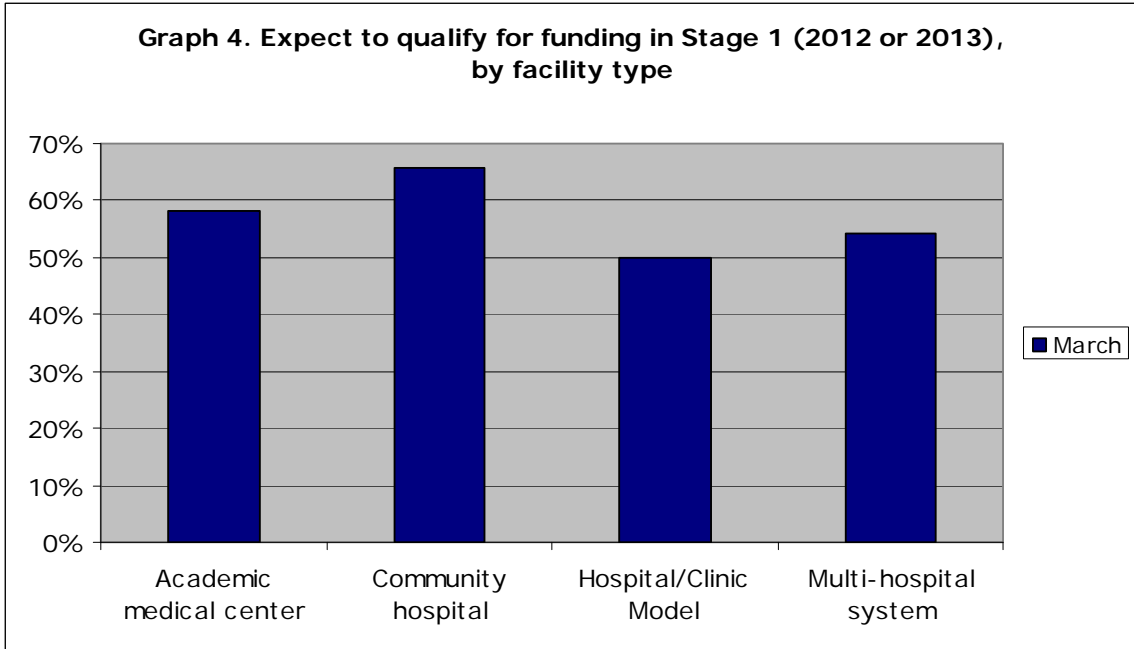
CIOs at facilities with 200 to 399 beds said they were less likely to achieve stimulus funding before Sept. 30, 2011, and anticipate qualifying later in Stage 1 (see Graphs 1 and 2).



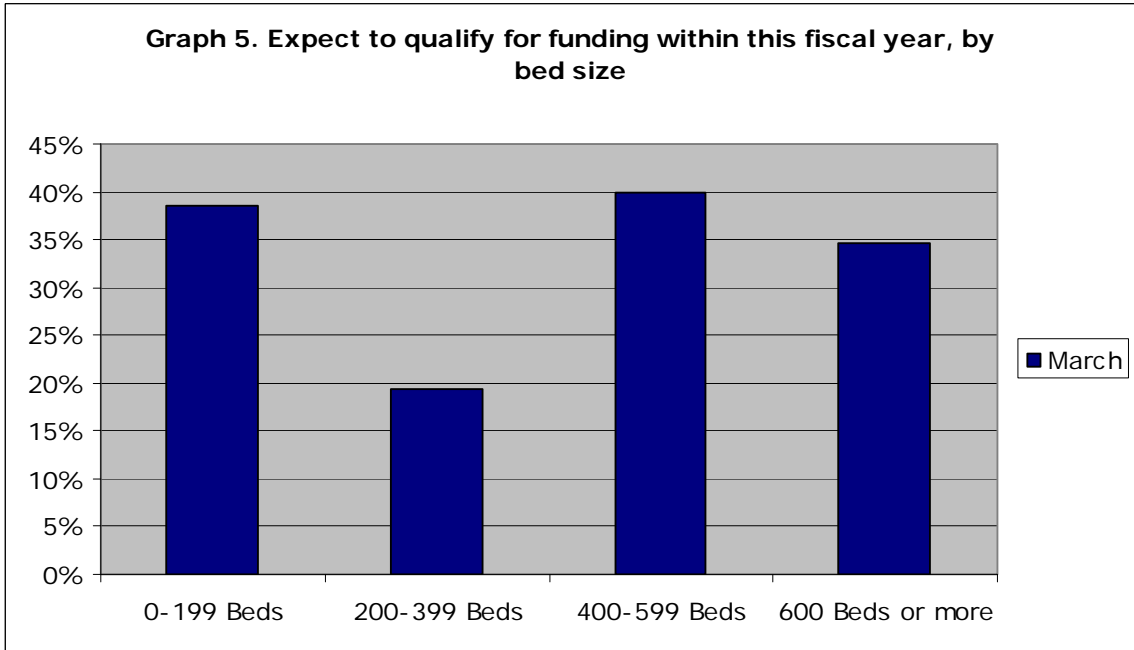


In terms of hospital type, respondents from community hospitals had the lowest expectations for qualifying for stimulus funding this fiscal year, however were the most likely to predict their organizations would qualify for funding in fiscal years 2012 or 2013. Additionally, about 42 percent of academic medical centers expect to qualify for stimulus funding this fiscal year (see Graphs 3 and 4).





Some respondent groups still have high expectations of qualifying for stimulus funding in FY 2011. For example, 40 percent of respondents from facilities with 400 to 599 beds expect to qualify for funding by Sept. 30, 2011, as do 38 percent of respondents from facilities with fewer than 200 beds (see Graph 5).



Minority of Respondents' Hospitals Have Registered for the Program

Healthcare providers wishing to participate in the stimulus funding program first must register to participate, submitting a variety of demographic and provider information, as well as documenting the certified clinical systems they will be using. As the second part of the process for obtaining stimulus funding, providers must document their ability to meaningfully use electronic health records.

Results from the CHIME survey found that, at least six months into the federal program, healthcare organizations had yet to register for the stimulus funding program.

When asked about their plans for registering for the program, only 19.5 percent of 113 CIOs at stand-alone hospitals indicated that their organizations had registered for the program. Another 27.4 percent expect to register between April 1 and July 1, while another 21.2 percent indicated that they will register in the last three months of the federal fiscal year, which ends September 30. By contrast, 30 percent expect to register during fiscal year 2012, which ends Sept. 30, 2012, and 1.8 percent do not expect to register at all during Stage 1 of the program.

A total of 82 CIO respondents said they represented healthcare organizations with more than one hospital. Of those, 51.2 percent have not registered any of their hospitals. Another 15.9 percent have registered some, but not all, of their hospitals and the remaining 28 percent have registered all of their hospitals to participate in the stimulus funding program.

Are Hospitals Accelerating EHR Efforts?

In this survey, as in the previous two surveys, CHIME asked respondents to assess how comfortable they were with their existing IT strategies. Responses indicate a slight shift in respondents' thinking, as more CIOs indicated that they planned to accelerate plans to implement EHRs.

Some 40.5 percent of respondents to the March CHIME survey plan to accelerate plans to implement EHRs or other applications needed to achieve meaningful use objectives. That compares with 36 percent of respondents who reported plans to accelerate implementations in November.

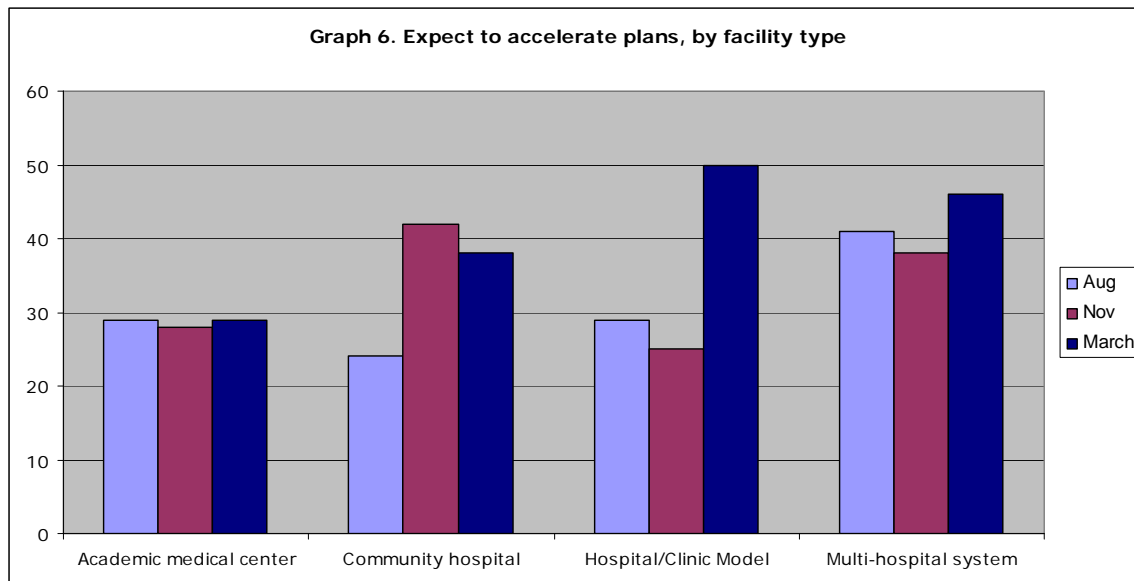
A reported 39.5 percent of CIOs feel well positioned to achieve meaningful use with their current IT strategy and existing applications, down slightly from 42 percent in November. Another 16 percent are evaluating current HIT applications to determine if they will enable achievement of meaningful use objectives, while 4 percent were not planning changes in IT strategy, no matter what the reimbursement implications (see Table 1).

Table 1. In the last three months, what type of changes have you felt compelled to make in your IT strategy to improve your chances of obtaining stimulus funding?

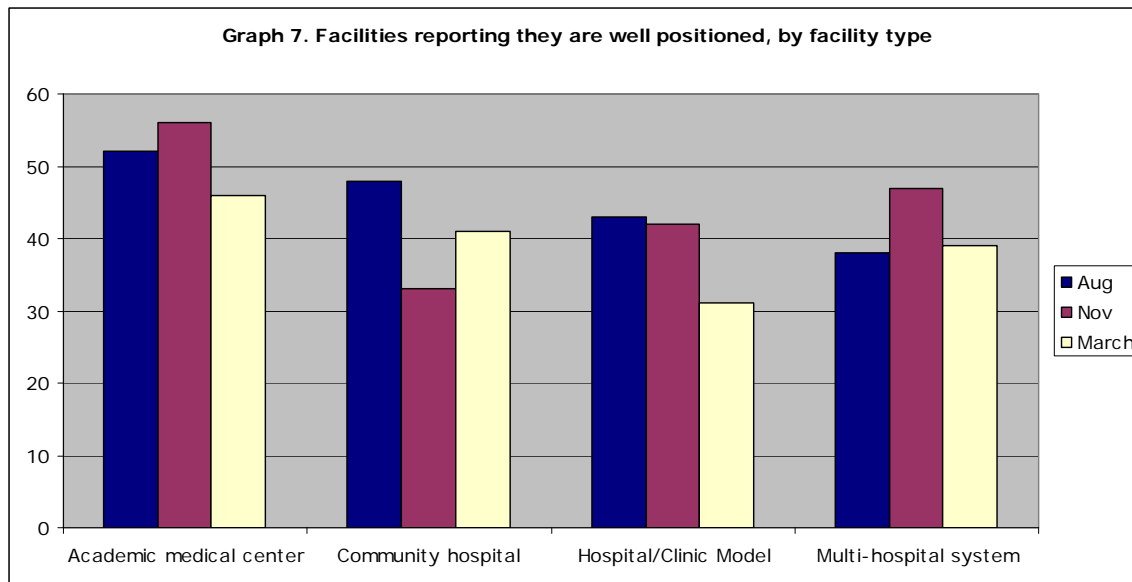
	We feel we are well-positioned to achieve MU with our current IT strategy and existing applications	We are accelerating plans to implement EHRs and/or other applications needed to achieve MU	We are evaluating our current HIT applications to ensure they will enable us to meet MU objectives and may have to make changes based on our research	We are not planning to accelerate or make any changes in our IT strategy in response to MU objectives; we're staying the course no matter what the reimbursement implications are
Number	79	81	32	8
Percent	39.5	40.5	16	4
Total	200	200	200	200

The recent survey marks the first time that the percentage of CIOs planning to accelerate efforts is higher than the percentage that reported feeling well positioned.

By facility type, 50 percent of respondents from hospital/clinic organizations and 46 percent from multi-hospital systems expect to accelerate initiatives to implement EHRs or other applications. This percentage is up significantly from levels in the November survey (see Graph 6).



Percentages of CIO respondents who believe their organizations are well positioned to achieve meaningful use declined across all facility types, when compared with results of the November survey. The lone exception involved respondents from community hospitals, which had the lowest rating among the four groups in November (see Graph 7).



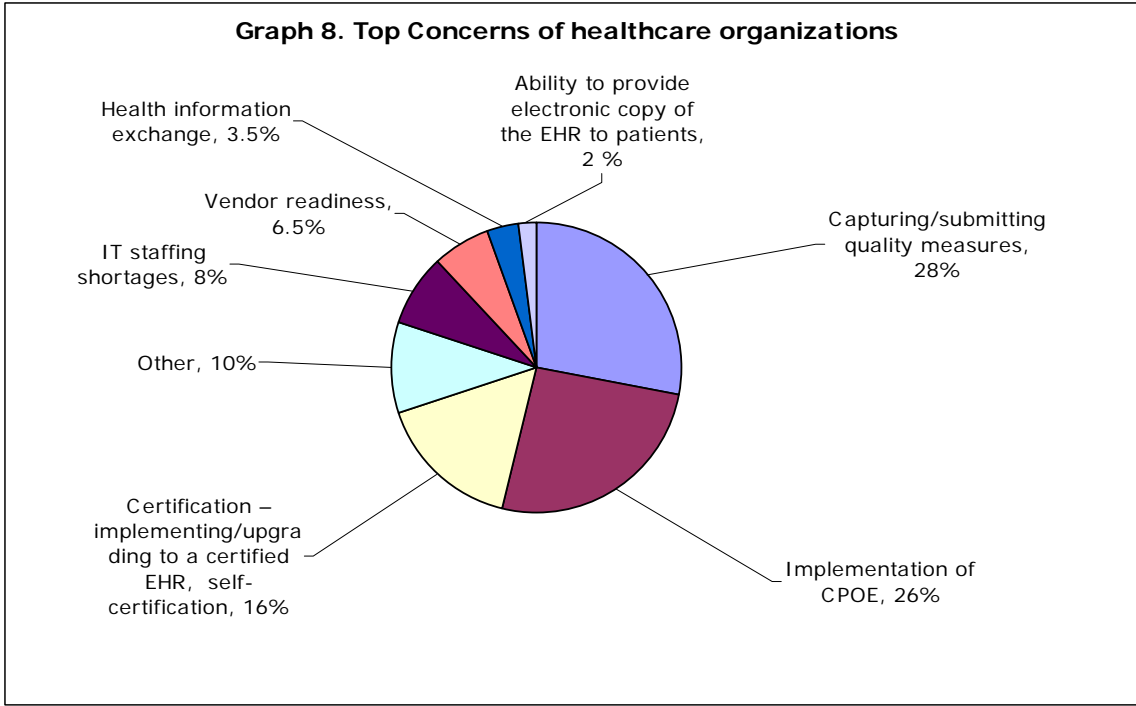
Concerns Still Abound Over Achieving Meaningful Use

The vast majority of respondents – about 85 percent – reported a variety of concerns they need to overcome to achieve the meaningful use of EHRs. As in the previous survey, the areas of concerns have shifted somewhat as CIOs begin to focus on new challenges of the program.

Of those who reported concerns, capturing and submitting quality data, which will be required to demonstrate compliance with some meaningful use objectives, ranked highest with nearly 28 percent of respondents (see Graph 8). That compares with 22 percent who cited quality data as their top concern in November and 18 percent in August.

Another 26 percent listed implementation of computerized provider order entry (CPOE) as their top concern, dipping slightly from the 29 percent in November.

Certification – the top concern of the first survey in August 2010 with 25 percent – was the third most frequently cited issue in March, identified by 16 percent of respondents. In November, certification was cited as a top concern by 11 percent.



A total of 15 percent of respondents reported that they had no concerns in meeting meaningful use requirements, compared with 18 percent November and 9 percent in August.

Lingering Questions and Worries

The change in political power in Washington during the last election is on the minds of CIOs as they move ahead with expensive plans to implement clinical systems. Over the past few months, several legislative proposals have been put forth to change recently passed legislation, including proposals to repeal incentive funding, such as the EHR Medicare and Medicaid Incentive Program.

When asked about concerns related to legislative proposals to revoke incentive funding, more than 75 percent of CIOs said they were apprehensive about such repeal efforts. Additional comments by respondents highlighted the impact of the additional doubt that such repeal efforts have on EHR implementations.

Finally, nearly 45 percent of CIOs continue to have lingering questions about the stimulus fund program. That is a slight increase from the 38 percent in November.

About CHIME

The College of Healthcare Information Management Executives (CHIME) is an executive organization dedicated to serving chief information officers and other senior healthcare IT leaders. With more than 1,400 CIO members and over 70 healthcare IT vendors and professional services firms, CHIME provides a highly interactive, trusted environment enabling senior professional and industry leaders to collaborate; exchange best practices; address professional development needs; and advocate the effective use of information management to improve the health and healthcare in the communities they serve. For more information, please visit www.cio-chime.org.