July 2011

ICD-10 Puts Revenue at Risk

by Karen Minich-Pourshadi

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Foreword

NO SILVER BULLET TO ICD-10, BUT MAYBE A SILVER LINING

Regulations are pouring out of Washington, DC, as lawmakers and bureaucrats attempt to bend the cost curve of an out-of-control healthcare system. ICD-10 is one key piece to the overall success of the larger puzzle. More granular data will better reflect the patients’ condition and help us manage their care better. At least, that’s the idea.

The initiatives spinning out of the federal mandates have two things in common: They rely heavily on IT, both for transactions and analytics, and they impose significant change on organizational work flows, specifically those affecting clinicians.

Change is tough. When this change comes at us from so many different angles and we have to juggle an increasing number of competing priorities, change gets even tougher. However, while all this change may lead you down a bumpy road, with it comes opportunity, so buckle up for the ICD-10 ride!

The survey results in this Intelligence Report are sobering:

• All but 1% of survey respondents have heard the message coming out of Washington: The ICD-10 compliance date is not moving.
• The vast majority of respondents (72%) believe ICD-10 will have a positive impact on quality in the long term.
• While they see the long-term benefit, many respondents (41%) also believe ICD-10 will strain physician relationships.
• Most (60%) expect short-term cash flow to be negatively impacted both in terms of project resources and lost revenue.
• Only a third of the respondents believe payers will be ready by October 2013 and most believe physician cooperation will be their biggest barrier.

Although the knowledge that ICD-10 is coming has sparked action by healthcare leaders—most (84%) have started their ICD-10 projects—as a group, less than a third (29%) have moved beyond the assessment phase into implementation.

October 2013 sounds far off, but it will be upon us sooner than we think. It gives one pause to ask, "Why don’t we see more respondents deep in implementation, especially if the vast majority believe the date isn’t moving and the financial impact of noncompliance will be significant?" The survey points to the answer: Organizations are overwhelmed with competing priorities.
Many have compared ICD-10 to Y2K. But Y2K was easy by comparison. It dealt mostly with remediating IT systems. ICD-10 is more complex. It requires staff along the care continuum to learn and use a new order of magnitude of diagnostic and procedure codes—from the scheduler who needs to ensure an authorization is in place for a given procedure, to the physician documenting at a higher level of granularity, to the HIM professional assigning codes that reflect the physician’s notes, to the biller creating a claim for the medical encounter. Unquestionably, ICD-10 introduces an added layer of complexity to the multitude of challenges already at hand.

Although there is no silver bullet for ICD-10 implementation, there may be a silver lining. Many organizations leveraged their Y2K investments to upgrade and replace outdated systems, which in turn helped them drive business innovation and operational efficiencies. Perhaps, not unlike Y2K, ICD-10 will also result in a positive return on the investment. However, one point is certain: If you haven’t started working on it, there is no time to waste.

Albert Oriol
Vice President and CIO
Rady Children’s Hospital and Health Center, San Diego
Lead Advisor for this Intelligence Report
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>3</td>
</tr>
<tr>
<td>Methodology</td>
<td>6</td>
</tr>
<tr>
<td>Respondent Profile</td>
<td>7</td>
</tr>
<tr>
<td>Analysis</td>
<td>8</td>
</tr>
<tr>
<td>Survey Results</td>
<td>13</td>
</tr>
<tr>
<td>Status of ICD-10 Preparation</td>
<td>13</td>
</tr>
<tr>
<td>ICD-10 Readiness Assessments</td>
<td>13</td>
</tr>
<tr>
<td>Completed Assessments</td>
<td>14</td>
</tr>
<tr>
<td>ICD-10 Readiness of Various Areas</td>
<td>14</td>
</tr>
<tr>
<td>Readiness of System to Accept ICD-10 Codes</td>
<td>15</td>
</tr>
<tr>
<td>Readiness of Payer to Accept ICD-10 Codes</td>
<td>15</td>
</tr>
<tr>
<td>ICD-10 Readiness of Coding Staff Training</td>
<td>16</td>
</tr>
<tr>
<td>ICD-10 Readiness of Clinical Documentation Improvement Training</td>
<td>16</td>
</tr>
<tr>
<td>ICD-10 Readiness of Physician Documentation Practices</td>
<td>17</td>
</tr>
<tr>
<td>Main Reason for Not Completing Any ICD-10 Readiness Assessments</td>
<td>17</td>
</tr>
<tr>
<td>Level in Organization Tasked With Heading Up Leadership of ICD-10 Implementation Team</td>
<td>18</td>
</tr>
<tr>
<td>Department of Person Tasked With Heading Up ICD-10 Leadership</td>
<td>18</td>
</tr>
<tr>
<td>Reporting Structure of Person Tasked With Heading up ICD-10 Leadership</td>
<td>19</td>
</tr>
<tr>
<td>Projected Cost to Be ICD-10 Ready</td>
<td>19</td>
</tr>
<tr>
<td>Allocation of ICD-10 Costs</td>
<td>20</td>
</tr>
<tr>
<td>Anticipated Loss of Revenue as a Result of ICD-10</td>
<td>20</td>
</tr>
<tr>
<td>Anticipated Percentage of Revenue Lost</td>
<td>21</td>
</tr>
<tr>
<td>Expected Length of Time Revenue Will Be Lost</td>
<td>21</td>
</tr>
<tr>
<td>Top Reason for Expected Decrease in Revenue</td>
<td>22</td>
</tr>
<tr>
<td>Expected Length of Time for ROI</td>
<td>22</td>
</tr>
<tr>
<td>Confidence That Third-Party Payers Will Be ICD-10 Ready</td>
<td>23</td>
</tr>
<tr>
<td>Effect of Additional Data Gathered by ICD-10 Codes on Quality Initiatives</td>
<td>23</td>
</tr>
<tr>
<td>Biggest Challenge in Meeting ICD-10 Readiness</td>
<td>24</td>
</tr>
<tr>
<td>Impact of ICD-10</td>
<td>24</td>
</tr>
<tr>
<td>Top Three Sources for ICD-10 Guidance</td>
<td>25</td>
</tr>
</tbody>
</table>
Methodology

The 2011 ICD-10 Organizational Impact and Readiness Survey was conducted by the HealthLeaders Media Intelligence Unit. It is part of a monthly series of Thought Leadership studies. In April 2011, an online survey was sent to the HealthLeaders Media Council and select members of the HealthLeaders Media audience. Respondents work in a variety of settings including hospitals, health systems, physician organizations, and health plans/insurers. A total of 242 completed surveys are included in the analysis. The margin of error for a sample size of 242 is +/- 6.3 percentage points.

ADVISORS FOR THIS INTELLIGENCE REPORT

The following healthcare leaders graciously provided guidance and insight in the creation of this report:

Kimberly Boynton, CFO
Crouse Hospital
Syracuse, NY

John Dragovits, CFO
Parkland Health and Hospital System
Dallas

Albert Oriol, Vice President and CIO
Rady Children’s Hospital and Health Center
San Diego

About The HealthLeaders Media Intelligence Unit

The HealthLeaders Media Intelligence Unit, a division of HealthLeaders Media, is the premier source for executive healthcare business research. It provides analysis and forecasts through digital platforms, printed publications, custom reports, white papers, conferences, roundtables, peer networking opportunities, and presentations for senior management.
Respondent Profile

Respondents represent titles from across the various functional areas including senior leaders, operations leaders, financial leaders, clinical leaders, and information leaders. Nearly one-half of the respondents have senior leader titles. They are from hospitals, health systems, physician organizations, health plans/insurers, ancillary/allied providers, and long-term care.

### Title

Base = 242

- **Senior Leaders** | Administrator, Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Medical Director, Chief of Staff, Chief Operations Officer, Executive Director, Partner, Board Member, President, Principal Owner
- **Clinical Leaders** | Chief of Cardiology, Chief of Radiology, Chief Nursing Officer, Dir. of Ambulatory Services, Dir. of Clinical Services, Dir. of Emergency Services, Dir. of Nursing, Dir. of Rehabilitation Services, Service Line Director, Dir. of Surgical/Perioperative Services, Medical Director, VP Clinical Quality, VP Nursing
- **Operations Leaders** | Chief Compliance Officer, Chief Purchasing Officer, Asst. Administrator, Dir. of Patient Safety, Dir. of Purchasing, Dir. of Quality, VP/Dir. Compliance, VP/Dir. Operations/Administration
- **Finance Leaders** | VP/Dir. Finance, HIM Director, Dir. of Case Management, Director of Patient Financial Services, Dir. of Reimbursement, Dir. of Revenue Cycle
- **Information Leaders** | Chief Medical Information Officer, Chief Technology Officer, VP/Dir. Technology/MIS/IT

### Place of Employment

Base = 242

<table>
<thead>
<tr>
<th>Place of Employment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital</td>
<td>43%</td>
</tr>
<tr>
<td>Health System (IDN/IDS)</td>
<td>26%</td>
</tr>
<tr>
<td>Physician Org.</td>
<td>19%</td>
</tr>
<tr>
<td>Health Plan/Insurer</td>
<td>6%</td>
</tr>
<tr>
<td>Ancillary/Allied Provider</td>
<td>2%</td>
</tr>
<tr>
<td>Long-Term Care/SNF</td>
<td>2%</td>
</tr>
<tr>
<td>Government/Education/Academic</td>
<td>1%</td>
</tr>
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</table>

### Number of Beds

Base = 104 (Hospitals)

<table>
<thead>
<tr>
<th>Number of Beds</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>1–50</td>
<td>21%</td>
</tr>
<tr>
<td>51–199</td>
<td>31%</td>
</tr>
<tr>
<td>200–499</td>
<td>36%</td>
</tr>
<tr>
<td>500–999</td>
<td>12%</td>
</tr>
<tr>
<td>1,000+</td>
<td>1%</td>
</tr>
</tbody>
</table>

### Number of Sites

Base = 45 (Health systems)

<table>
<thead>
<tr>
<th>Number of Sites</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–5</td>
<td>24%</td>
</tr>
<tr>
<td>6–20</td>
<td>36%</td>
</tr>
<tr>
<td>21–49</td>
<td>29%</td>
</tr>
<tr>
<td>50+</td>
<td>11%</td>
</tr>
</tbody>
</table>
Analysis

Quality to Improve, But Financial ROI in Doubt

by Karen Minich-Pourshadi

With 46% of survey respondents anticipating revenue losses from the ICD-10 transition, it may appear illogical that only 3% of healthcare leaders say they are already prepared to make this transition. However, the reason behind the unpreparedness is quite understandable: With mounting mandates and competing priorities, healthcare leaders say they cannot free up the manpower or financial resources needed to get this initiative under way.

Lack of money to fund competing initiatives was the predominant comment survey respondents offered to explain why their organization is not making greater headway. The survey indicates that most organizations are still in the early stages of the process. With less than two years to go before the mandatory ICD-10 coding transition in October 2013, half of the organizations (49%) have yet to complete even one of their initial ICD-10 readiness assessments, according to the survey. And only about a quarter of all respondents have yet to complete a financial assessment.

“It’s not surprising. Just the sheer magnitude of the number of projects and the amount on people's plates already has slowed people down,” says Albert Oriol, vice president and chief information officer at Rady Children’s.

What Healthcare Leaders Are Saying

“The current state of affairs in medicine means there is a very fine line between being in the black or in the red. Added expense without an estimated ROI is a challenge.”

—Medical director for a small physician organization

“There is a shortage of coders in the market today. As they will all be required to retrain, it is likely that those close to retirement will choose not to retrain. Plus, the further complexity of the work will create a training challenge.”

—CFO for a multi-facility health system

“Several of our payers will not be 5010-ready on 1/1/12. Therefore, we're concerned about their long-term plan and readiness for 10/1/13.”

—CEO of a small health system

“We will be implementing an EHR right before this is implemented. We anticipate that the physicians will still be getting used to this new process and then to this laid on top will be a challenge.”

—COO for a midsize hospital

“Across our enterprise, we have identified roughly 95 systems/applications that are impacted. With competing information systems priorities—meaningful use, rollout of EHR, new enterprise billing system—ICD-10 will compete for IT resources. The risk is, we won’t have our internal operations in order due to lack of IS resources.”

—HIM director for a midsize health system

“There are no financial incentives for MDs. They are underpaid for their current work and the additional documentation is another unfunded mandate.”

—Chief of staff for a large hospital
Hospital and Health Center in San Diego and lead advisor for this report. More pressing matters, in fact, was cited by 41% of respondents as to why they had not even completed an ICD-10 readiness assessment, while 39% said that efforts were scheduled but had not yet begun.

“I understand it, but I am worried for those who haven’t even started the process yet,” says Oriol. “Anyone who isn’t at least partway through [discovery/assessment] is behind.”

Kimberly Boynton, chief financial officer at the 466-bed Crouse Hospital in Syracuse, NY, agrees that with the number of competing priorities healthcare leaders are managing, this initiative may be getting temporarily tabled.

“I suspect people are seeing this as a long-term item on the agenda and concentrating heavily on what’s happening in terms of changes to reimbursements, ACOs, and ... getting electronic health records in place,” she says.

However, while competing priorities may be taking focus away from beginning the implementation process, Oriol and Boynton agree that organizations need to have the discovery/assessment process under way.

Of the organizations that have begun the assessments, 73% have completed the system/vendor readiness portion, while 64% have completed their training assessment, 57% have completed their documentation gap analysis, and 48% have completed the financial impact assessment.

Oriol notes that without the assessment,
organizations cannot budget accordingly. “The cost is higher than they may think. We did our financial assessment and now we’re discovering that it’s double what we estimated,” he says.

John Dragovits, CFO for Dallas-based Parkland Health and Hospital System, a 720-bed nonprofit organization, also believes healthcare leaders may be underestimating the cost of this project. “[The numbers] seem a little light. I suspect the majority will fall into the $1.1 million–$5 million category, with organizations like ours exceeding $5 million,” he notes.

The survey suggests that many in healthcare may be uncertain regarding the cost of completing this process. Of those organizations that have completed the financial assessment, 32% expect to spend up to $1 million to prepare, while just 9% estimated a cost between $1.1 million and $5 million. Only 1% of respondents project an implementation cost between $5 million and $10 million, and a full 56% either were uncertain about an estimate or had not completed one.

“This is going to affect so many areas, from technology systems to the back office and cost accounting systems,” says Boynton.

Oriol adds that he was surprised that 3% of survey respondents said they were ready now for ICD-10. “I feel in order to be ready your payers also need to be ready. You have to be able to say, ‘Our systems are in place and we’ve tested this with our payers and they can process claims with ICD-10.’ … I’m not questioning these folks’ truthfulness; I’m questioning how much they thought about what’s [entailed] in that answer,” he says.

Payer preparedness, however, isn’t the biggest concern organizations have with getting ready for ICD-10. The No. 1 challenge providers named in preventing them from attaining ICD-10 readiness was physician cooperation. Oriol and Boynton believe that it isn’t physicians’ lack of willingness to cooperate with the ICD-10 standards; rather, it’s a matter of juggling pressing priorities for them as well.

“They are being faced with a new level of automation [with the EHR and computerized physician
order entry systems] going into their workflow, and that’s changing the way they function,” says Oriol. “Though some say that ICD-10 codes are more akin to how a physician thinks, it’s still a lot of learning ... and there are a large number of new codes they’ll need to learn.”

Interestingly, no matter where respondents were in the ICD-10 process or what they felt might slow their ability to get there, many leaders expect to take a substantial revenue hit.

“I expect greater reductions in inpatient payments due to the unbundling of like diagnoses and procedures. I’d guess that the percentage of revenue lost will exceed 10%,” says Dragovits.

Of the 46% of respondents who expect revenue losses associated with ICD-10 implementation, 28% anticipate revenue loss between 6% and 10%, with another 12% expecting revenue losses at between 11%–20%. Nearly a quarter (23%) of respondents expect those losses to last one to two years, another 6% think it will be more than two years, and 7% expect the losses to become permanent. A revenue loss of that amount sustained over two years could be detrimental to some hospitals and health systems.

“I think it’s responsible to assume that no one is coming out ahead at first,” says Oriol. “But if so many [respondents] think it will cost so little to get this done, yet it could cost them so much [revenue], why not get it done now?”

Boynton says that while any slowdown in the process isn’t likely to bring cash in the door more quickly, she was disconcerted to see how great a revenue hit folks were anticipating.

“I don’t think the goal of ICD-10 is to take that much of a hospital’s revenue,” she says. “If we lost 20% of our revenue, it would put most of us out of business because we operate at such low margins already.”

Despite the immediate revenue hit, many organizations do expect that the ICD-10 conversion will
ultimately pay for itself, with 25% estimating one to two years before achieving ROI. Still, 27% of healthcare leaders say they don’t ever expect a return on the investment, and 26% are unsure. Although many survey respondents believe their margins aren’t likely to improve quickly following ICD-10 implementation, most do expect to see some positive changes in terms of quality. Approximately 53% of respondents said ICD-10 would improve evidence-based medicine at their organization and 72% said it would help their organization’s quality initiatives.

While other government mandates, such as EHRs, have grabbed the immediate attention of many healthcare leaders, ICD-10 stands to take priority in the year ahead. As deadlines for these other projects near, a fervor will likely begin as providers strive to meet the ICD-10 deadline by getting systems and staff up to speed.

Karen Minich-Pourshadi is senior finance editor for HealthLeaders Media.
Survey Results

**FIGURE 1 | Status of ICD-10 Preparation**

**Q** | What is the status of ICD-10 preparation at your organization?

- **We are ready now**: 3%
- **Partway through**: 26%
- **In discovery/assessment stages**: 56%
- **We have not started yet**: 16%

Base = 242

**FIGURE 2 | ICD-10 Readiness Assessments**

**Q** | Has your organization completed any ICD-10 readiness assessments?

- **Yes**: 51%
- **No**: 49%

Base = 204
Among those who have started ICD-10 preparation
Survey Results (continued)

FIGURE 3 | Completed Assessments

Q | Please indicate which assessments have been completed.

- System/vendor readiness: 73%
- Training assessment: 64%
- Documentation gap analysis: 57%
- Financial impact: 48%
- Other: 2%

Base = 104
Among organizations that completed ICD-10 readiness assessment

FIGURE 4 | ICD-10 Readiness of Various Areas

Q | How “ICD-10 ready” would you rate the following areas?

- System readiness to accept ICD-10 codes: 40%
- Payer readiness to accept ICD-10 codes: 33%
- Coding staff training: 33%
- Clinical documentation improvement training: 24%
- Physician documentation practices: 22%

Base = 104
Among organizations that completed ICD-10 readiness assessment

% Rating “1”, “2” or “3”
Where 1 = Fully ready and 7 = Not at all ready
Survey Results (continued)

**FIGURE 5 | Readiness of System to Accept ICD-10 Codes**

Q | How “ICD-10 ready” would you rate system readiness to accept ICD-10 codes?

![Bar chart showing system readiness](chart_1.png)

Base = 104
Among organizations that completed ICD-10 readiness assessment

**FIGURE 6 | Readiness of Payer to Accept ICD-10 Codes**

Q | How “ICD-10 ready” would you rate payer readiness to accept ICD-10 codes?

![Bar chart showing payer readiness](chart_2.png)

Base = 104
Among organizations that completed ICD-10 readiness assessment
Survey Results (continued)

**FIGURE 7 | ICD-10 Readiness of Coding Staff Training**

**Q |** How “ICD-10 ready” would you rate your coding staff training?

![Bar chart showing the readiness of coding staff training.](chart1)

Base = 104
Among organizations that completed ICD-10 readiness assessment

**FIGURE 8 | ICD-10 Readiness of Clinical Documentation Improvement Training**

**Q |** How “ICD-10 ready” would you rate your clinical documentation improvement training?

![Bar chart showing the readiness of clinical documentation improvement training.](chart2)

Base = 104
Among organizations that completed ICD-10 readiness assessment
Survey Results (continued)

**FIGURE 9 | ICD-10 Readiness of Physician Documentation Practices**

Q | How “ICD-10 ready” would you rate your physician documentation practices?

![Bar chart showing ICD-10 readiness levels](chart)

- Fully ready: 4%
- Not ready at all: 24%
- 16% for each of the middle levels 3-5

Base = 104
Among organizations that completed ICD-10 readiness assessment

**FIGURE 10 | Main Reason for Not Completing Any ICD-10 Readiness Assessments**

Q | What is the main reason for not completing any ICD-10 readiness assessments?

![Bar chart showing reasons for not completing assessments](chart)

- More pressing priorities: 41%
- Efforts are scheduled, but have not begun: 39%
- No need to do so yet, plenty of time: 10%
- We believe the October 2013 deadline will be extended: 1%
- Other: 9%

Base = 138
Among organizations that have not completed ICD-10 readiness assessment
Survey Results (continued)

**FIGURE 11 | Level in Organization Tasked With Heading Up Leadership of ICD-10 Implementation Team**

**Q** | At what level in your organization is the person tasked with heading up the day-to-day leadership of the ICD-10 implementation team?

<table>
<thead>
<tr>
<th>Level in Organization</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director title</td>
<td>40%</td>
</tr>
<tr>
<td>Manager title</td>
<td>19%</td>
</tr>
<tr>
<td>C-suite title</td>
<td>12%</td>
</tr>
<tr>
<td>VP title</td>
<td>11%</td>
</tr>
<tr>
<td>Off-site consultant</td>
<td>6%</td>
</tr>
<tr>
<td>On-site consultant</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
</tr>
</tbody>
</table>

Base = 242

**FIGURE 12 | Department of Person Tasked With Heading Up ICD-10 Leadership**

**Q** | In what department does person tasked with heading up the day-to-day leadership work?

<table>
<thead>
<tr>
<th>Department</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIM</td>
<td>33%</td>
</tr>
<tr>
<td>Revenue cycle</td>
<td>15%</td>
</tr>
<tr>
<td>Finance</td>
<td>12%</td>
</tr>
<tr>
<td>IT</td>
<td>10%</td>
</tr>
<tr>
<td>Quality</td>
<td>5%</td>
</tr>
<tr>
<td>Compliance</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>21%</td>
</tr>
</tbody>
</table>

Base = 242
Survey Results (continued)

**FIGURE 13 | Reporting Structure of Person Tasked With Heading Up ICD-10 Leadership**

Q | To whom does the person tasked with heading up the day-to-day leadership report?

- CFO: 36%
- CEO: 30%
- CIO: 6%
- Steering committee: 5%
- CMO: 2%
- CNO: 1%
- Other: 21%

Base = 242

**FIGURE 14 | Projected Cost to Be ICD-10 Ready**

Q | What is your organization’s projected cost to be ICD-10 ready by 2013 (including labor, hardware, software, training, consultants, etc.)?

- More than $20 million: 1%
- $10.1 million–$20 million: 2%
- $5.1 million–$10 million: 1%
- $1.1 million–$5 million: 9%
- $500,000–$1 million: 12%
- Less than $500,000: 20%
- No estimate yet: 38%
- Not sure: 18%

Base = 242
Survey Results (continued)

**FIGURE 15 | Allocation of ICD-10 Costs**

Q: Please allocate what percent of ICD-10 initiative costs will come from the following sources.

<table>
<thead>
<tr>
<th>Source</th>
<th>Average percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations budget</td>
<td>55%</td>
</tr>
<tr>
<td>Capital expense budget</td>
<td>29%</td>
</tr>
<tr>
<td>Bank loan</td>
<td>2%</td>
</tr>
<tr>
<td>Government loan</td>
<td>2%</td>
</tr>
<tr>
<td>Philanthropic donations</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Base = 242

**FIGURE 16 | Anticipated Loss of Revenue as a Result of ICD-10**

Q: Once ICD-10 takes effect, do you anticipate that your organization will lose revenue as a result?

46% Yes

54% No

Base = 242
**Survey Results** (continued)

**FIGURE 17** | Anticipated Percentage of Revenue Lost

Q | How much revenue does your facility anticipate losing?

![Bar chart showing the anticipated percentage of revenue lost.](chart)

Base = 111
Among those who anticipate organization will lose revenue

**FIGURE 18** | Expected Length of Time Revenue Will Be Lost

Q | How long do you expect revenue losses based on implementation to last?

![Bar chart showing the expected length of time revenue will be lost.](chart)

Base = 111
Among those who anticipate organization will lose revenue
Survey Results (continued)

**FIGURE 19 | Top Reason for Expected Decrease in Revenue**

Q | Select the top reason you expect to see a decrease in your revenue.

- Incomplete physician documentation: 47%
- Payers will not be ready in time: 15%
- Coding staff mistakes: 12%
- Shift in DRGs: 11%
- Delays in submission of bills: 7%
- Our technology won’t be ready in time: 4%
- Other: 4%

Base = 111
Among those who anticipate organization will lose revenue

**FIGURE 20 | Expected Length of Time for ROI**

Q | Once your ICD-10 systems become operational, how long do you expect before you realize a return on investment?

- Less than 1 year: 7%
- 1–2 years: 25%
- 2–5 years: 16%
- We don’t expect to recoup our outlay: 27%
- Not sure: 26%

Base = 242
Survey Results (continued)

**FIGURE 21 | Confidence That Third-Party Payers Will Be ICD-10 Ready**

**Q |** How confident are you that your third-party payers will be ICD-10 ready by October 2013?

- Completely certain they will be ready:
  - Base = 242
  - 5% (1)
  - 12% (2)
  - 16% (3)
  - 24% (4)
  - 24% (5)

- Completely certain they will not be ready:
  - 13% (6)
  - 6% (7)

**FIGURE 22 | Effect of Additional Data Gathered by ICD-10 Codes on Quality Initiatives**

**Q |** Will the additional data gathered by the ICD-10 codes help with your quality initiatives?

- Yes: 72%
- No: 28%

Base = 242
Survey Results (continued)

FIGURE 23  Biggest Challenge in Meeting ICD-10 Readiness

Q | What do you foresee as your biggest challenge or concern in meeting ICD-10 readiness?

<table>
<thead>
<tr>
<th></th>
<th>1st ranked choice</th>
<th>2nd ranked choice</th>
<th>3rd ranked choice</th>
<th>4th ranked choice</th>
<th>5th ranked choice</th>
<th>6th ranked choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician cooperation</td>
<td>34%</td>
<td>33%</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Staff training</td>
<td>21%</td>
<td>24%</td>
<td>17%</td>
<td>19%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Funding</td>
<td>18%</td>
<td>9%</td>
<td>17%</td>
<td>12%</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>Payer readiness</td>
<td>12%</td>
<td>17%</td>
<td>22%</td>
<td>23%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>Vendor readiness</td>
<td>8%</td>
<td>11%</td>
<td>23%</td>
<td>25%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Meeting the deadline</td>
<td>7%</td>
<td>6%</td>
<td>10%</td>
<td>12%</td>
<td>24%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Base = 242

FIGURE 24  Impact of ICD-10

Q | Overall, what impact will the switch to ICD-10 have on the following aspects of your organization?

<table>
<thead>
<tr>
<th></th>
<th>Improve</th>
<th>Worsen</th>
<th>No change</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence-based medicine</td>
<td>53%</td>
<td>4%</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>Long-term healthcare quality</td>
<td>46%</td>
<td>4%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Strength of the organization as a whole</td>
<td>24%</td>
<td>11%</td>
<td>37%</td>
<td>28%</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>22%</td>
<td>32%</td>
<td>20%</td>
<td>26%</td>
</tr>
<tr>
<td>Short-term healthcare quality</td>
<td>21%</td>
<td>11%</td>
<td>49%</td>
<td>19%</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>16%</td>
<td>34%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Long-term cash flow</td>
<td>12%</td>
<td>20%</td>
<td>42%</td>
<td>26%</td>
</tr>
<tr>
<td>Physician relations</td>
<td>8%</td>
<td>41%</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>Overall labor costs</td>
<td>4%</td>
<td>60%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>3%</td>
<td>13%</td>
<td>55%</td>
<td>30%</td>
</tr>
<tr>
<td>Short-term debt</td>
<td>3%</td>
<td>60%</td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>Short-term cash flow</td>
<td>1%</td>
<td>33%</td>
<td>40%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Base = 242
### Survey Results (continued)

**FIGURE 25 | Top Three Sources for ICD-10 Guidance**

**Q | Rank your top three sources for ICD-10 guidance.**

<table>
<thead>
<tr>
<th>Source</th>
<th>Top 3 (net)</th>
<th>1st ranked choice</th>
<th>2nd ranked choice</th>
<th>3rd ranked choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association or membership group</td>
<td>75%</td>
<td>27%</td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td>Current staff</td>
<td>64%</td>
<td>28%</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>Books, webcasts, newsletters</td>
<td>59%</td>
<td>10%</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Current vendor</td>
<td>42%</td>
<td>10%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Current consultant</td>
<td>23%</td>
<td>14%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>New consultant</td>
<td>22%</td>
<td>9%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>New vendor</td>
<td>9%</td>
<td>2%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>New staff</td>
<td>7%</td>
<td>1%</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Base = 242