



Partnering for Electronic Delivery  
of Information in Healthcare

March 31, 2015

The Honorable Sylvia Mathews Burwell  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

**RE: Workgroup for Electronic Data Interchange ICD-10 Survey Results**

Dear Secretary Burwell:

In its advisory role under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Workgroup for Electronic Data Interchange (WEDI) periodically brings to the attention of the Department of Health and Human Services issues related to Administrative Simplification and related areas that it believes merit review and consideration.

WEDI has been conducting ICD-10-CM/ICD-10-PCS (ICD-10) readiness surveys since 2009 to gauge the status of industry progress and has recently completed analysis of our February 2015 survey. These surveys are critical to assessing industry readiness and to identify stakeholders that may be struggling with compliance. This survey used an abridged set of questions aimed mostly at readiness status rather than approaches to compliance, and survey questions paralleled those in prior surveys to facilitate direct comparison. We have included a full report of the results as an attachment to this communication. The results include all responses from all participants, whether or not they completed all questions on the survey.

Some items of note include the following:

- Participants: Participation in this latest survey included 1174 respondents consisting of 796 providers, 173 vendors and 205 health plans. This is a significant increase from the 2014 WEDI survey that had 514 respondents (consisting of 324 providers, 87 vendors and 103 health plans).
- Compliance date uncertainty: Uncertainty around further delays was listed as a primary obstacle to implementation, appearing on over one-half of all responses for vendors, health plans and providers.
- Vendor product development: All respondents have at least started this step and about seven-eighths were at least halfway complete. Over one third are complete and two-fifths are at least three-quarters complete. These numbers are similar to the August 2014 survey, suggesting only modest progress has been achieved with the additional year.
- Vendor product availability: About three-fifths indicated their vendor products were available or they had started customer testing. This is a slight decrease from about two-thirds in the August 2014 survey. However, the number that responded 'unknown' decreased from one eighth to just a handful.
- Health plan impact assessments: About four-fifths of health plans had completed their impact assessment, up from about three-quarters in the August 2014 survey and one-eighth were



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nearly complete. Only four respondents were less than halfway complete. This shows continued progress, although all should have been complete by this point.

- Health plan testing: Over one-half of health plans have begun external testing and of these, a few have completed testing. This is a slight improvement from the prior survey. About two-fifths expected to begin external testing in the first or second quarter of 2015, but a few did not expect to begin until the third quarter. In the August 2014 survey just over one quarter did not expect to begin external testing until 2015. This reflects a shift toward a later start for external testing for some organizations.
- Provider impact assessments: Just over one-third of providers responded that they had completed their impact assessment. This is a decrease from the August 2014 survey where slightly over one-half indicated they had completed their assessment. Slightly over one-quarter responded 'unknown', the same as in the prior survey. Further analysis shows that over three-fifths of hospitals/health systems have completed assessments, while less than one-fifth of physician practices have done this.
- Provider testing: Just one quarter of provider respondents had begun external testing and only a few others had completed this step. This is actually a decrease from the one-third of provider respondents that had begun external testing in the August 2014 survey. Over one-quarter responded that they do not expect to begin external testing until the second or third quarter of 2015 and, disconcertedly, over one-third responded 'unknown.' Further analysis shows that just over one-half of hospitals/health systems had started external testing and a few report having completed this testing. Just one-tenth of physician practices had started external testing.
- External testing approach: Less than one quarter of health plan respondents indicated they planned to test with the majority of providers, while three-fifths indicated they would test with a sample of providers. One out of ten indicated they planned to test only with clearinghouses. This is similar to the responses in the August 2014 survey. About one-third of provider respondents indicated they had tested or planned to test with multiple payers. This is up slightly from the number in the August 2014 survey. About three-tenths responded that they would test only with clearinghouses, which is an increase from one-fifth in the prior survey.

Based on the survey results, it appears the delay has had a negative impact on some readiness activities. Uncertainty over further delays was listed as a top obstacle across all industry segments. Some tasks have slipped into 2015, particularly those related to testing. It appears clear that while the delay provided more time for the transition to ICD-10, many organizations did not take full advantage of this additional time.

**We assert that unless all industry segments make a dedicated and aggressive effort to move forward with their implementation efforts in the next few months, there will be significant disruption to industry claims processing on Oct 1, 2015. Regardless, we encourage all organizations to establish plans for addressing any unforeseen events that may occur during the transition.**



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In addition, we believe it is critical to closely monitor industry progress and early testing results as we approach the compliance date to gauge what might occur on Oct. 1, 2015. WEDI plans to conduct additional surveys to gauge progress. We strongly encourage HHS to leverage its existing communication channels to assist in promoting future WEDI ICD-10 readiness surveys. That expanded outreach will ensure an increased response rate and thus a more comprehensive view of industry readiness. If it would be helpful, we would be pleased to meet directly with you and your staff to discuss these findings and to identify additional opportunities for stakeholder outreach and identification of best approaches for achieving industry compliance.

Please contact Devin Jopp, Ed. D., President and CEO of WEDI, with any questions or to discuss the timing of a meeting. You may contact Devin at [djopp@wedi.org](mailto:djopp@wedi.org) or (202) 618-8788.

Sincerely,

Jim Daley  
Past-chair, WEDI

cc: Shana Olshan, National Standards Group  
WEDI Board of Directors



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## ATTACHMENT

### Workgroup for Electronic Data Interchange February 2015 ICD-10 Survey Results

WEDI has been conducting ICD-10-CM/ICD-10-PCS (ICD-10) readiness surveys since 2009 to gauge the status of industry progress and has recently completed analysis of the February 2015 survey. This survey used an abridged set of questions similar to the last several surveys, aimed mostly at status rather than approaches to compliance. It should be noted that, although not all participants answered every question pertaining to their industry sector, the majority did and the results are based on all responses.

## BACKGROUND

The first ICD-10 readiness survey was released in November 2009 and was meant to gather a high-level initial readiness baseline. The survey included separate sections for software vendors, clearinghouses, health plans and providers. The number of questions was very limited.

A much more detailed ICD-10 survey was launched in January 2010. In this survey, software vendors and clearinghouses were consolidated into one section and separate sections were kept for health plans and providers. Follow-up surveys were conducted on a roughly semi-annual basis through this most recent one.

These surveys should not be considered as a perfectly balanced representation of the state of the industry. Historically, WEDI membership and survey participants tend to be more aware of industry issues and correspondingly more advanced in addressing these issues. Therefore, the survey results would tend to provide a somewhat more advanced picture of readiness progress.

The following table illustrates the number of respondents to each survey by type of entity:

<b>SURVEY</b>	<b>Vendor/CH</b>	<b>Health Plan</b>	<b>Provider</b>	<b>Total</b>
November 2009	72	102	187	361
January 2010	37	87	41	165
June 2010	23	66	61	150
January 2011	16	72	27	115
August 2011	40	92	163	295
February 2012	231	242	2118	2591
February 2013	87	109	778	974
October 2013	59	98	196	353
August 2014	87	103	324	514
February 2015	173	205	796	1174

The February 2012 and February 2013 surveys received a high volume of responses due to enhanced outreach efforts, in particular CMS support for the survey. The current survey shows an increase in responses over the past two surveys, perhaps attributable to increased interest as we near the compliance date. For specifics related to prior surveys, please reference WEDI testimonies to NCVHS and WEDI observations on industry progress from prior years. These items are available via the WEDI website at [www.wedi.org](http://www.wedi.org).



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## SURVEY RESULTS

This section highlights the results from the current February 2015 survey and compares them to the results from August 2014. The results are described according to type of entity – vendor (including clearinghouses), health plan, and provider. Survey questions align with those from prior surveys, except questions related to the impact of the compliance date change were removed, and one question was added regarding provider testing with Medicare.

### VENDOR RESULTS:

The vendors represented all sizes from those with fewer than fifty health care related employees to those having over one thousand. Their customers included physicians, hospitals, health plans, clearinghouses and other vendors. Offerings included clearinghouse services, electronic health records, clinical documentation, coding services and revenue cycle services and products. The following questions were asked:

1. ***How complete is your solution development for the majority of your ICD-10 products and services?***

All respondents have at least started this step and about seven-eighths were at least halfway complete. Over one third are complete and two-fifths are at least three-quarters complete. These numbers are similar to the August 2014 survey, but with a slight decrease in the fraction complete, possibly due to the greater number of respondents in the current survey.

2. ***When do you plan to start ICD-10 customer review and beta testing?***

Almost two-thirds indicated their products were available or they had started customer testing. This correlates to the two-thirds that responded that their products were available in the August 2014 survey. About one-quarter responded they would begin customer testing in 2015, up from one-tenth in the prior survey. This represents a slight shift in testing timeframes.

3. ***When do you plan to have your ICD-10 services/software available to customers?***

About three-fifths indicated their products were available or they had started customer testing. This is a slight decrease from about two-thirds in the August 2014 survey. One-quarter responded that their products would not be available until the second or third quarter of 2015. In the prior survey one-sixth indicated that products would not be ready until 2015. The number that responded ‘unknown’ decreased from one eighth to just a handful.

4. ***Which of the following are your top 3 obstacles/issues that have caused delay and/or lack of progress in ICD-10 planning and implementation?***

The top reason was uncertainty around further delays, cited in half the responses. Other top reasons remained the same as in the prior survey - customer readiness, competing priorities and other vendor readiness.

### HEALTH PLAN RESULTS:

Health plans included a mix of Blue Plans, other Commercial Plans, Federal Plans, State Agencies and other respondents with State Agencies and Commercial Plans comprising the largest number of respondents. This



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survey had a small shift in health plan demographics with a slightly higher response count for plans covering under a million lives than for those covering over a million lives. This is the opposite of the prior survey and may be attributable to the higher number of respondents this time. The following questions were asked:

**1. *How complete is your formal impact assessment/gap analysis?***

About four-fifths of health plans had completed this step, up from about three-quarters in the August 2014 survey and one-eighth were nearly complete. Only four respondents were less than halfway complete. This shows continued progress, although all should have been complete by this point.

**2. *How complete is your internal business process design and development?***

Health plans showed some progress in the completion of their internal business process design and development. About seven-eighths said they were either complete or nearly complete with this step, slightly above the prior survey, with about one-half indicating they were complete. Only a handful were less than halfway complete, similar to the prior survey.

**3. *What is your estimated date to start internal testing of fully functional ICD-10 processing?***

About four-fifths of health plans had started internal testing and of those, over two-fifths responded they were complete. This represents good progress from the prior survey where about three-quarters had started internal testing. However, one fifth did not expect to begin until 2015, an increase from the prior survey where one-eighth did not expect to test until 2015.

**4. *Do you intend to conduct external testing?***

Almost one quarter indicated they planned to test with the majority of providers, while three-fifths indicated they would test with a sample of providers and about one-tenth indicated they planned to test only with clearinghouses. This is similar to the responses in the August 2014 survey.

**5. *What is your estimated date to begin external testing?***

Over one-half of health plans have begun external testing and of these, a few have completed this testing. This is slightly better than in the prior survey. About two-fifths expected to begin external testing in the first or second quarter of 2015, but a few did not expect to begin until the third quarter. In the August 2014 survey just over one quarter did not expect to begin external testing until 2015. This indicates a slight shift toward a later start of external testing for some organizations.

**6. *What are the top 3 obstacles/issues that have caused delay and/or lack of progress in ICD-10 planning and implementation?***

Competing internal priorities continues to be the top obstacle, appearing on three fifths of responses, but a nearly equal number of respondents indicated that uncertainty around further delays and provider readiness were also top issues. Concerns over vendor readiness, other regulatory mandates and staffing have diminished in comparison with these other issues.

**7. *What is your primary strategy for ICD-10 claims processing?***

About three-quarters of health plans answered that direct ICD-10 processing was their primary strategy, similar



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to the prior survey. About one-fifth planned to use a combination of direct processing and crosswalking a slight increase from the August 2014 survey. Less than one-tenth of respondents still plan to use crosswalking as a primary strategy, representing a slight decrease from the prior survey.

### **PROVIDER RESULTS:**

Providers included a mix of many different types, with nearly one-half being health systems/hospitals and almost one-third being physician practices. This distribution is slightly less than in the prior survey, due to an increased number of responses from other types of providers. The total the number of respondents is significantly higher. There were slightly more respondents with one hundred or less full time clinical staff versus those with over one hundred, due to a larger portion of respondents in the eleven to one hundred range. The number of respondents from the Northeast was over twice that from the Southwest, while in the prior survey geographical distribution was more balanced. Respondents were distributed about equally among urban versus rural or suburban location. The following questions were asked:

#### ***1. What is the expected completion date of your ICD-10 impact assessment?***

Just over one-third responded that they had completed this step. This is a decrease from the August 2014 survey where slightly over one-half indicated they had completed their assessment. Slightly over one-quarter responded 'unknown', the same as in the prior survey. About three-tenths responded they planned to complete this step in 2015 and some responded they would not be done by the compliance date. In the August 2014 survey only one-eighth responded they would not complete their assessment until 2015. This lack of progress is cause for concern as it will leave little time for remediation and testing. Further analysis shows that over three-fifths of hospitals/health systems have completed assessments, while less than one-fifth of physician practices have done their assessment.

#### ***2. When do you expect to complete business changes?***

The number of providers that responded 'unknown' to when they would complete their business changes remained at about one-quarter, similar to the prior survey and the number that responded 'completed' remained at about one-tenth. In the August 2014 survey less than one-half did not expect to complete business changes until 2015, while in the current survey this number has grown to slightly under two-thirds, with some of these indicating the changes would not be complete by the compliance date.

#### ***3. Do you intend to conduct external testing?***

One-quarter responded 'unknown', up from about one-sixth in the prior survey. The number that expected to test with the majority of payers dropped slightly from over one-quarter to under one fifth. The number that expected to test with a sample of payers or only with clearinghouses was about one-quarter each, while in the August 2014 survey slightly more planned to test with a sample of payers. These results indicate that fewer providers expect to be testing with payers.

#### ***4. What is your expected date to begin external testing?***

\*One quarter of provider respondents had begun external testing and a few others had completed this step. This is a decrease from the one-third of provider respondents that had begun external testing in the August 2014 survey. Over one-quarter responded that they do not expect to begin external testing until the second or third quarter of 2015 and over one-third responded 'unknown.' This is an increase from the one-half in the prior survey that responded '2015' or 'unknown.' Further analysis shows that over one-half of hospitals/health systems had started and a few have completed this testing, while only one-tenth of physician practices had



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started external testing.

**5. Who do you plan/have you done your external testing with?**

About one-third indicated they had tested or planned to test with multiple payers. This is up slightly from the number in the August 2014 survey. About three-tenths responded that they would test only with clearinghouses, which is an increase from one-fifth in the prior survey. The number that responded 'unknown' dropped from two-fifths to one-third. Very few expected to test with only one payer. This question was reworded slightly from the prior survey to include who providers planned to test with in addition to who they have tested with.

**6. Have you done Medicare Testing? [This is a new question; therefore prior survey results are not available for comparison]**

One-quarter responded that they had tested with Medicare. About three-tenths responded that they had not, but planned to do so and about one-fifth did not plan to test with Medicare. About one-quarter did not know if they would.

**7. What are your top three obstacles that have caused delay and/or lack of progress in ICD-10 planning and implementation?**

Over one-half responded that uncertainty over further delays was a key obstacle. Over two-fifths of respondents cited staffing and competing priorities as obstacles, while IT impacts, vendor readiness and budget decreased from the August 2014 survey to under one-third. These responses continue to indicate a myriad of concerns for providers in completing their ICD-10 work, but uncertainty around further delays seems to be their biggest concern. It is important to note that concern over vendor and health plan readiness seems to be lessening.

**8. How do you plan to produce ICD-10 codes?**

Slightly over one-half plan to choose ICD-10 codes directly, a decrease from nearly two-thirds in the August 2014 survey. The number that responded they would only do crosswalking from ICD-9 to ICD-10 decreased slightly from one-quarter in the August 2014 survey to one-fifth in the current survey. About one-quarter indicated they would use a combination of approaches, slightly higher than the prior survey.

## CONCLUSIONS

Overall, the results do not indicate as much progress as would be desirable for a smooth transition. However, since the number of respondents is approximately twice that for the August 2014 survey, it may be that the current survey has collected responses from organizations that had previously not participated and were not as far along in their compliance efforts.

Based on the survey results, it appears the delay has had a negative impact on some readiness activities, especially external testing. Uncertainty over further delays was listed as a top obstacle across all industry segments. Vendor readiness appears to be similar to what it was in August 2014, but concern over vendor readiness seems to have decreased among providers and payers. Health plans continue to make some progress, but some testing efforts have been slowed and a few are still working on impact assessments. Providers appear to be falling further behind as might be expected, since in the prior survey two-thirds responded that they had slowed down efforts or placed them on hold as a result of the delay. While the delay provided more time for the transition to ICD-10, many organizations did not take full advantage of this additional time. Unless all industry segments make a dedicated effort to continue to move forward with their implementation efforts, there will be significant



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disruption on Oct 1, 2015. Delaying compliance efforts reduces the time available for adequate testing, increasing the chances of unanticipated impacts to production. WEDI offers our support to HHS to redouble efforts to assist the industry and, in particular, smaller providers in moving forward.

WEDI will continue its efforts to move the industry forward and plans to continue to monitor industry readiness. WEDI appreciates the opportunity to work with HHS in this regard. WEDI has conducted several ICD-10 forums, the most recent of which was in July 2014 and plans to hold another in July of this year. WEDI will continue to provide educational opportunities and will produce work products to assist the industry in preparing for ICD-10 implementation. Further information about these efforts is available on the WEDI website at [www.wedi.org](http://www.wedi.org).