

Survey One Results

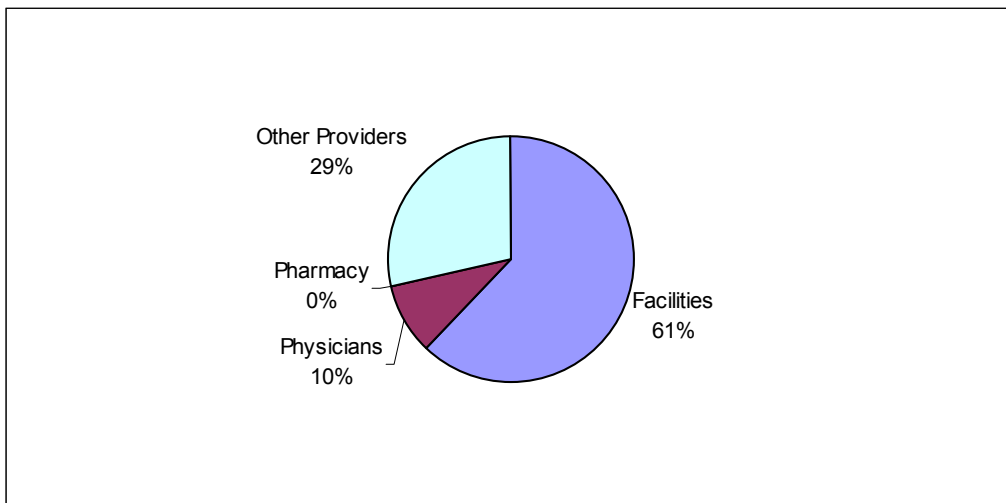
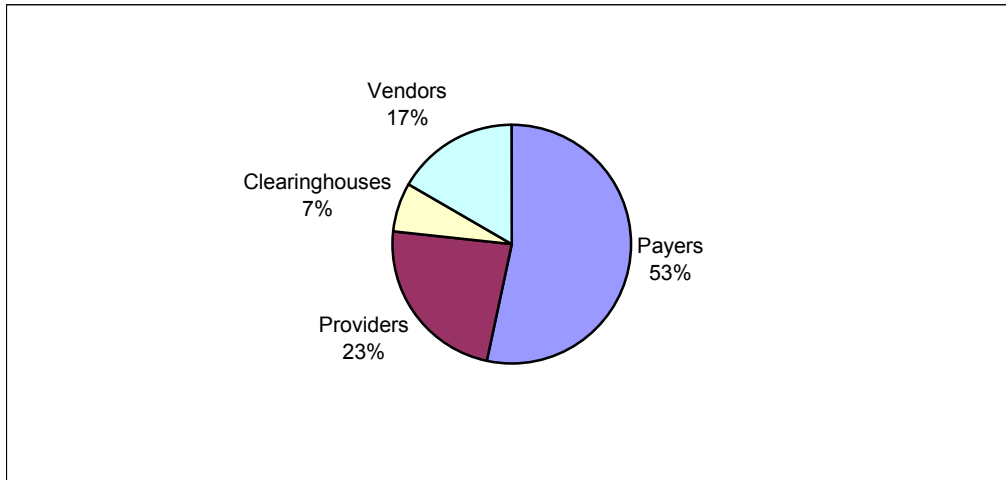
WEDi SNIP Transaction Testing

April 27, 2002

This survey's purpose is to better understand the Health Care community's progress towards implementing the HIPAA transaction compliance deadline of October 16, 2003 date. Based on its questions located in Appendix A, the results include views from a Health Care Organization Type, HIPAA Implementation Type, and Project Formality perspectives. The team will conduct additional surveys that dig deeper into discovering those challenges organizations are facing in accomplishing this goal.

Population

The respondents to the survey were mostly payers, providers, clearinghouses, and vendors. The largest contingent made up of Payers (48), Providers (21), Clearinghouses (6), Vendors (12), and Other Types (4). The Other Types category was mapped to Clearinghouses or Vendors. Provider population represented mostly facilities.



Testing Status

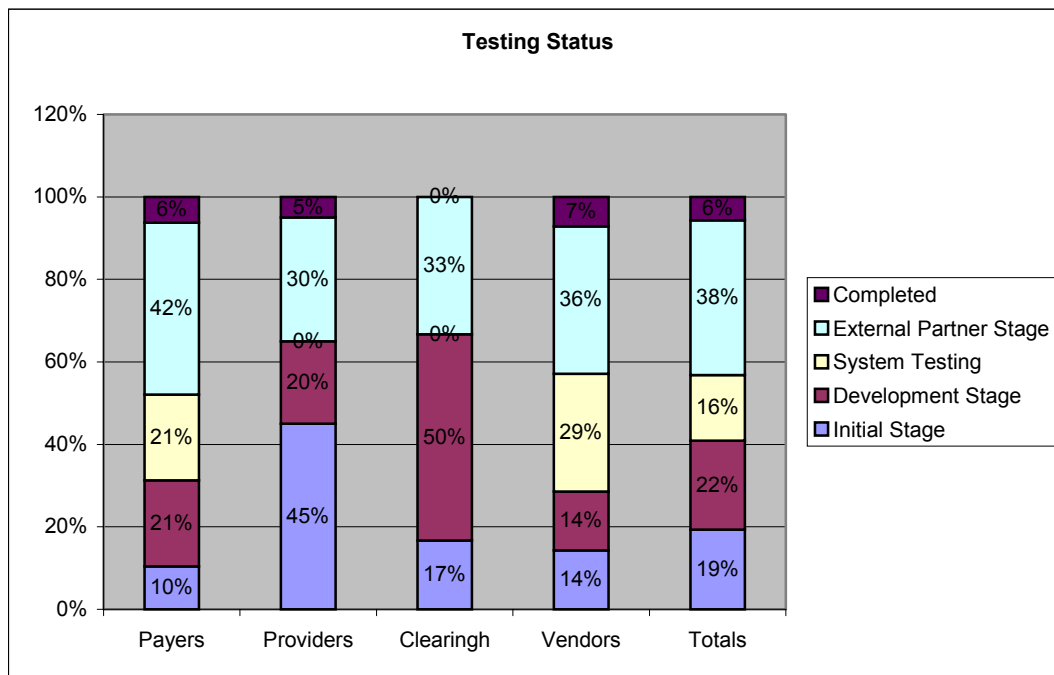
By viewing the results from a Health Care Organization Type perspective vendors and payers are making stronger strides towards the compliance date by reporting themselves as system testing, partner testing, or completed. In these final stages, Payers and Vendors scored 69% and 72% respectively.

Providers represented broad results with a respectable 35% in the final stages but an alarming 65% in the initial testing stages. Most providers have not begun (15%) or waiting on others (30%). Another factor to consider is most respondents to this survey are from the WEDi community that tends to be more progressive than the entire health care community.

The number of clearinghouses that responded to this survey was low but their results were concerning as 67% reporting in at the early stages. This number should be investigated in more detail before making alarming conclusions.

In total, there is encouragement as respondents reported 60% in the final stages that consist of system testing, partner testing, and completed testing.

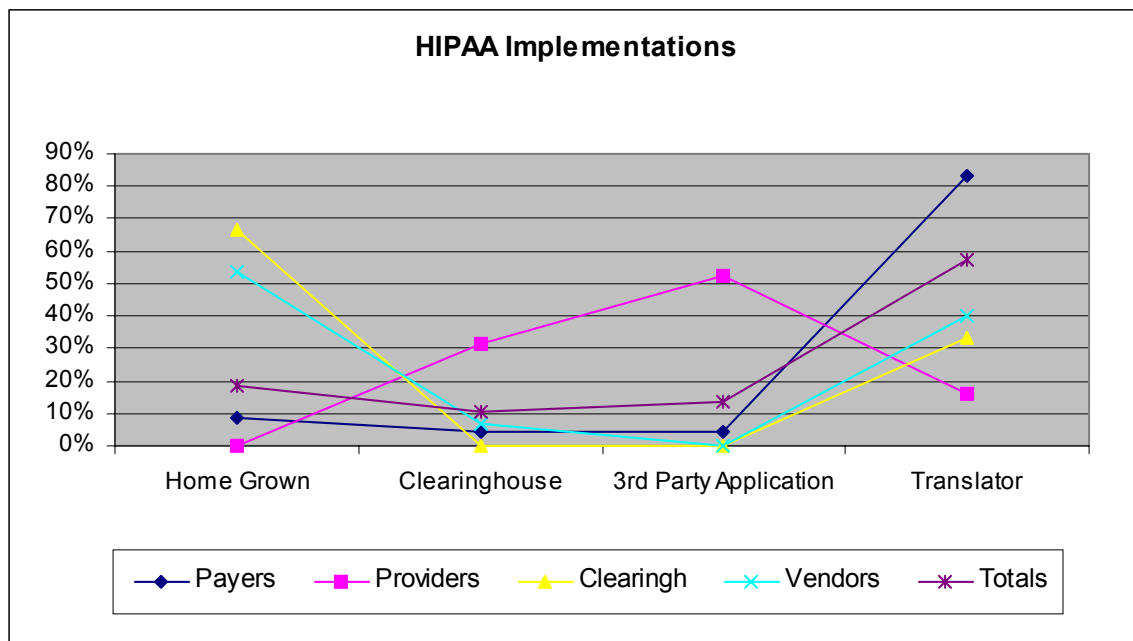
| | Payers | Providers | Clearinghouses | Vendors | Totals |
|------------------------|--------|-----------|----------------|---------|--------|
| Initial Stage | 10% | 45% | 17% | 14% | 19% |
| Development Stage | 21% | 20% | 50% | 14% | 22% |
| System Testing | 21% | 0% | 0% | 29% | 16% |
| External Partner Stage | 42% | 30% | 33% | 36% | 38% |
| Completed | 6% | 5% | 0% | 7% | 6% |



HIPAA Implementations

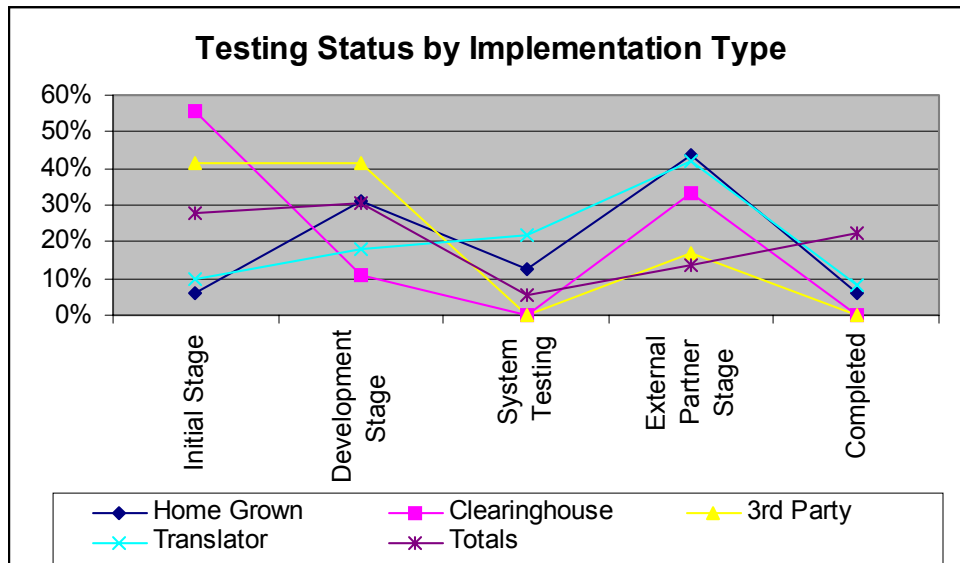
Another view of the survey results was to examine the data from the HIPAA Implementation Type. Respondents identified themselves as implementing home grown translators, utilizing clearinghouses to translate HIPAA, conducting translations within their third party application, or utilizing translators.

Payers utilize mostly translator implementations (83%). Providers have vary more widely by using clearinghouses (32%), third party applications (53%), and translators (16%). Vendors vary between using either home grown translators (53%) or commercial translators (40%). Clearinghouses reported home grown translators (67%) or translators (33%).



From the HIPAA implementation perspective, translators have the strongest results with 74% of its respondents in final testing stages made up of mostly payers. Next successful was home grown implementations with 53%, followed by clearinghouses with 33%, and third party applications at 17%.

| | Home Grown | Clearinghouse | 3rd Party | Translator | Totals |
|------------------------|------------|---------------|-----------|------------|--------|
| Initial Stage | 6% | 56% | 42% | 10% | 28% |
| Development Stage | 31% | 11% | 42% | 18% | 31% |
| System Testing | 13% | 0% | 0% | 22% | 6% |
| External Partner Stage | 44% | 33% | 17% | 42% | 14% |
| Completed | 6% | 0% | 0% | 8% | 22% |

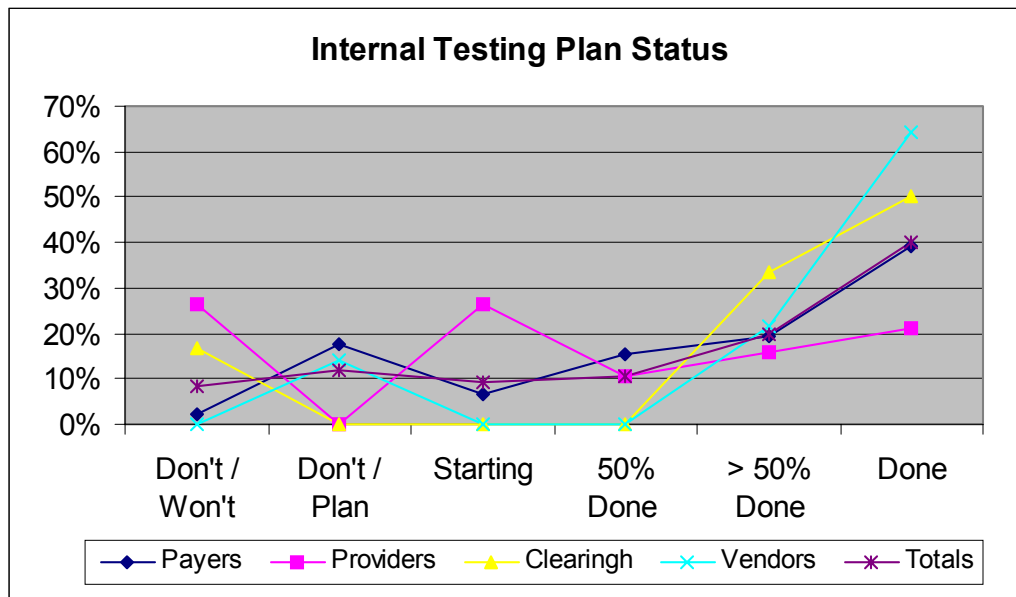


Planning Disciplines and Resulting Progressing

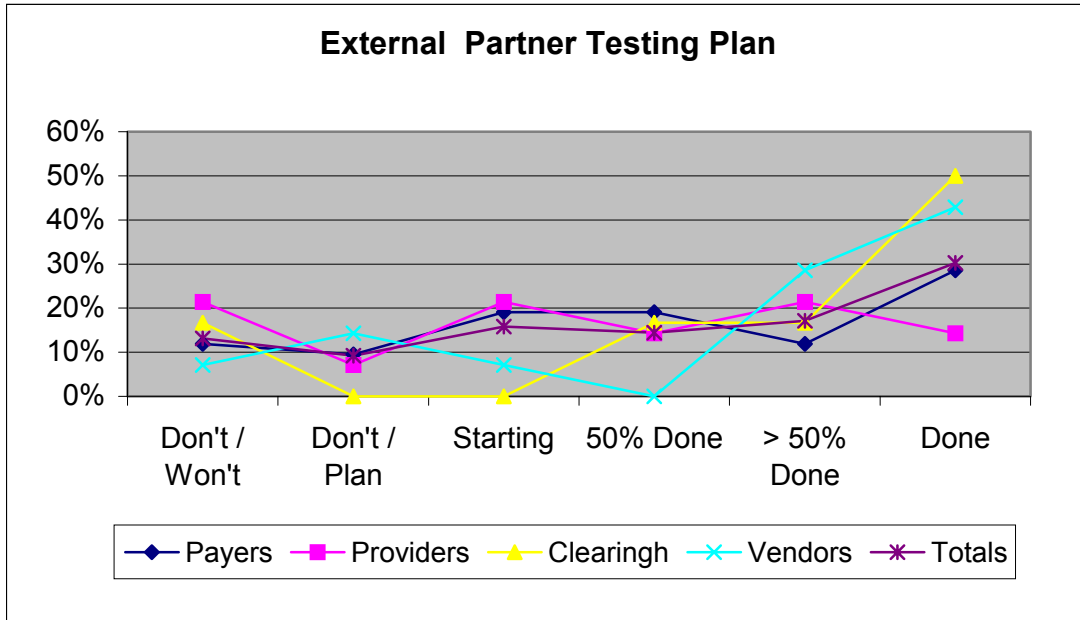
Another view at the testing results is to examine the disciplines that health care organizations are using to accomplish their internal and external partner testing. The categories were broken into:

| | |
|-------------|---|
| Don't/Won't | HCO does not have and will not be producing a formal testing plan |
| Don't/Plan | HCO does not have but will produce a formal testing plan |
| Starting | HCO is beginning to create formal testing plan |
| 50% Done | HCO is 50% done creating formal testing plan |
| > 50% Done | HCO is more than 50% complete in creating a formal testing plan |
| Done | HCO has completed a formal testing plan |

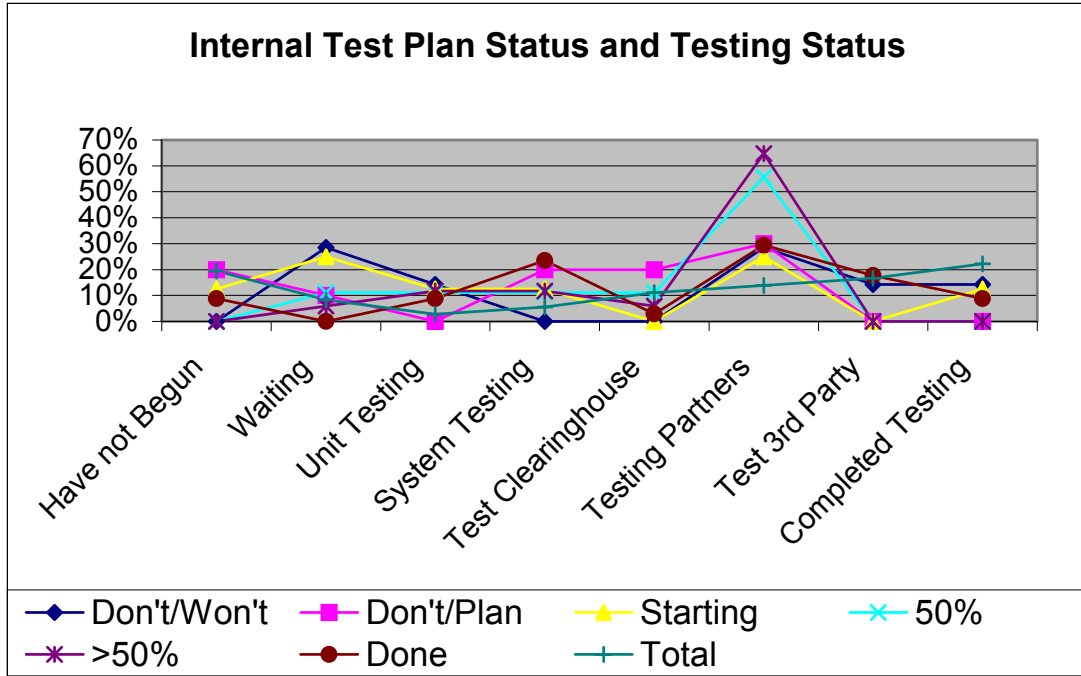
For formal internal testing plans, the overall community reports that at least 80% have begun or completed a formal internal testing plan. Although the plan development are in different stages it was interesting that payers (19%), providers (26%), clearinghouses (17%), and vendors (14%) have not begun. These percentages are relatively close with slightly more development formality from the vendors.



The formal external partner testing plans were surprisingly close to the same as internal plans. The overall community reports that at least 78% of the health care community has begun or have completed their external plans. Those that have not begun the external test plans include payers (22%), providers (28%), clearinghouses (17%), and vendors (21%). These numbers most likely reflect the current testing stage for each HCO type.



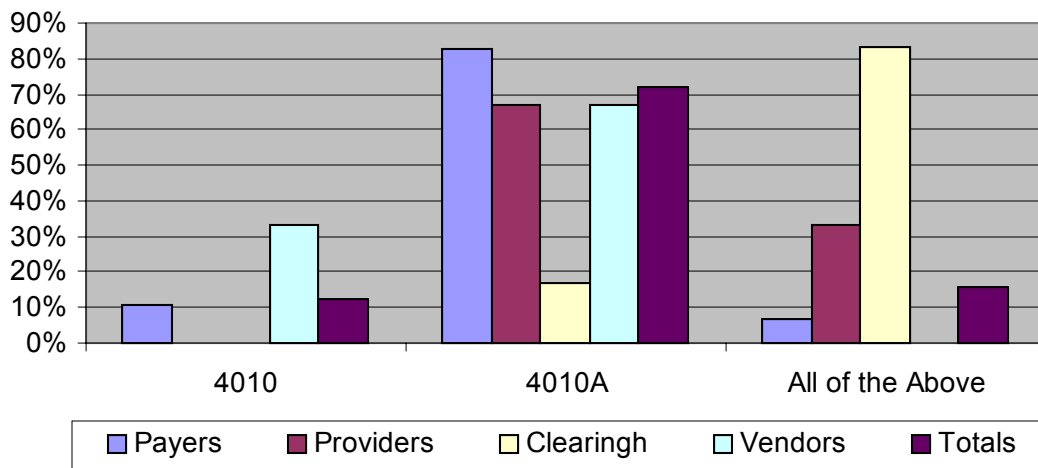
The comparisons are interesting with those that are at least 50% or more completed with their internal test plans. Most are in the final test phases 50% Done (67%), >50% (77%), Done (80%). For those that are in the Don't/Won't category, it is interesting that there results are mixed with 43% in early testing stages and 57% in final test phases. This last group had the highest percentage who completed testing (14%) but also the highest percentage in the "Have Not Begun" state. From these results, we remain strong in our recommendation to for HCOs to generate formal test plans.



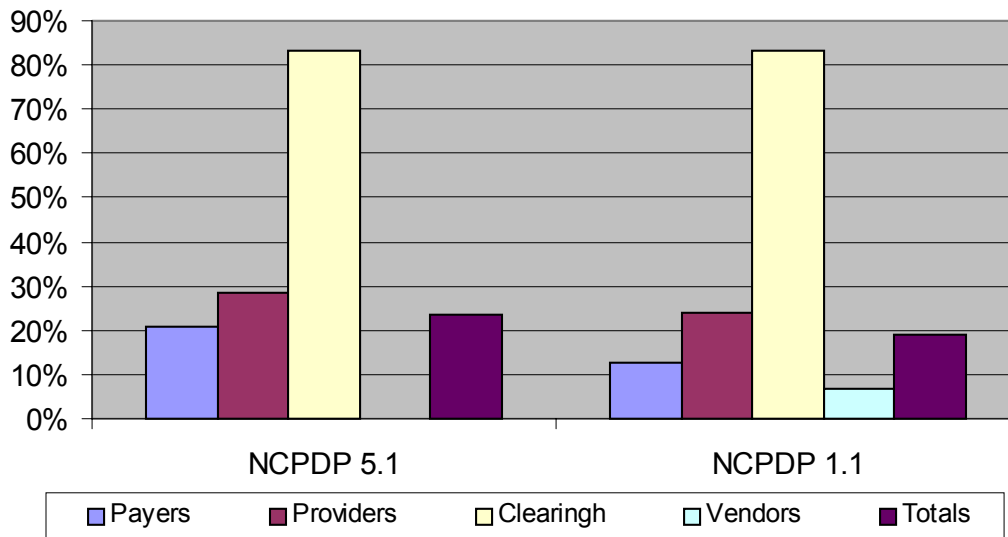
Versions of HIPAA Standards

Our survey results showed that a majority of HCOs are implementing the 4010 Addendum. Not reflected on this chart are a number of respondents that also will support the May 2000 4010 version. Interesting note on this chart, the largest percentage of those that are only implementing May 2000 4010 are vendors at 33%. Clearinghouses at 83% were implementing all the HIPAA versions including NCPDP. On the NCPDP standards, clearinghouses led the way. Providers at implemented both on-line 5.1 and batch 1.1 at 29% and 25% followed by payers who implemented 5.1 (21%) more widely than 1.1 (13%).

HIPAA Version Being Implemented

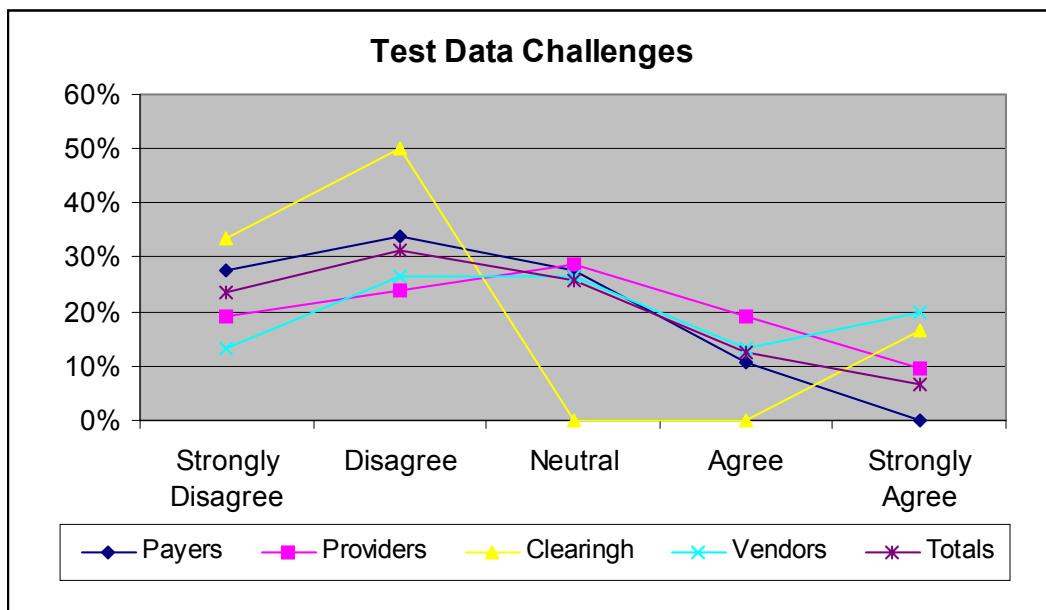


NCPDP Direct Participation

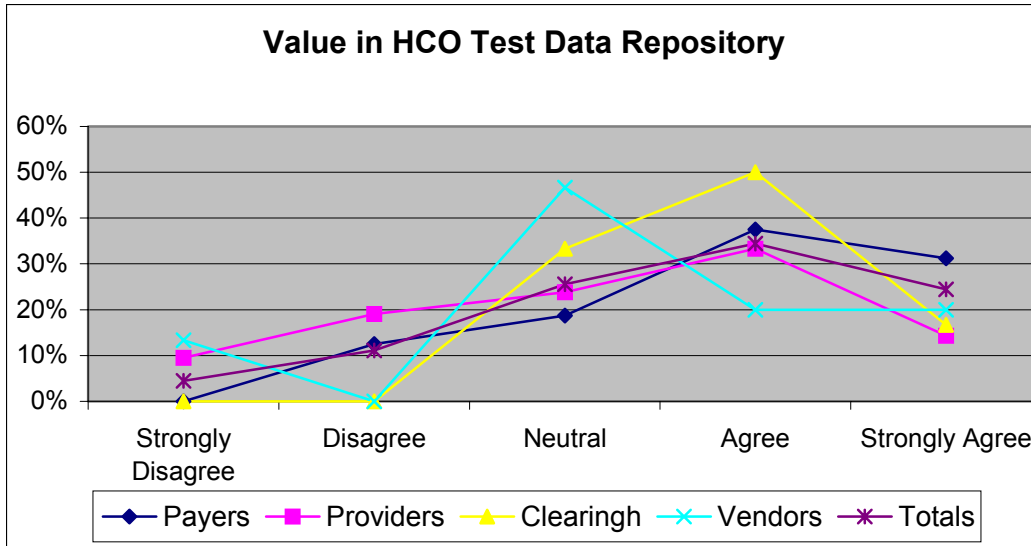


Test Data

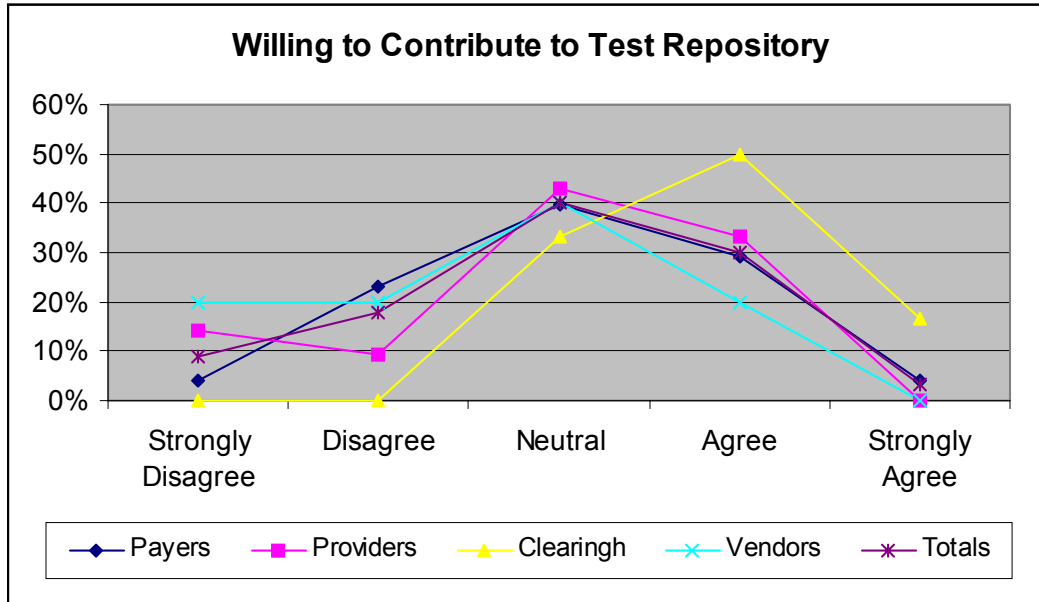
In general, there was not a heightened concern of challenges related towards acquiring test data. Clearinghouses had the least concern followed by the rest of the HCO types. Those that agreed are Vendors (33%), Providers (29%), Clearinghouses (17%), and Payers (11%).



For those that found value in WEDi SNIP hosting an HCO Test Data Repository, a respectable contingent agreed being led by those that had the least amount of troubles with test data, the payers and clearinghouses, although providers and vendors also agreed.



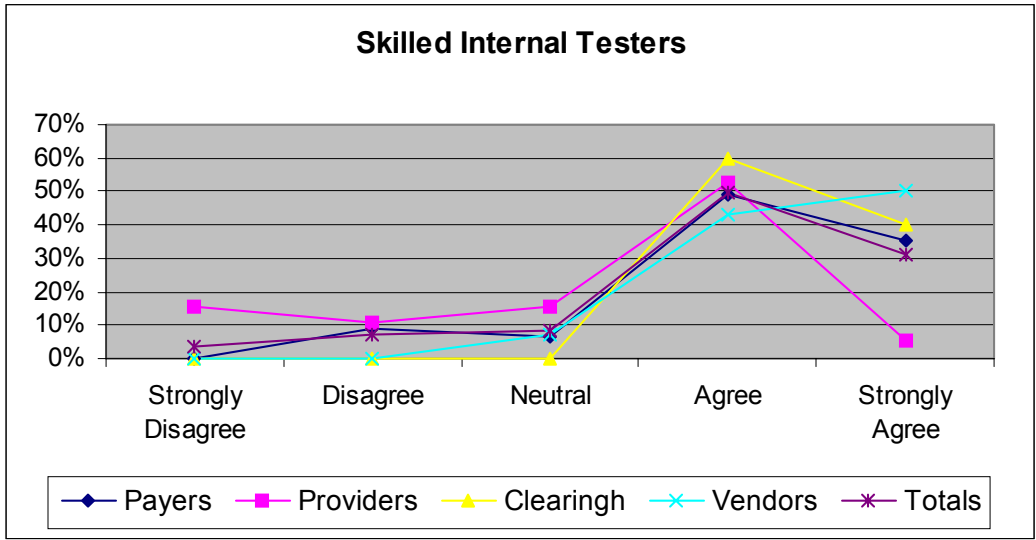
Sadly enough, there was not a strong response that strongly agreed to contribute to the Test Data Repository although there were a number of organizations that are interested. When the Testing Sub-Group originally announced this idea, there was interest although no one submitted data. If this work product is to work, there needs to be more commitment from the WEDi community.



Skilled Resources

There is a general agreement that the Health Care community of those surveyed feel comfortable with their employee's testing skills. Strongest confidence came from clearinghouses, vendors, and payers. Providers had a more mixed concern with 43%

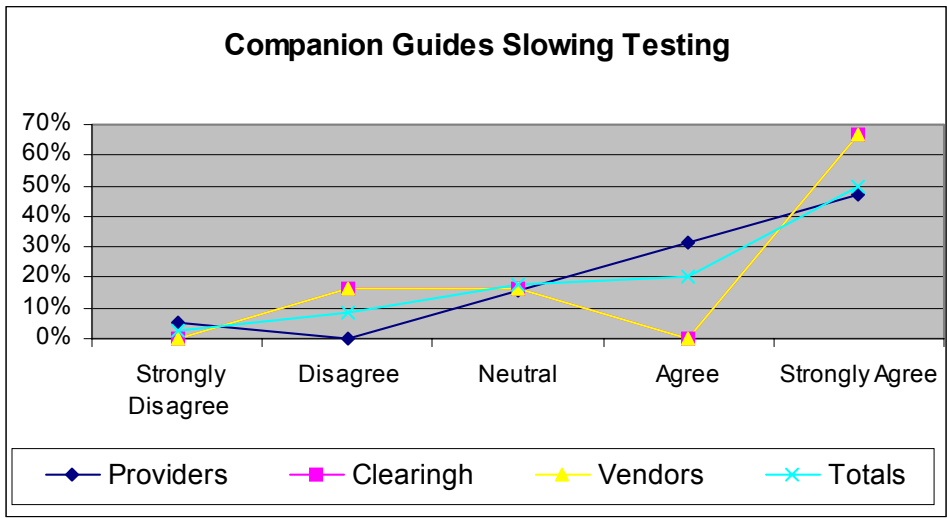
neutral or less. The external partner test skills were nearly identical to the internal test skills.



Companion Guides Complications

Results from non-Payers came in strongly that there is an impact to the speed of HIPAA implementation from companion guides. Providers naturally felt the strongest with 79% agreeing, and clearinghouse tied vendors with a 67% agreement.

| | Providers | Clearinghouses | Vendors | Totals |
|-------------------|-----------|----------------|---------|--------|
| Strongly Disagree | 5% | 0% | 0% | 3% |
| Disagree | 0% | 17% | 17% | 9% |
| Neutral | 16% | 17% | 17% | 18% |
| Agree | 32% | 0% | 0% | 21% |
| Strongly Agree | 47% | 67% | 67% | 50% |



Conclusions

Reserved for future comment.....