Taking the Pulse of Health IT in Rural Clinics and Small Hospitals

Sponsored by Azalea Health
www.AzaleaHealth.com | 877-777-7686

Endorsed by Hometown Health
About the Survey

The purpose of this survey is to provide an overview perspective of rural practices and critical access hospitals on their technology use, challenges, and goals going into 2015. The survey serves as a barometer for practices and hospitals on current and emerging health information technology trends.

Thank you to the participants for taking time out of their busy schedules to respond. The data for this report comes straight from your insight. And, it is clear, that as fulfilling as patient care is, most physicians -- especially in small practices -- are discouraged by the administrative and business side of health care.

In 2015 meeting ICD-10 and Meaningful Use Stage 2 guidelines will continue to have a significant impact on technology decisions. The general consensus is that technology is a necessary evil for a successful transition, but finding the budget and resources to achieve it are a huge challenge.

Key Findings - Highlights

• Most practices that responded are using some form of health information technology, with many relying on health IT solutions for more than one aspect in their practice. Many are planning on replacing their current system or investigating in new systems. The majority of these are switching in order to meet operational needs, to meet ICD-10 and MU requirements, and because they want more features to improve workflow in their practice.

• Cost, however, was ranked by the majority as the biggest issue, holding practices back from upgrading or adopting health IT. Declining reimbursements is the main financial challenge facing practices.

• Practices were split on the impact of health IT (between improved workflow, somewhat improved, and not worth it). Efficiency and performance of current systems seems to be a factor. But, given the resources, most people would choose to spend it if they had it on EHR/PM software over other technologies.

• Over half of the practices surveyed rely on in-house billing. For the third that outsource their billing, the top reason is to reduce staffing and training costs.

• Most practices responded that they are ready or will be ready for ICD-10 by the October 1, 2015 deadline. Very few have not started preparing. Most respondents are also attesting for MU Stage 1 or 2. A minority of practices are not planning on participating.

• Considering the current environment of increasing complexity and regulatory administration and resource challenges, the large majority of the respondents are planning to expand their practice business in the future, adding more staff and patients.
Data Overview

What health IT systems and solutions are you currently using?

- A little over half of the respondents, 60%, are currently using a comprehensive electronic health record software for charting and practice management.
- Less than half of the respondents, 28%, are currently using electronic medical record software for charting purposes only.
- 34% use practice management software to manage the practice’s billing and scheduling.
- 16% are currently using Revenue Cycle Management and billing services in their practice.
- Only 10% of survey respondents are not using any EHR, RCM, or PM software or systems in their practices.

The majority of respondents are using some form of health information technology system in their practices, with many relying on health IT solutions for more than one aspect in their practices.
In 2015, concerning your EHR or practice management software, what are you planning?

- A large majority of respondents, 70%, are planning on staying with their current EHR and/or PM systems.
  - 18% are planning on replacing their current EHR or practice management software.
  - 12% of respondents are planning to start researching new systems to potentially replace their current system.

Of those that are looking for a new system, what are the key factors prompting them?
There are several factors that affect the decision for physician and practice managers to adopt a new EHR program.

- 19% are looking to switch due to the fact that their existing system is not meeting their operational goals, and they are looking for additional features.
- 16% are changing because their current system does not meet ICD-10 and Meaningful Use requirements.
- Nearly 10% claimed a lack of support from their current EHR systems is the main reason.
- 5% responded that the cost of their current system is the main reason.
- 4% Noted that interface issues with their existing system
- 2% are looking because their system is not tablet and smartphone compatible.

**What are the top issues preventing practices from upgrading or adopting health IT technology?**

When looking at the top issues preventing physicians and practice managers from upgrading or adopting new health IT solutions, cost was ranked as the number one issue.

- 11% of respondents ranked staffing and IT resources as one of the top issues preventing them from adopting or upgrading their current system.
- 5% responded that the return on investment from adopting a new system was unclear.
- 3% confessed that the fear of change is preventing them from changing systems.
- 2% of survey participants responded that they are overwhelmed by the amount of technology options available, which is the main factor preventing them from adopting their current systems.
How does your practice manage your billing/collections?

A majority of respondents, 66%, rely on in-house resources for managing their billing.

- 27% of respondents outsource their billing and collections to an external company.
- 7% indicated they use a combination of in-house and outsourced services for billing and collections, or they use a clearinghouse/external company after in house resources have been exhausted.

What are the top reasons for practices to outsource their billing?

When asked what the top reasons are for outsourcing billing, respondents were pretty evenly distributed among the following reasons:

- To reduce staffing and training costs.
- They do not have reliable or compliant in house resources, and prefer to outsource billings.
• To receive higher reimbursements.
• To reduce claim rejections.
• To improve office efficiency.
• They prefer to use a service with certified billers and coders.

If you had the resources and budget, which of the following technologies would you implement in 2015?

- Practice Management
- Hardware -- tablets...
- Medical device equipment ----
- Telehealth
- Consumer health apps ...

Given the budget and resources needed, nearly half (43%) of survey respondents would focus their resources on Practice Management and/or EHR software.

- 31% would put budget and resources towards hardware, including tablets, smartphones, laptops, etc., and medical devices/equipment.
- Telehealth, consumer health applications, and wearable devices to manage chronic disease are among their top priorities for implementing technology.
Declining reimbursements continues to be the main challenge facing practices in 2015. In addition, survey respondents indicated improving billing processes, bringing in new patients and marketing their facilities, finding and maintaining trained staff, and improving patient engagement continue to be challenges.

- Over half, 54%, ranked declining reimbursements as their main challenge.
- 14% ranked increasing regulatory oversight as their main concern.
- 11% indicated upgrading and maintaining IT software and equipment is their main concern.

What is the status of your facility on preparing for ICD-10?
Most practices are ready or will be ready for ICD-10 by the October 1, 2015 deadline. Very few have not started preparing.

- Nearly 30% of survey participants responded to having a plan in place for ICD-10 implementation.
- 25% responded that they are halfway there in terms of preparing for ICD-10.
- Nearly 20% of practices are relying on their vendors and billing companies to be prepared for ICD-10. 16% believe their practices are ready for ICD-10 compliance.
- 6% have not started preparing for ICD-10, and another 6% currently do not know where they stand in terms of preparation for ICD-10.

**What steps is your practice taking to prepare to meet ICD-10 compliance in 2015?**

<table>
<thead>
<tr>
<th>Step</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess current system and...</td>
<td>52.82%</td>
</tr>
<tr>
<td>Determine if you need to...</td>
<td>23%</td>
</tr>
<tr>
<td>Identify which forms and...</td>
<td>46%</td>
</tr>
<tr>
<td>Using the ICD-10...</td>
<td>37%</td>
</tr>
<tr>
<td>Engaging a consultant to...</td>
<td>16%</td>
</tr>
<tr>
<td>Scheduling code training...</td>
<td>30%</td>
</tr>
<tr>
<td>Develop an ICD-10 code...</td>
<td>20%</td>
</tr>
<tr>
<td>All of the above.</td>
<td>20%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>6%</td>
</tr>
</tbody>
</table>

Most practices are well on their way in preparing to meet ICD-10 compliance. In fact, some participants indicated their facility has begun ICD-10 practice exercises in preparation. As indicated by survey responses, the most common strategies and steps include:

- Over half are assessing their current system and vendors on their schedule and path for transition (52.82%).
- 23% are determining if their current systems need to be upgraded or replaced to help them meet ICD-10 standards.
- Nearly half are scheduling code training for staff (46%), and developing an ICD-10 code cheat sheets for the practice (44.37%)
• 40% are identifying which forms and reports will need to be reformatted or revised.
• 23 % are engaging a consultant to assist with the transition.

**What is your status on meeting Meaningful Use goals?**

34% of survey respondents indicated they are currently attesting for Stage 2, and 31% of respondents are currently attesting for Stage 1.

• 15% do not plan to participate in Meaningful Use.
• 10.27% do not feel they have the time and/or resources to make it a priority.
• 10% expressed that they are not participating in Meaningful Use due to a lack of understanding of the program.

**What are the plans for the direction of your practice in the next 5 years?**
Surprisingly, in light of mounting administrative complexity and demands, and fewer physicians in rural communities, participants responded overwhelmingly that they plan to grow their practice business over the next five years. 66% plan to grow their practice(s) by adding more physicians, increasing patient capacity, and expanding to more locations. Less than 1% plan to reduce the size of their practice.

- 17% of practices plan on remaining the same size for the next 5 years.
- Retire the practice (4% of respondents)
- Joining an accountable care organization (3%)
- Becoming affiliated with a hospital (1%)
- Merging with another practice group (1%)
- Growing the current practice by adding physicians, mid-level practitioners, and patients
- Changing payment model to self pay
- Remaining operational contingent on future need of the practice

**Has health IT technology had a positive impact on your practice and care delivery?**

A good number of survey respondents expressed that they not happy with health IT. But, as one commented, it is a necessary evil. And, although moving from paper files was a challenge for these practices, they believe it has been worth the effort.

- 36% of survey respondents believe health IT has improved workflow with scheduling patients, increased efficiency of billing, and improved the overall business of the practice.
• 35% responded that although they feel health IT has improved workflow, staying up to date on the technology requires significant time and resources.

• 18% of survey respondents believe the implementation and training for health IT takes too much effort and takes too much time away from working directly from patients, or believe it takes too much to find the right software.

About Azalea Health

Azalea Health is a leading provider of cloud-based healthcare solutions and services. The complete Azalea solution provides Electronic Health Records (EHR), Practice Management (PM), Revenue Cycle Management (RCM) billing services, as well as Patient Health Records Portal, a mobile mHealth application, and pre-cert services. With a focus on patient engagement, Azalea’s integrated solution has the flexibility to accommodate multiple specialties of any size practice and can immediately improve workflow as well as revenue flow. The solution also provides tools and resources to help customers meet their Meaningful Use and ICD-10 requirements. For more information visit www.AzaleaHealth.com. To schedule a demo, contact sales@AzaleaHealth.com, or call (877) 777-7686.