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# 2008 HIMSS/HIMSS ANALYTICS AMBULATORY HEALTHCARE IT SURVEY

*Final Report*

*October 2008*

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## 2008 HIMSS/HIMSS Analytics Ambulatory Healthcare IT Survey

### *Final Report*

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# 2008 HIMSS/HIMSS Analytics Ambulatory Healthcare IT Survey

The 2008 HIMSS/HIMSS Analytics Ambulatory Healthcare IT Survey was designed to collect information about the utilization of key technologies in the ambulatory market, such as electronic medical records (EMRs) and e-prescribing.

## 1. Executive Summary

Approximately one-third of survey respondents noted that functional components of an electronic medical record (EMR) are in place at their organization. While Sage Software, eClinicalWorks, GE, Misys and NextGen were frequently mentioned as the EMR vendor in place at these organizations, the research clearly suggests that there is no dominant market leader and that there are many, many players in this market.

Market growth is predicted to be slow; only 13 percent of respondents indicated that they will purchase an EMR in the near future. Among both current and future users, physician charting/documentation and nursing charting/documentation were key features that are or will be used. Several key survey findings in the report include:

**Billing:** Three-quarters of respondents handle the billing at

their practice internally; another 20 percent use a billing service.

**Practice Management System:**

Approximately three-quarters of respondents indicated that a practice management system is in place at their facility.

**Barrier to EMR Adoption:**

Cost and lack of interest in EMR systems were identified as the two top barriers to adopting EMR technology.

**CCHIT Certification:** Half of respondents that plan to purchase an EMR indicated that they will purchase a system that is certified by the Certification Commission for Healthcare Information Technology (CCHIT).

**E-prescribing:** One-quarter of respondents reported that their organization uses e-prescribing technology. The majority of respondents that do not use this technology reported their organization has no future plans to purchase the technology,

*The research clearly suggests that there are no dominant market leaders, but that there are many players in this market.*

*In June 2008, HIMSS Analytics surveyed 500 people working for ambulatory practices.*

**Information on HIT:** Over half of the respondents reported that they do not attend trade shows to get information on HIT.

## **2. Purpose and Methodology**

To understand the utilization of technology in the ambulatory marketplace, HIMSS Analytics surveyed 500 individuals working for ambulatory practices in June 2008. The primary contacts for this research were office managers. All surveys were conducted via telephone.

This research was based on research that HIMSS Analytics conducted in 2006,<sup>1</sup> and wherever possible, associations will be drawn between the two data sets, while keeping in mind that the sample in each of these surveys was different. The survey and responses are statistically significant.<sup>2</sup>

## **3. Profile of Respondents**

By provider size, the respondents in this survey fall into three categories. The first is small, which includes one to three FTEs. This portion of the survey comprises 54 percent of the sample population.

Practices with four to 14 FTEs are categorized as medium practices; 37 percent of the respondents fall into this category. The final 9 percent of respondents work at large practices, which are categorized as those that have 15 or more FTEs. (See Figure 1.)

For the purposes of this survey, a provider was defined as a physician, physician assistant or nurse practitioner. In broad strokes, one-third of respondents work for a primary care practice, which is categorized as one that offers general medicine/family medicine, internal medicine or pediatric services. The remaining two-thirds of respondents work for a specialty practice.

These practices comprise a variety of specialties, including cardiology, obstetrics/gynecology, orthopedics, cardiology and surgery, among many, many others.

The practices in this sample are located in 49 of the 50 states, as well as Washington, D.C. Twenty-one percent of respondents are located in the South Atlantic<sup>3</sup> region, while another 16 percent are located in the Mid-Atlantic region.

The fewest respondents (4 percent) are from the New

1. HIMSS Analytics, "Evaluation of a Compliance Certification Process for Health Information Technology," (<http://www.himss.org/content/files/HAAmbulatoryStudy042006.pdf>)

2. The data is significant at a 95 percent confidence level with a 5 percent confidence interval.

3 All geographic regions are defined in the Appendix

England region. Finally, approximately 90 percent of the respondents participating in this research indicated that the practice that they work for is not owned by a healthcare system.

#### 4. Billing Practices

Slightly more than three-quarters of respondents indicated that billing at their practices was handled internally. Another 20 percent indicated that they used a billing service; 4 percent noted that their billing was handled through a physician hospital organization (PHO). Among those that use an outside firm to handle billing, no leading vendor was identified.

Not surprisingly, 62 percent of the facilities that bill through a physician hospital organization are medical practices that are owned by a healthcare system. Similarly, facilities that are not owned by a healthcare system are more likely to report that they handle billing independently.

With regard to practice size, respondents working for small practices were more likely to report using a billing-services agency than were those working for larger practices—more specifically, one-quarter of small practices used a billing service, compared to 16 percent of medium practices and 13 percent of large practices.

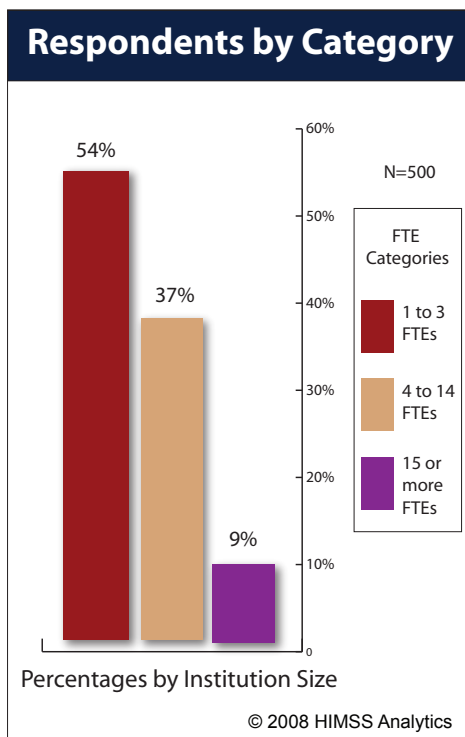


Figure 1

The reverse is true for billing that takes place through a PHO—13 percent of large practices use a PHO, compared to 5 percent of medium practices and 2 percent of small practices.

By practice type, a higher percentage of respondents working for a primary care practice use a billing-services agency. More specifically, 27 percent of respondents working for a primary care practice reported that they use a billing service. This compares to 16 percent of respondents who reported that they work for a specialty practice.

*Just over three-quarters of respondents say their billing practices were handled internally.*

*There obviously are many small players in this market. Numerous vendors were mentioned by surveyed organizations only once or twice.*

## **5. Practice Management Systems**

Nearly three-quarters (71 percent) of respondents indicated that their practice has a practice management system in place. This is substantially lower than the nearly 100 percent of the respondents participating in the 2006 research.

Respondents at larger practices are more likely to have a practice management system. Eighteen percent of respondents working for a small practice said that they do not have a practice management system; this is true at 14 percent of medium-sized facilities.

However, no respondents working for a large practice reported this to be the case.

By ownership, only 8 percent of facilities owned by a healthcare organization reported that they did not have a practice management system, compared to 16 percent of those not owned by a healthcare organization.

Sage Software and MediSoft were the most frequently identified vendors. It is apparent, however, that there are many small players in this market, as there are a multitude of vendors that had only one or two vendor mentions.

## **6. Electronic Medical Records (EMRs)**

Nearly one-third of respondents (30 percent) indicated that their organization has an EMR system. This is greater than the 26 percent of respondents who reported having an electronic medical record/electronic health record (EMR/EHR) system in place in the 2006 survey.

A higher percentage of practices that are part of a healthcare system use an EMR than do those that are not (54 percent compared to 27 percent). Use of EMRs is also greater at larger practices. More specifically, 24 percent of small practices use an EMR, compared to 34 percent of medium practices and 47 percent of large practices. (See Figure 2.)

### **Respondents with an EMR in Place**

Among those facilities that do have an EMR, Sage Software is the vendor most frequently identified. Also frequently mentioned are eClinicalWorks, GE, Misys and NextGen. As with practice management systems, there are a large number of vendors that are installed at a very small number of ambulatory practices.

This survey identified 12 different functional components for which respondents might be using

their present EMR. On average, respondents noted that 6.99 of these functional components were being used in their facility.

Respondents were most likely to indicate that the EMR was used for physician charting/documentation; this item was selected by 75 percent of respondents. A similar number of respondents indicated that the EMR at their facility was used for nursing charting/documentation; this item was selected by 74 percent of respondents. Two-thirds of respondents (66 percent) noted that their EMR was used for integrated appointment/patient scheduling.

Although reported in a different order, these three items were also the most widely selected in the 2006 research.

In 2006, these values were 66 percent, 63 percent, and 72 percent respectively. Utilization rates of the other options in the 2008 survey are outlined below.

- Physician order entry with clinical decision support for all orders—61 percent (55 percent in 2006)
- Physician orders for medications and refills only—60 percent (57 percent in 2006)

- Nursing orders for medications and refills only—58 percent (53 percent in 2006)
- Reference lab connectivity for orders/results—55 percent (49 percent in 2006)
- Nursing order entry with clinical decision support for all orders—54 percent (49 percent in 2006)
- Imaging connectivity for diagnostic studies, results and Picture Archiving and Communication System (PACS) viewing—52 percent (40 percent in 2006)
- Patient self-reporting and messaging—31 percent (three percent in 2006)
- Online consultations—21 percent (12 percent in 2006) (See Figure 3.)

Five percent of respondents indicated they have an EMR but are not yet taking advantage of its functionality. There are some differences in utilization by practices that are owned by hospital systems, compared to those that are not.

Compared to those practices that are not owned by a healthcare

*Nearly one-third of survey respondents indicated that their organization has an EMR system.*

Forty-five percent of respondents working for small practices say they use their EMR strictly for nursing medication orders and refills.

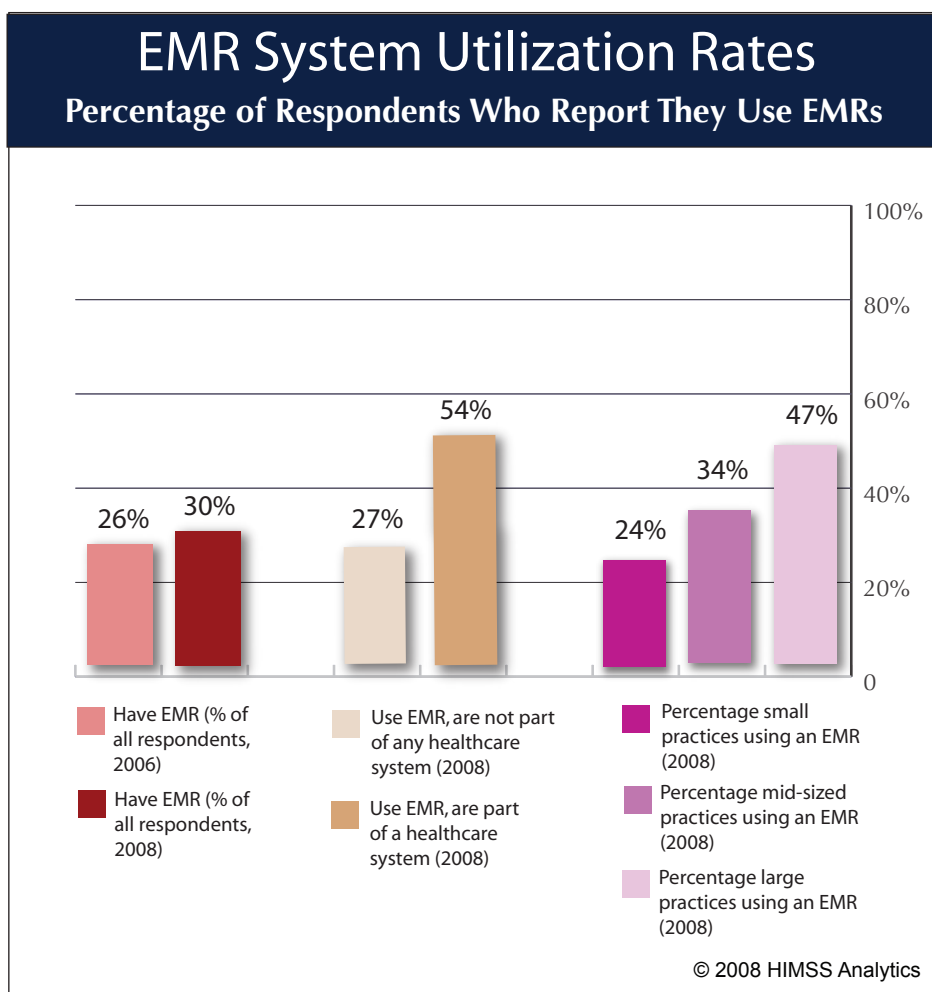
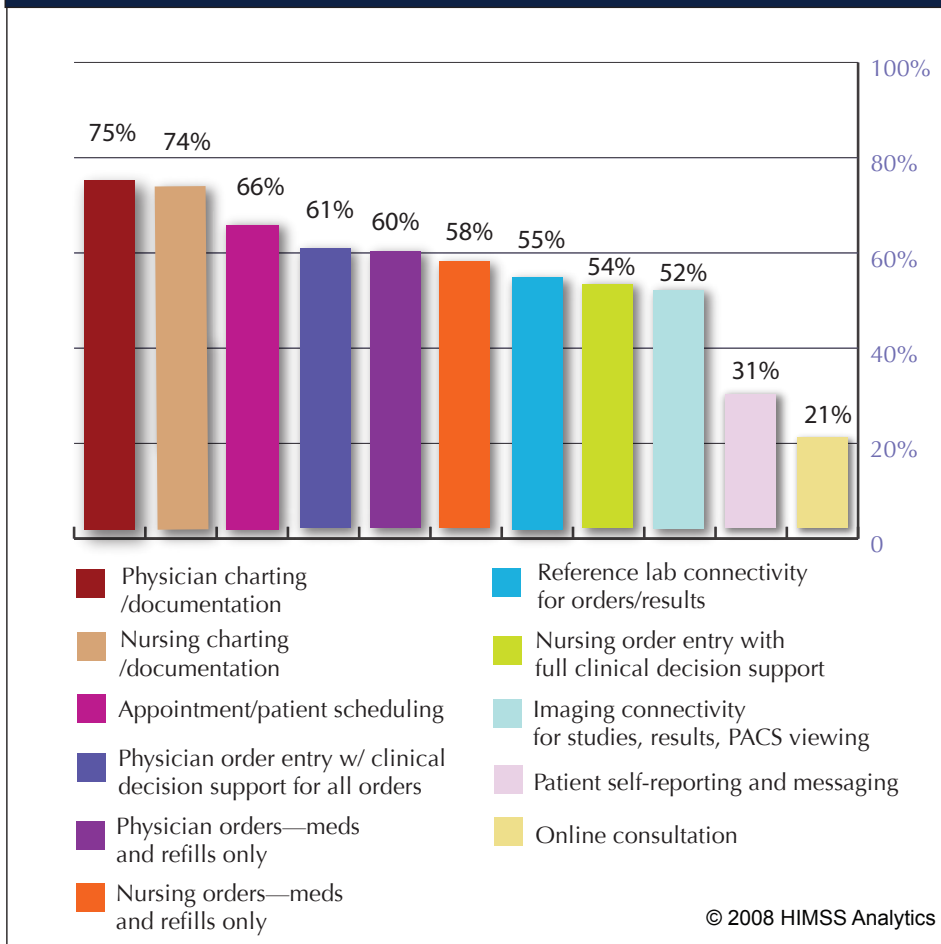


Figure 2

system, a higher percentage of respondents working for a practice owned by a healthcare system use the following capabilities:

- Physician orders for medications/refills—78 percent versus 56 percent
  - Reference lab connectivity for orders/results—82 percent compared to 49 percent
  - Imaging connectivity for diagnostic studies—78 percent compared to 46 percent
  - Online consultations—37 percent compared to 17 percent
- There is also a difference in utilization of nursing orders for medications/refills only, by practice size. Forty-five percent of

## EMR Component Utilization Rates Respondents Reporting Adoption, 2008



*Five percent of respondents say they have an EMR, but are not taking advantage of its functionality.*

Figure 3

respondents working for a small practice report that the EMR is used for this purpose.

This can be compared to 68 percent of respondents working for a medium-size practice and 67 percent of those individuals working for a large practice. By practice type, a higher

percentage of those working for a primary care practice reported that they use physician order entry with clinical decision support (72 percent, compared to 56 percent of those working for a specialty practice).

Respondents were also asked to answer the following question—

*Improving the quality of care was the reason respondents most often cited for using an EMR system.*

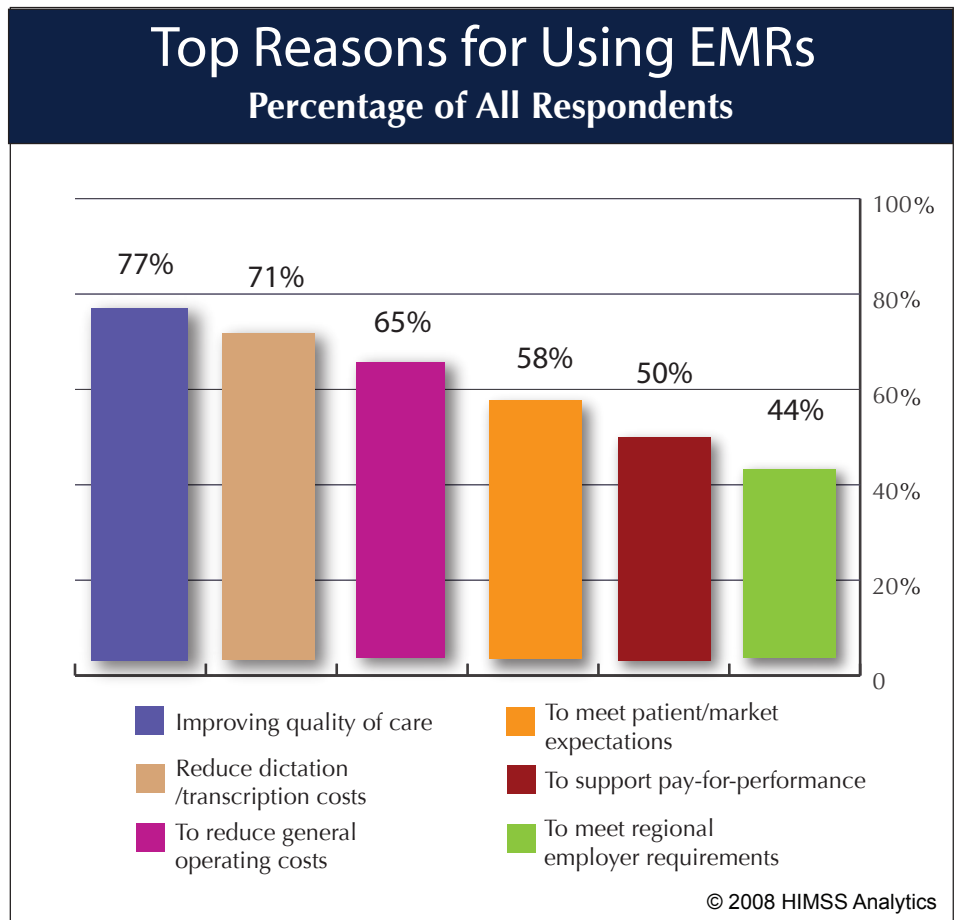


Figure 4

“are you using the EMR to...”  
(See Figure 4.)

Improving quality of care was the option most frequently selected, identified by 77 percent of respondents. This item was selected by a similar number of respondents in the 2006 research.

Nearly three-quarters (71 percent) also stated that they were using their EMR to reduce dictation/

transcription costs. Other responses to this question included:

- To reduce general operating costs—65 percent
- To meet patient and market expectations—58 percent
- To support pay-for-performance reimbursement with payers—50 percent

- 
- To meet regional employer requirements—44 percent

When comparing the reasons for use between those practices that are owned by a healthcare system and those that are not, a higher percent of respondents working for a practice owned by a healthcare system identified the following options as ways in which they were using the EMR.

- To meet regional employer requirements—63 percent compared to 40 percent
- To meet patient and market expectations—78 percent compared to 54 percent

A number of differences were also noted when size of practice is taken into consideration. For instance, a larger percent of respondents working for medium- and large-sized practices indicated that reducing dictation/transcription costs was a reason their practice used an EMR (57 percent of respondents at small practices, 81 percent at medium practices and 81 percent at large practices).

Respondents at large practices were also more likely to note that their EMR is being used to reduce general operating costs (55 percent of respondents at small practices, 71 percent of respondents at

medium practices and 76 percent of respondents at large practices).

The final area in which there is a differentiation in reported use, by practice size, is meeting patient and market expectations. Once again, a higher percentage of respondents working at a large practice report that this is one reason that they use an EMR (46 percent of respondents at small practices, 65 percent of respondents at medium practices and 76 percent of respondents at large practices).

#### **EMR Purchase Plans Among Respondents with No EMR**

Among respondents who indicated that they currently have no EMR in place, 13 percent indicated that they had plans to purchase an EMR within the next 24 months.

Most of these respondents (65 percent) reported that they would purchase an EMR directly from the vendor. Another 11 percent indicated that they would purchase the system from the hospitals they are affiliated with. Finally, more than half of those that plan to make a purchase (54 percent) said their organization will purchase an EMR in the next year. Another third will defer the purchase for 18 to 24 months.

Only a handful of respondents were aware of the amount of money that

*Respondents at large practices are likely to say they use the EMR to reduce general operating costs.*

*Among practices with no EMR system, 13 percent of practices said that they plan to purchase one within the next 24 months.*

was budgeted toward the purchase of an EMR. Among these, the average amount budgeted was \$299,316, with a range from \$275 to \$3 million. The median response was \$25,000. These respondents were most likely to report that they would like physician charting/documentation to be a key functionality of the EMR they purchase—this was selected by 87 percent of those surveyed.

Three-quarters of respondents (76 percent) also noted they would like the EMR that they purchase to be capable of handling physician order entry with clinical decision support for all orders. (See Figure 5.)

A comparable percentage of respondents (73 percent) said they would like an EMR to have nursing charting/documentation features. Respondents' other options include:

- Reference lab connectivity for orders/results—70 percent
- Imaging connectivity for diagnostic studies, results and PACS viewing—67 percent
- Nursing order entry that includes clinical decision support for all orders—67 percent

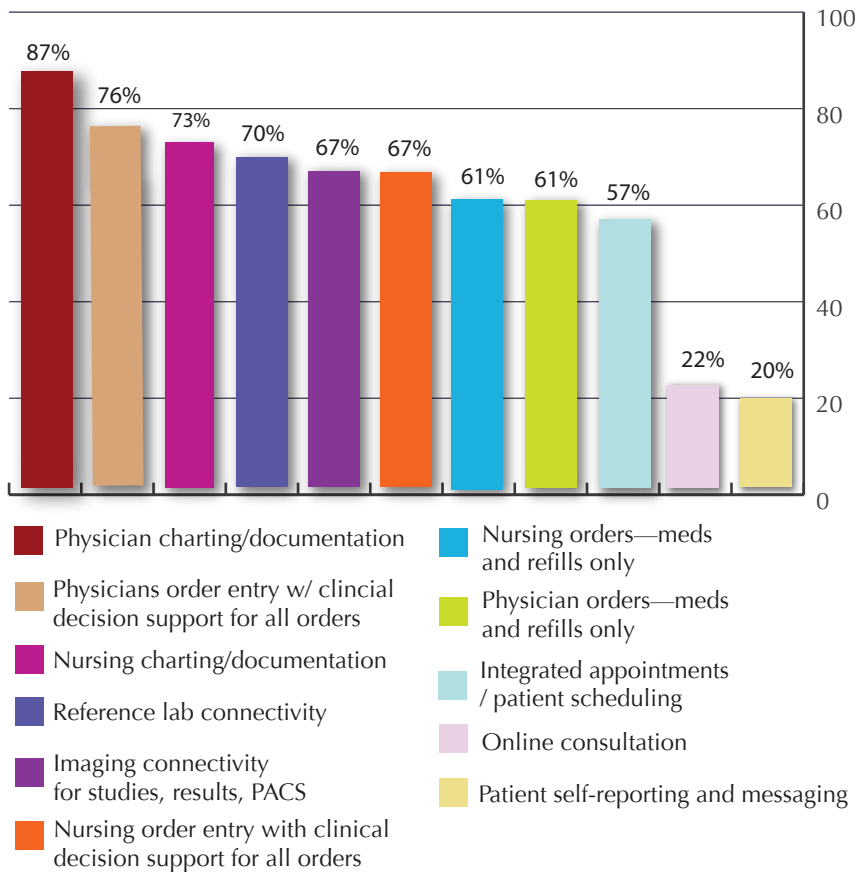
- Nursing orders for medications and refills only—61 percent
- Physician orders for medications and refills only—61 percent
- Integrated appointment/patient scheduling—57 percent
- Online consultations—22 percent
- Patient self-reporting and messaging—20 percent

Half of respondents planning to purchase an EMR said they would purchase a CCHIT-certified system. Only 7 percent said they will not be selecting a CCHIT-certified system.

The remaining 44 percent of respondents were not sure. However, a full 80 percent of respondents indicated that they will seek outside assistance/education to help with readiness, vendor contracting and/or implementation.

Respondents working for a specialty practice were slightly more likely to report that their practice would seek outside assistance/education in this area. More specifically, 82 percent of those working for a specialty

## Most Desired EMR Features Respondents with No EMR at Present



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Figure 5

practice said they would seek outside help, compared to 77 percent of respondents working for a primary-care practice.

Most respondents that will seek outside assistance and/or education will turn to a vendor to provide

those services. Some of the vendors identified included eClincialWorks, NextGen, McKesson and Sage Software.

However, none of these vendors was identified as being by more than a handful of respondents.

*Half of respondents who plan to purchase an EMR system note that they will buy one that is CCHIT-certified.*

*Cost is the most frequently cited barrier to EMR adoption.*

## **Barriers to EMR Adoption**

All respondents were asked to identify what they believe is the greatest barrier to EMR adoption. Cost was the most frequently selected response, identified by 40 percent of respondents. Another quarter of respondents noted lack of interest in EMRs as a barrier. Respondents were least likely to select vendor viability as a barrier (3 percent). Four percent of respondents stated that there were no barriers to EMR adoption.

Not surprisingly, respondents who work for a practice that is not owned by a healthcare system are more likely to state the cost is a barrier, when compared to those practices that are owned by a healthcare system (42 percent compared to 30 percent). This group is also more likely to identify lack of interest as an issue (25 percent compared to 12 percent).

Conversely, respondents working for practices that are owned by a healthcare system are more likely to cite as a barrier threats to provider productivity (18 percent compared to 6 percent). This group also was more likely to identify market uncertainties as a barrier (8 percent compared to 3 percent).

By percentage, respondents working at large physician practices were more likely to identify

threats to provider productivity as a barrier to adoption (small practices, 6 percent; medium practices, 7 percent; large practices, 13 percent). Conversely, a higher proportion of respondents working at small practices identified lack of interest as a barrier (small practices, 29 percent; medium practices, 21 percent; large practices, 4 percent).

## **7. Information on HIT**

Respondents were asked to identify which trade shows they attended to get information on health information technology (HIT). More than half of these respondents (55 percent) are not attending trade shows.

Respondents were most likely to report that they attended local chapter events—14 percent reported that they attended a local MGMA (Medical Group Management Association) event, and 6 percent said they attended local HIMSS (Healthcare Information and Management Systems Society) events.

Eleven percent reported that they attend MGMA's national meeting, while 4 percent attend the national AMGA (American Medical Group Association) and HIMSS meeting, respectively. Only 2 percent of respondents report that they attend TEPR (Towards the Electronic Patient Record).

## 8. E-Prescribing

Nearly one-quarter of respondents (21 percent) reported that their organization has an e-prescribing solution. This information was not gathered in the 2006 survey.

A higher percent of respondents working for a practice affiliated with a healthcare system reported using e-prescribing, compared to those working for a practice not affiliated with a healthcare system (40 percent compared to 19 percent). By practice size, a higher percentage of respondents working for a large practice reported using e-prescribing, when compared to small and medium-sized practices (small practices, 16 percent; medium practices, 24 percent; large practices, 42 percent). (See Figure 6.)

At present, no company dominates the market. While, Iscribe, Surescripts, MedEnt, and Sage Software were mentioned most frequently, only a handful of respondents report that their software is in place.

Those who do not have e-prescribing technology were asked about their future plans to purchase this technology. The majority of these respondents (68 percent) do not have plans to install this technology in the future. Only 9 percent of respondents will acquire

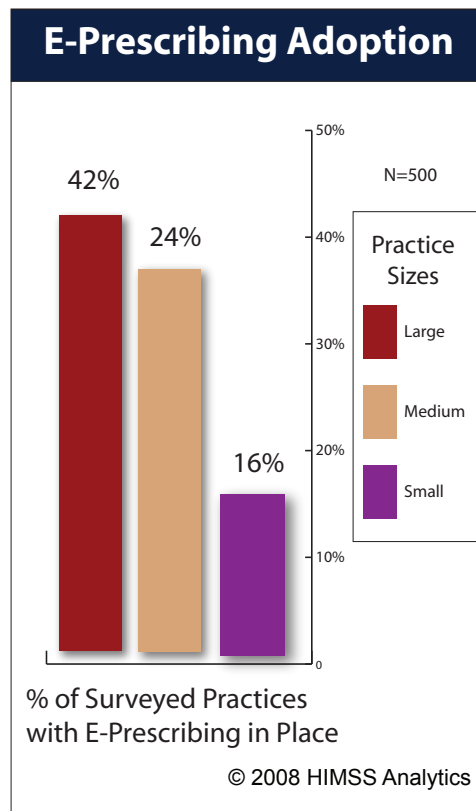


Figure 6

this technology within the next year and another 4 percent will acquire this technology in the next two to three years. Ten percent reported that they do not know when/if their organization plans to purchase this technology.

By practice type, those respondents who work for a specialty medical practice were most likely to report that their organization would not purchase e-prescribing technology. More specifically, 73 percent of the respondents working for a specialty practice stated that

*Almost one-quarter of respondents said that their organization has an e-prescribing solution in place.*

their organization has no plans to purchase e-prescribing technology. This can be compared to only 60 percent of respondents working for a primary care practice.

## **9. About HIMSS**

The Healthcare Information and Management Systems Society (HIMSS) is the healthcare industry's membership organization exclusively focused on providing global leadership for the optimal use of healthcare information technology (IT) and management systems for the betterment of healthcare. Founded in 1961 with offices in Chicago, Washington, D.C., Brussels, Singapore and other locations across the United States and Europe, HIMSS represents more than 20,000 individual members and more than 350 corporate members who collectively represent organizations that employ millions of people. HIMSS frames and leads healthcare public policy and industry practices through its advocacy, educational and professional development initiatives designed to promote information and management systems' contributions to ensuring quality patient care. Visit [www.himss.org](http://www.himss.org) to obtain more information.

## **10. About HIMSS Analytics**

HIMSS Analytics is a wholly owned not-for-profit subsidiary

of the Healthcare Information and Management Systems Society (HIMSS). The company collects and analyzes healthcare information related to information technology (IT) processes and environments, products, information systems (IS) department composition and costs, IS department management metrics, healthcare trends and purchase-related decisions. HIMSS Analytics delivers high-quality products, services and analytical expertise to healthcare delivery organizations, healthcare IT companies, state governments, financial companies, pharmaceutical companies, and consulting firms. Visit [www.himssanalytics.org](http://www.himssanalytics.org) for more information.

## **11. How to Cite This Study**

Individuals are encouraged to cite this report and any accompanying graphics in printed matter, publications or any other medium, as long as the information is attributed to the 2008 HIMSS/HIMSS Analytics Ambulatory Survey.

## **12. For More Information, Contact:**

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## APPENDIX

### *Geographic Regions in Survey*

#### **East North Central:**

Illinois  
Indiana  
Michigan  
Ohio  
Wisconsin

#### **East South Central:**

Alabama  
Kentucky  
Mississippi  
Tennessee

#### **Middle Atlantic:**

New Jersey  
New York  
Pennsylvania

#### **Mountain:**

Arizona  
Colorado  
Idaho  
Montana  
Nevada  
New Mexico  
Utah  
Wyoming

#### **New England:**

Connecticut  
Maine  
Massachusetts  
New Hampshire  
Rhode Island  
Vermont

#### **Pacific:**

Alaska  
California  
Hawaii  
Oregon  
Washington

#### **South Atlantic:**

Delaware  
Florida  
Georgia  
Maryland  
North Carolina  
South Carolina  
Virginia  
Washington, DC  
West Virginia

#### **West North Central:**

Iowa  
Kansas  
Minnesota  
Missouri  
Nebraska  
North Dakota  
South Dakota

#### **West South Central:**

Arkansas  
Louisiana  
Oklahoma  
Texas



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