

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**Y2K READINESS OF
MEDICARE PROVIDERS**



**JUNE GIBBS BROWN
Inspector General**

**MARCH 1999
OEI-03-98-00250**

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June Gibbs Brown (Original Signed)
Inspector General

OIG Final Report: "Y2K Readiness of Medicare Providers," OEI-03-98-00250

Nancy-Ann Min DeParle
Administrator
Health Care Financing Administration

In December 1998, we sent 5000 anonymous surveys to hospitals, nursing facilities, home health agencies, durable medical equipment suppliers, and physicians. The sample was stratified to ensure equal representation of urban and rural fee-for-service providers. We accepted survey responses through early February 1999. Completed surveys were received from 49 percent of hospitals, 41 percent of nursing facilities, 27 percent of home health agencies, 26 percent of durable medical equipment suppliers, and 22 percent of physicians.

Y2K Readiness

About half of the health care providers responding to our survey reported that their billing and medical records systems were Y2K ready. However, providers seemed less confident in the Y2K readiness of their biomedical equipment. Less than half of the respondents had developed a contingency plan in preparation for possible Y2K-related failures. Less than half of respondents had received certification or guarantees that vendor systems were Y2K compliant. In addition, few respondents had actually tested data exchange with external vendors.

Assistance By Medicare Contractors

Less than 60 percent of respondents reported that their Medicare contractor had sent them information or offered assistance on Y2K. Even fewer respondents were aware that Medicare contractors offered free Y2K-ready software.

Focus of Future Readiness Efforts

This report is intended to give the Health Care Financing Administration and health care provider associations current data that could be used to target potential impediments to provider Y2K readiness. While Y2K readiness is the responsibility of each individual provider, we suggest that as HCFA and provider associations continue their outreach

and education efforts they focus on the following: increasing awareness and dissemination of available Y2K-compliant software, emphasizing the need to test new or renovated systems and equipment, providing information on contingency planning, emphasizing the need for providers to discuss Y2K compliance with their external vendors, and developing strategies to improve communication between providers and their Medicare contractors.

We recognize that HCFA has taken significant steps to address Medicare provider readiness. This report was designed to provide HCFA and health care provider associations with immediate access to our survey results. In addition, we plan to prepare a more in-depth analysis of the survey responses to determine if certain factors impact provider readiness. We hope this information will assist your office in ongoing Y2K outreach and education efforts.

We received comments from your agency and the Assistant Secretary for Management and Budget. We modified our report in response to these comments. In particular, we emphasized that readers should be cautious in using our data to make generalizations about the entire provider community.

If you have any questions or comments, please call me or George Grob, Deputy Inspector General for Evaluation and Inspections, or have your staff contact Mary Beth Clarke at (202) 619-2481.

INTRODUCTION

PURPOSE

To provide the results of a survey of health care providers' readiness for the Year 2000 (Y2K). Survey respondents included the following types of Medicare providers: hospitals, nursing facilities, home health agencies, durable medical equipment suppliers, and physicians.

BACKGROUND

Early programmers had to deal with two major constraints in the first few years of computer technology: limited computer memory and high data storage costs. Today's Year 2000 problems stem directly from early programmers' use of an "implied century." This allowed them to conserve space by coding the year as a two-digit code rather than a four-digit code in the date field. For instance, the year 1970 was entered as 70, and the year 1980 as 80.

Computers that do not rely on implied centuries, and are therefore capable of processing four-digit years after 1999, are said to be "Y2K ready" or "Y2K compliant." Computers that are not Y2K compliant will malfunction when the implied century (the first two digits of a four-digit year) is not 19. The year 2000 in a non-Y2K compliant computer is read as '00', and thus interpreted as 1900. When this happens, computers will have problems processing information. Therefore, medical record and billing systems must be updated and made Y2K compliant. Additionally, medical devices with embedded microchips could be adversely affected.

The Impact of Y2K on Medicare

According to the Health Care Financing Administration (HCFA), the Medicare program has 100 mission-critical computer systems containing almost 50 million lines of programming code. The HCFA has made it a top priority to ensure that these systems are ready for the year 2000.

In addition to internal systems, HCFA must also be concerned with the compliance of individual systems used by Medicare claims-processing contractors and health care providers. This is especially important since the majority of Medicare claims are now sent electronically to the contractors (Medicare carriers and fiscal intermediaries) for processing and payment.

Initially, HCFA established a requirement that all providers submit electronic claims using an eight-digit date format by January 1, 1999. However, recognizing that many providers needed more time to prepare their systems, HCFA recently established April 5, 1999 as the new deadline. Beginning April 5, all claims submitted without an eight-digit date will be rejected. To assist providers, HCFA has required its contractors to offer free Y2K-ready billing software to Medicare providers.

As part of an outreach effort to Medicare providers, HCFA sent out more than one million letters regarding the Y2K issue on January 12, 1999. The letter to providers stated that HCFA will be ready to process and pay all acceptable claims on January 1, 2000, and stressed that providers must take steps to ensure their own Y2K readiness. A checklist was included with the letter to assist providers in assessing their Y2K compliance. Not only must providers ensure that their

own systems are Y2K ready, they must also review the systems used by their billing services and other external vendors.

Recognizing the importance of provider readiness, the Office of Inspector General and HCFA collaborated in the development of this inspection.

METHODOLOGY

Utilizing Medicare data bases, we sampled five provider groups for our survey: acute-care hospitals, nursing facilities, home health agencies, durable medical equipment (DME) suppliers, and physicians. To fulfill HCFA's request that rural providers be adequately represented, we stratified our sample based on urban and rural classification. We determined this classification based on whether a provider's address was located in a Metropolitan Area designated by the United States Office of Management and Budget. We selected a random sample of 500 urban and 500 rural providers from each of the five provider groups.

We sent anonymous surveys to the 5000 sampled providers during December of 1998. We accepted responses through early February of 1999. In order to increase response rates, we assured providers that we had no way of tracking who responded to our request. To further increase response rates, we mailed a reminder postcard to all providers two weeks after the initial survey request was sent. We received responses from 49 percent of hospitals, 41 percent of nursing facilities, 27 percent of home health agencies, 26 percent of durable medical equipment suppliers, and 22 percent of physicians

We developed our data collection surveys to address several key issues: Y2K awareness, computer system readiness, contingency planning, vendor coordination, and Medicare contractor outreach. We designed the surveys in cooperation with HCFA and several professional and national trade associations. The following organizations worked with us and allowed us to highlight their cooperation in the survey instruments sent to providers: American Association of Homes and Services for the Aging, American Health Care Association, Health Industry Distributors Association, National Association for Home Care, and National Association for Medical Equipment Services. The American Hospital Association and American Medical Association also assisted in designing the surveys.

We analyzed the data based on the urban or rural classification for each provider group. For each survey question, we calculated percentages based on the number of answers provided for each response category. We compared the various groups to determine if differences existed among provider types.

This report provides a summary of the results of the provider surveys. Providers' responses to individual survey questions are presented in the appendices. The data analyzed in this report was furnished by individual Medicare providers and was not verified for accuracy. Furthermore, the data presented in this report is based solely on those providers who responded to the survey. We are unable to make any statements about the condition of those who did not respond. With this in mind, readers should be cautious in using our data to make generalizations about the entire provider community.

SUMMARY OF SURVEY RESULTS

PROVIDER READINESS FOR THE YEAR 2000

- **Billing and Financial Systems:** About half of all respondents reported their billing and financial systems were Y2K ready. Of the respondents who were not ready, more than 90 percent of hospitals responded they will be ready by December 31, 1999. Only 70 to 84 percent of the other provider groups responded that their billing and financial systems will be ready by this date.
- **Submission of Electronic Claims:** For most provider types, 50 to 63 percent of respondents said they could enter an eight-digit date on electronic claims. However, nursing facility respondents were generally less able to enter an eight-digit date. Of those not able to enter eight-digit dates, between 27 to 71 percent said they will be ready to by July 1999.
- **Clinical and Medical Record Systems:** About half of respondents indicated that their clinical and medical records systems were Y2K ready. For most provider groups, at least three-quarters of those not ready reported that they will be ready by the year 2000. However, rural physicians (47 percent), urban physicians (64 percent), and rural home health agencies (63 percent) were less likely than other providers to have these systems ready by that date.
- **Biomedical Equipment:** Less than one-third of respondents reported that their biomedical equipment was Y2K compliant. Overall, respondents seemed less confident in the Y2K compliance of their biomedical equipment than they did the Y2K readiness of their computer systems.
- **Systems Testing:** Less than two-thirds of respondents had renovated or replaced their computer systems for Y2K compliance. More than half of these respondents had tested the systems. Fewer than half of respondents renovated or replaced biomedical equipment. Testing of this equipment ranged from 36 to 80 percent.

CONTINGENCY PLANNING

- Less than half of respondents had developed a contingency plan in preparation for possible Y2K-related failures.
- Of the respondents who have not yet developed a contingency plan, almost all hospitals plan to develop one, while about half of physicians intend to develop one.
- Most respondents indicated they would submit paper claims if they could not submit electronically. However, some questioned whether the Medicare program would allow or be able to handle these paper claims.

FIGURE 1: PROVIDER READINESS
Percentage Who Report Current Y2K Readiness

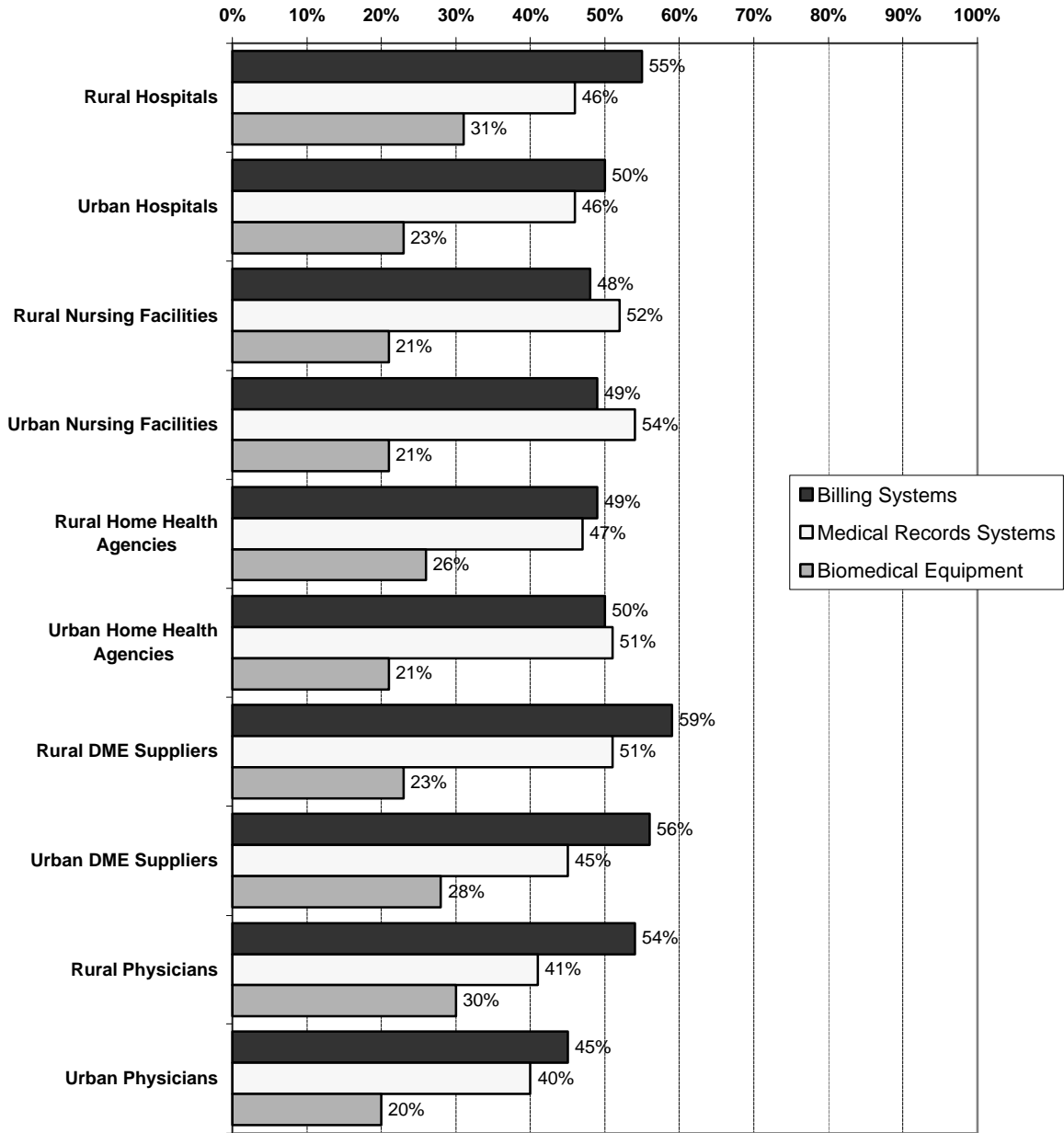
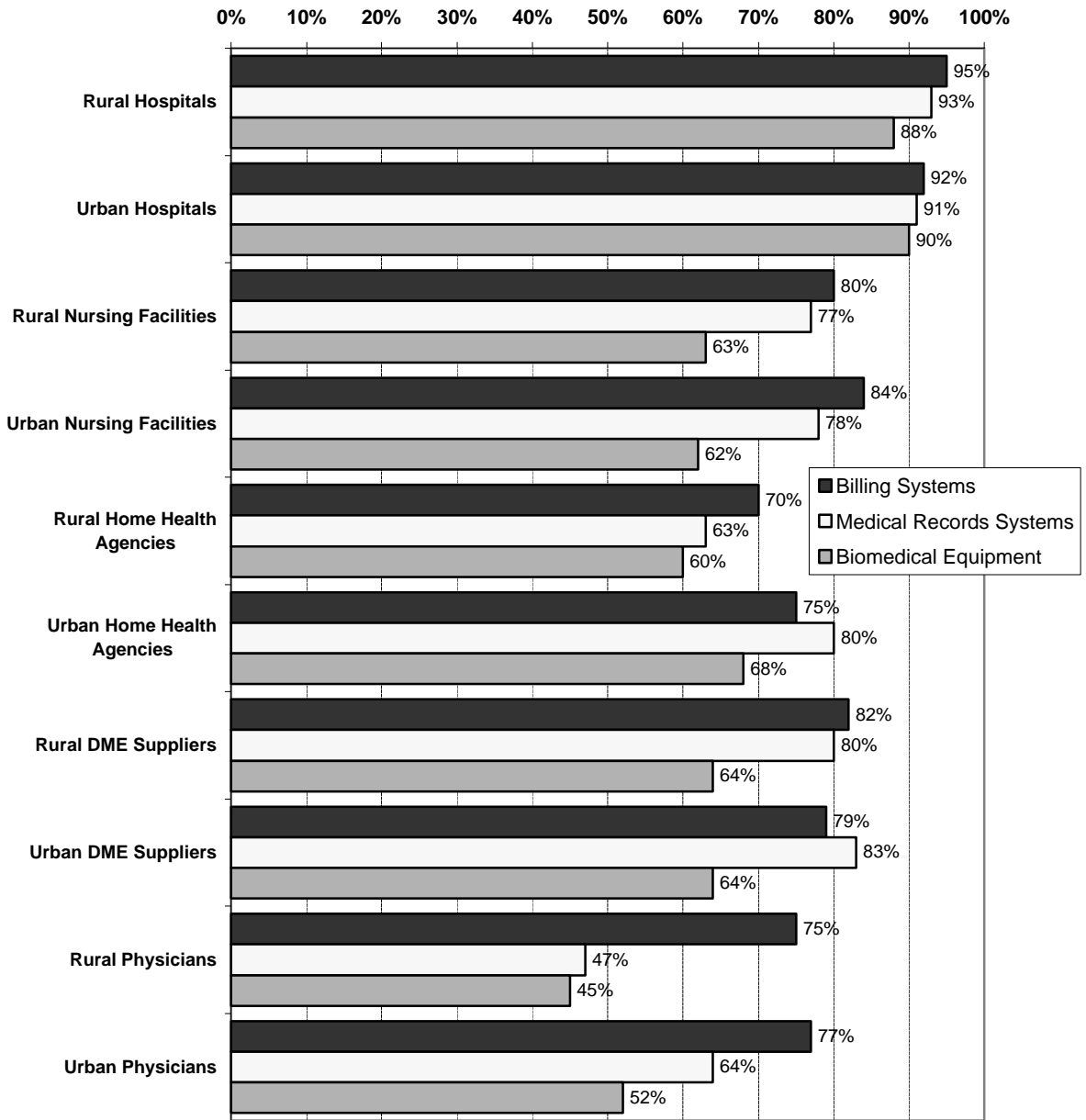
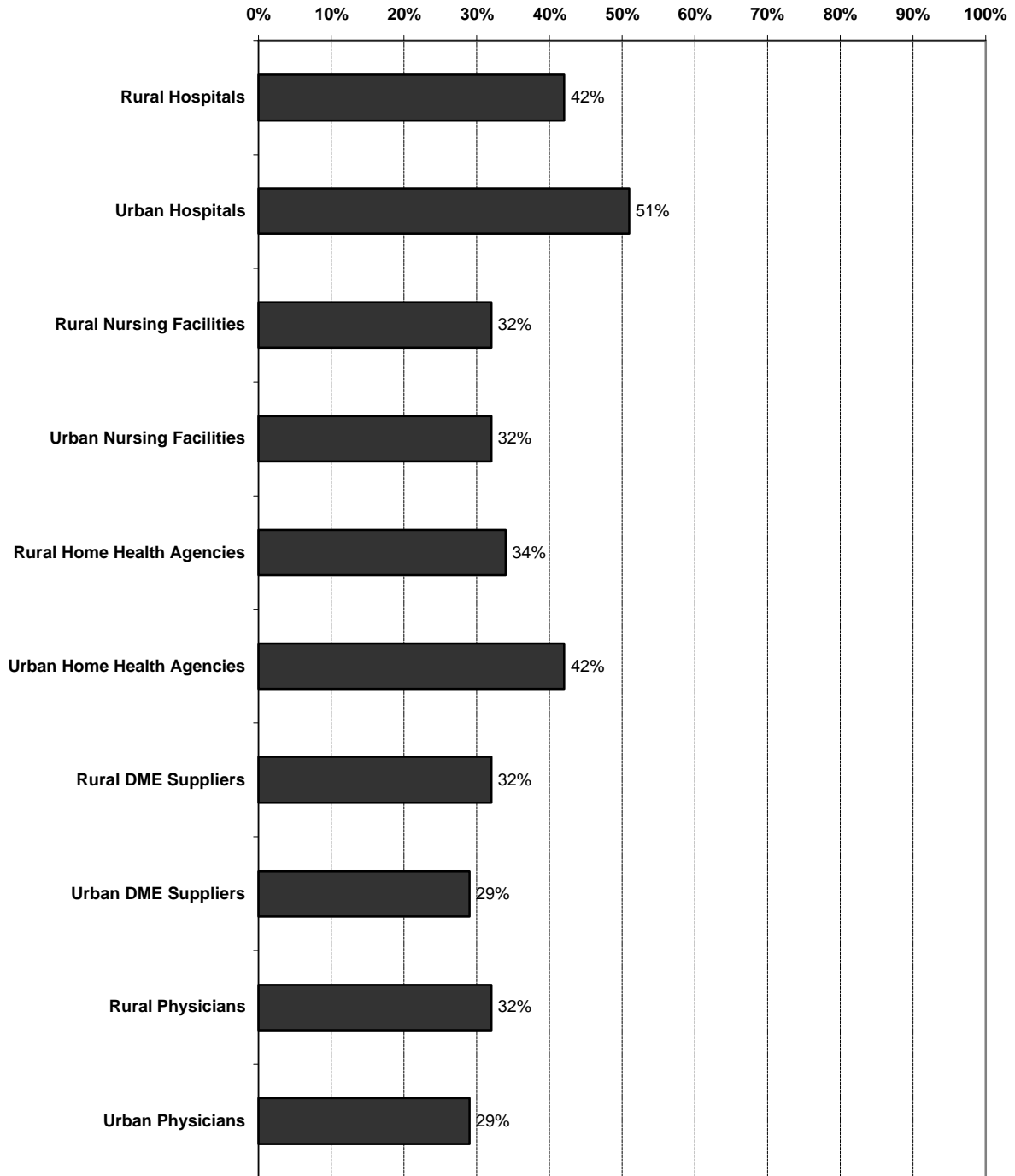


FIGURE 2: FUTURE PROVIDER READINESS
Percentage Who Predict Y2K Readiness by 12/31/99



Note: Percentages are based on providers who responded they were not currently ready.

FIGURE 3: CONTINGENCY PLANNING
Percentage Who Report Having Contingency Plans



EXTERNAL VENDORS

- Fifty-one percent of rural hospital and 68 percent of urban hospital respondents contracted with an external vendor for claims submission and payment activities. For the other four provider types, only about one-third of respondents reported using an external billing service.
- At least 80 percent of responding hospitals have discussed Y2K issues with their vendors. Approximately 60 percent of nursing facility and home health agency respondents have initiated Y2K discussions with external vendors. About 45 percent of responding DME suppliers and physicians had talked to vendors about Y2K.
- About one-third of nursing facility, DME supplier, and physician respondents had received certification from vendors that their systems will be Y2K ready. Approximately half of home health agency and hospital respondents had received certifications. Less than half of respondents had contracts with vendors that guarantee Y2K readiness.
- Less than 20 percent of respondents had tested data exchange between their systems and their external vendors' systems.

MEDICARE CONTRACTOR EFFORTS

- Less than 60 percent of respondents reported that their Medicare contractor had sent them Y2K information or offered Y2K assistance. Urban home health agencies reported the highest level of outreach (57 percent), and urban physicians reported the lowest level (27 percent).
- Less than half of respondents believed that efforts by Medicare contractors had increased their Y2K awareness. Rural nursing facility and urban physician respondents were the most critical, with less than 30 percent reporting that contractor outreach had been informative.
- Urban home health agency respondents were the most aware that Medicare contractors offered free Y2K-ready software (41 percent). Rural nursing facility and urban physician respondents were the least aware (16 percent).
- Very few respondents (10 to 22 percent) had actually requested Y2K-ready software from Medicare contractors. Fifty-five to 86 percent of those who received the software said it functioned properly.

CONCLUSION

We prepared this report in order to give the Health Care Financing Administration and health care provider associations current data that could be used to target potential impediments to provider Y2K readiness. While Y2K readiness is the responsibility of each individual provider, we suggest that as HCFA and provider associations continue their outreach and education efforts they focus on the following: increasing awareness and dissemination of available Y2K-compliant software, emphasizing the need to test new or renovated systems and equipment, providing information on contingency planning, emphasizing the need for providers to discuss Y2K compliance with their external vendors, and developing strategies to improve communication between providers and their Medicare contractors.

AGENCY COMMENTS

We received comments from the Health Care Financing Administration and the Assistant Secretary for Management and Budget. We modified our report in response to these comments. In particular, we emphasized that readers should be cautious in using our data to make generalizations about the entire provider community. The full text of HCFA's and ASMB's comments is presented in Appendices F and G.

APPENDICES

Hospital Survey Results A

Nursing Facility Survey Results B

Home Health Agency Survey Results C

Durable Medical Equipment Supplier Survey Results D

Physician Survey Results E

Health Care Financing Administration Comments F

Assistant Secretary for Management and Budget Comments G

APPENDIX A

HOSPITAL SURVEY RESULTS

KEY:

- n = number of responses
- Yes = percentage of n answering "Yes".
- No = percentage of n answering "No".
- DK = percentage of n answering "Don't Know".
- N/A = percentage of n answering "Not Applicable" or providing no response.

All percentages may not total 100 percent due to rounding.

Applicable footnotes appear at the bottom of each page.

SURVEY RESPONSE RATES:

	Total Number	Number of Surveys Mailed	Number of Surveys Returned	Response Rate
Rural Hospitals	2,287	500	281	56%
Urban Hospitals	3,405	500	208	42%
Total	5,692	1000	489	49%

A. BACKGROUND

		n	Yes	No	DK	N/A
1. Do you contract with an external vendor for claims submission and payment activities?	Rural	281	51%	44%	0%	5%
	Urban	208	68%	26%	3%	3%
2. Is an external vendor or contractor assisting in your effort to solve Y2K-related computer problems?	Rural	281	49%	42%	2%	8%
	Urban	208	58%	37%	1%	3%
3. Have you contacted an external vendor or contractor to assist you in completing this survey?	Rural	281	6%	89%	0%	5%
	Urban	208	5%	92%	0%	3%

B. Y2K AWARENESS AND PLANNING

		n	Yes	No	DK	N/A
4. Have you thought about how Y2K problems could affect your hospital?	Rural	281	100%	0%	0%	0%
	Urban	208	98%	0%	0%	2%
5. Have you developed a strategy for dealing with potential Y2K problems associated with your:						
	a. Billing/financial systems?					
	Rural	281	96%	3%	0%	1%
	Urban	208	95%	3%	1%	0%
	b. Clinical/medical records systems?					
	Rural	281	93%	4%	1%	2%
	Urban	208	96%	2%	1%	1%
	c. Biomedical equipment?					
	Rural	281	93%	4%	2%	1%
	Urban	208	97%	2%	0%	1%
6. Are you facing any of the following obstacles in identifying or fixing potential Y2K problems:						
	a. Lack of financial resources?					
	Rural	281	38%	56%	6%	0%
	Urban	208	25%	68%	6%	1%
	b. Lack of skilled personnel?					
	Rural	281	40%	58%	2%	1%
	Urban	208	31%	64%	5%	0%
	c. Lack of vendor cooperation?					
	Rural	281	33%	58%	9%	1%
	Urban	208	44%	48%	8%	0%
	d. Lack of billing service cooperation?					
	Rural	281	3%	82%	6%	9%
	Urban	208	5%	75%	7%	13%
7. Have you thought about the impact to your hospital if all systems are not Y2K ready?	Rural	281	99%	0%	0%	0%
	Urban	208	99%	1%	0%	0%

B. Y2K AWARENESS AND PLANNING (cont.)

		n	Yes	No	DK	N/A
8. Have you developed contingency plans in case your hospital experiences Y2K-related failures?	Rural	281	42%	55%	2%	1%
	Urban	208	51%	47%	0%	2%
9. If you have not developed contingency plans, do you plan to do so? ¹	Rural	155	91%	4%	5%	1%
	Urban	97	99%	0%	0%	1%
10. Do you feel that your ability to provide quality care could be compromised by Y2K-related failures?	Rural	281	41%	47%	10%	2%
	Urban	208	47%	42%	9%	2%
a. If your hospital has a quality assurance committee, is it involved in Y2K planning?	Rural	281	57%	36%	2%	5%
	Urban	208	56%	35%	3%	6%

C. COMPUTER SYSTEMS

		n	Yes	No	DK	N/A
11. Have you made a complete inventory of your:						
	a. Billing/financial systems?					
	Rural	281	93%	6%	1%	0%
	Urban	208	97%	2%	1%	0%
b. Clinical/medical records systems?	Rural	281	90%	7%	1%	1%
	Urban	208	95%	3%	0%	2%
c. Biomedical equipment?	Rural	281	89%	10%	1%	0%
	Urban	208	94%	5%	0%	1%
12. Have you assessed the Y2K readiness of your:						
	a. Billing/financial systems?					
	Rural	281	92%	7%	1%	0%
	Urban	208	92%	6%	1%	1%
b. Clinical/medical records systems?	Rural	281	88%	9%	2%	2%
	Urban	208	89%	8%	0%	3%
c. Biomedical equipment?	Rural	281	82%	14%	4%	0%
	Urban	208	80%	16%	0%	3%

¹ Only analyzed if respondent answered "No" to question 8.

C. COMPUTER SYSTEMS (cont.)

		n	Yes	No	DK	N/A
13. If necessary, have you renovated or replaced your:						
	a. Billing/financial systems?					
	Rural	281	58%	31%	0%	10%
	Urban	208	63%	21%	3%	14%
b. Clinical/medical records systems?	Rural	281	49%	36%	1%	14%
	Urban	208	56%	26%	2%	16%
c. Biomedical equipment?	Rural	281	40%	47%	5%	7%
	Urban	208	47%	38%	5%	10%
14. Have you tested your new or renovated:						
	a. Billing/financial systems? ²					
	Rural	164	61%	35%	0%	4%
	Urban	130	58%	38%	2%	2%
b. Clinical/medical records systems? ²	Rural	138	58%	36%	1%	5%
	Urban	116	61%	33%	3%	3%
c. Biomedical equipment? ²	Rural	113	58%	36%	1%	5%
	Urban	98	59%	32%	5%	4%
15. Have you begun to use your new or renovated:						
	a. Billing/financial systems? ²					
	Rural	164	71%	27%	1%	1%
	Urban	130	60%	38%	0%	2%
b. Clinical/medical records systems? ²	Rural	138	62%	36%	1%	2%
	Urban	116	64%	34%	0%	2%
c. Biomedical equipment? ²	Rural	113	68%	23%	2%	7%
	Urban	98	62%	32%	2%	4%
16. Are the following currently Y2K ready:						
	a. Billing/financial systems?					
	Rural	281	55%	39%	5%	1%
	Urban	208	50%	38%	9%	3%
b. Clinical/medical records systems?	Rural	281	46%	38%	11%	5%
	Urban	208	46%	38%	9%	7%
c. Biomedical equipment?	Rural	281	31%	47%	20%	3%
	Urban	208	23%	57%	16%	4%

² Only analyzed if respondent answered "Yes" to question 13a, 13b, or 13c, respectively.

C. COMPUTER SYSTEMS (cont.)

		n	Yes	No	DK	N/A
17. Will the following be Y2K ready by December 31, 1999:						
a. Billing/financial systems? ³	Rural	124	95%	2%	3%	0%
	Urban	97	92%	2%	5%	1%
b. Clinical/medical records systems? ³	Rural	139	93%	4%	2%	1%
	Urban	99	91%	2%	6%	1%
c. Biomedical equipment? ³	Rural	187	88%	3%	9%	1%
	Urban	151	90%	3%	7%	1%

D. MEDICARE CLAIM FILING

		n	Yes	No	DK	N/A
18. Are you aware that several fields on HCFA claim forms now require or will soon require 8-digit dates?	Rural	281	83%	11%	5%	1%
	Urban	208	85%	7%	6%	2%
19. Can you:						
a. Enter 8-digit dates in the required fields of the paper HCFA Form 1450?	Rural	281	48%	16%	19%	17%
	Urban	208	47%	15%	22%	16%
b. Enter 8-digit dates in the required fields of the paper HCFA Form 1500?	Rural	281	60%	17%	17%	5%
	Urban	208	53%	16%	20%	11%
20. Can you:						
a. Enter 8-digit dates in the required fields of the electronic UB-92 (UB-92/X12 837)?	Rural	281	62%	17%	18%	3%
	Urban	208	61%	13%	21%	5%
b. Enter 8-digit dates in the required fields of the electronic HCFA Form 1500 (NSF/X12 837)?	Rural	281	59%	16%	18%	7%
	Urban	208	54%	13%	19%	13%
21. Will you be able to enter 8-digit dates in these fields in the next six months? ⁴	Rural	105	48%	2%	50%	0%
	Urban	76	62%	0%	37%	1%

E. MEDICARE CONTRACTOR EFFORTS

		n	Yes	No	DK	N/A
22. Has your Medicare contractor sent you information on Y2K or offered assistance with Y2K issues?	Rural	281	56%	26%	14%	4%
	Urban	208	52%	26%	17%	5%

³ Only analyzed if respondent answered "No" or "Don't Know" to question 16a, 16b, or 16c, respectively.

⁴ Only analyzed if respondent answered "No" or "Don't Know" to questions 20a or 20b.

E. MEDICARE CONTRACTOR EFFORTS (cont.)

		n	Yes	No	DK	N/A
23. Have efforts from your Medicare contractor increased your Y2K awareness?	Rural	281	37%	51%	7%	5%
	Urban	208	35%	46%	12%	7%
24. Are you aware that Medicare contractors have free Y2K-ready billing software available for use?	Rural	281	30%	62%	4%	4%
	Urban	208	29%	55%	9%	6%
25. Have you requested Y2K-ready software from your Medicare contractor?	Rural	281	21%	68%	6%	5%
	Urban	208	17%	64%	12%	7%
26. Have you received Y2K-ready software from your Medicare contractor? ⁵	Rural	281	15%	68%	9%	8%
	Urban	208	12%	62%	16%	11%
27. Have you installed the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	43	88%	7%	2%	2%
	Urban	25	80%	16%	0%	4%
28. Have you submitted any claims using the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	43	70%	28%	2%	0%
	Urban	25	72%	20%	8%	0%
29. Does your Medicare contractor's Y2K-ready software function properly? ⁶	Rural	43	70%	7%	19%	5%
	Urban	25	68%	0%	32%	0%

F. VENDORS AND CONTRACTORS

		n	Yes	No	DK	N/A
30. Have you identified all external vendors and contractors with whom you conduct business?	Rural	281	72%	23%	4%	2%
	Urban	208	84%	14%	1%	1%
31. Have you discussed Y2K issues with your vendors and contractors?	Rural	281	80%	17%	1%	2%
	Urban	208	86%	12%	1%	1%
32. Have you received certification from vendors and contractors that their systems will be Y2K ready?	Rural	281	55%	38%	3%	4%
	Urban	208	60%	33%	3%	4%
33. Do your contracts with vendors and contractors guarantee Y2K readiness?	Rural	281	33%	46%	16%	4%
	Urban	208	38%	49%	10%	2%
34. Have you tested Y2K data exchange between your systems and your vendors and contractors?	Rural	281	13%	74%	8%	5%
	Urban	208	19%	68%	7%	6%

⁵ Rural Hosp: 40 of 59 who requested software received it. Urban Hosp: 23 of 36 who requested software received it.

⁶ Only analyzed if respondent answered "Yes" to question 26.

G. OVERALL ASSESSMENT

		n	Strongly Agree..... Strongly Disagree					
			1	2	3	4	5	6
35. I have an excellent understanding of Y2K issues:	Rural	281	23%	43%	25%	6%	2%	1%
	Urban	208	43%	41%	13%	1%	0%	0%
36. I am very concerned about Y2K issues:	Rural	281	46%	34%	14%	4%	2%	0%
	Urban	208	53%	35%	8%	2%	1%	0%
37. My hospital is currently Y2K ready:	Rural	281	4%	16%	35%	26%	12%	7%
	Urban	208	1%	16%	37%	20%	13%	11%
38. My hospital will be Y2K ready by December 31, 1999:	Rural	281	52%	37%	5%	3%	0%	1%
	Urban	208	62%	32%	2%	1%	0%	0%
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	281	50%	32%	11%	3%	1%	2%
	Urban	208	50%	38%	8%	0%	0%	0%
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	281	5%	10%	29%	18%	12%	10%
	Urban	208	5%	9%	25%	13%	16%	8%
41. My vendors have been very helpful in providing Y2K information/support:	Rural	281	8%	20%	39%	19%	8%	2%
	Urban	208	8%	20%	34%	20%	13%	2%

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

N/A

0%

1%

0%

2%

1%

1%

1%

2%

1%

3%

17%

22%

3%

3%

G. OVERALL ASSESSMENT (cont.)

		n	mean ⁷	median ⁷	mode ⁷
35. I have an excellent understanding of Y2K issues:	Rural	281	2.23	2	2
	Urban	205	1.72	2	1
36. I am very concerned about Y2K issues:	Rural	281	1.83	2	1
	Urban	204	1.61	1	1
37. My hospital is currently Y2K ready:	Rural	277	3.49	3	3
	Urban	205	3.63	3	3
38. My hospital will be Y2K ready by December 31, 1999:	Rural	277	1.62	1	1
	Urban	204	1.44	1	1
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	278	1.79	1	1
	Urban	201	1.60	1	1
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	234	3.61	3	3
	Urban	162	3.65	3	3
41. My vendors have been very helpful in providing Y2K information/support:	Rural	273	3.07	3	3
	Urban	202	3.18	3	3

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

⁷ N/A responses were not used to calculate the mean, median, and mode.

H. INFORMATION ABOUT YOUR BUSINESS

		n	
42. If your hospital is not currently Y2K ready, by what date do you expect to be Y2K ready? ⁸	Rural	241	Largest Response Categories: 12/31/99 (19%), 6/30/99 (20%), 7/1/99 (12%)
	Urban	186	Largest Response Categories: 12/31/99 (16%), 6/30/99 (17%), 7/1/99 (11%)
43. What percentage of your business is represented by Medicare? ⁸	Rural	243	Approx. 1/2 answered between 45% and 65%. Median: 55%
	Urban	199	Approx. 1/2 answered between 35% and 55%. Median: 45%
44. Approximately how many acute-care beds does your hospital have? ⁸	Rural	275	Approx. 3/4 answered less than 80 beds. Median: 44 beds
	Urban	201	Approx. 1/2 answered between 100 and 350 beds. Median: 200 beds
45. Is your facility part of a chain of hospitals?		n	Yes
			No
45. Is your facility part of a chain of hospitals?	Rural	281	21%
	Urban	208	42%
46. Are you a provider for a managed care organization?	Rural	281	58%
	Urban	208	75%
47. Do you provide services for Medicaid patients?	Rural	281	99%
	Urban	208	100%
48. How long could you continue to serve Medicare patients if payments were delayed? ⁸	Rural	237	Largest Response Categories: 1-2 months (43%), 3-6 months (24%)
	Urban	157	Largest Response Categories: 1-2 months (42%), 3-6 months (21%)
49. If you couldn't submit electronically due to Y2K problems, how would you submit claims? ⁸	Rural	223	Largest Response Categories: Paper Claims (87%), Don't Know (4%)
	Urban	161	Largest Response Categories: Paper Claims (82%), Will Be Ready (6%)

⁸ Non-responses were not used in the analysis of these questions.

APPENDIX B

NURSING FACILITY SURVEY RESULTS

KEY:

- n = number of responses
- Yes = percentage of n answering "Yes".
- No = percentage of n answering "No".
- DK = percentage of n answering "Don't Know".
- N/A = percentage of n answering "Not Applicable" or providing no response.

All percentages may not total 100 percent due to rounding.

Applicable footnotes appear at the bottom of each page.

SURVEY RESPONSE RATES:

	Total Number	Number of Surveys Mailed	Number of Surveys Returned	Response Rate
Rural Nursing Facilities	5,767	500	221	44%
Urban Nursing Facilities	10,982	500	191	38%
Total	16,749	1000	412	41%

A. BACKGROUND

		n	Yes	No	DK	N/A
1. Do you contract with an external vendor for claims submission and payment activities?	Rural	221	34%	62%	1%	3%
	Urban	191	28%	66%	1%	5%
2. Is an external vendor or contractor assisting in your effort to solve Y2K-related computer problems?	Rural	221	37%	53%	3%	7%
	Urban	191	38%	42%	7%	13%
3. Have you contacted an external vendor or contractor to assist you in completing this survey?	Rural	221	5%	89%	1%	5%
	Urban	191	4%	90%	1%	6%

B. Y2K AWARENESS AND PLANNING

		n	Yes	No	DK	N/A
4. Have you thought about how Y2K problems could affect your facility?	Rural	221	95%	3%	1%	1%
	Urban	191	96%	2%	1%	1%
5. Have you developed a strategy for dealing with potential Y2K problems associated with your:						
	a. Billing/financial systems?					
	Rural	221	77%	15%	4%	4%
	Urban	191	82%	12%	3%	3%
	b. Clinical/medical records systems?					
	Rural	221	76%	16%	5%	3%
	Urban	191	80%	10%	3%	7%
	c. Biomedical equipment?					
	Rural	221	49%	19%	9%	23%
	Urban	191	50%	18%	9%	23%
6. Are you facing any of the following obstacles in identifying or fixing potential Y2K problems:						
	a. Lack of financial resources?					
	Rural	221	19%	69%	10%	2%
	Urban	191	19%	73%	7%	2%
	b. Lack of skilled personnel?					
	Rural	221	23%	69%	6%	1%
	Urban	191	24%	71%	5%	1%
	c. Lack of vendor cooperation?					
	Rural	221	15%	72%	10%	3%
	Urban	191	12%	78%	7%	3%
	d. Lack of billing service cooperation?					
	Rural	221	4%	76%	7%	13%
	Urban	191	5%	75%	4%	16%
7. Have you thought about the impact to your facility if all systems are not Y2K ready?	Rural	221	90%	7%	0%	3%
	Urban	191	90%	7%	1%	2%

B. Y2K AWARENESS AND PLANNING (cont.)

		n	Yes	No	DK	N/A
8. Have you developed contingency plans in case your facility experiences Y2K-related failures?	Rural	221	32%	55%	7%	5%
	Urban	191	32%	50%	12%	7%
9. If you have not developed contingency plans, do you plan to do so? ¹	Rural	122	74%	7%	16%	4%
	Urban	95	82%	7%	7%	3%
10. Do you feel that your ability to provide quality care could be compromised by Y2K-related failures?	Rural	221	27%	61%	10%	3%
	Urban	191	27%	63%	9%	2%

C. COMPUTER SYSTEMS

		n	Yes	No	DK	N/A
11. Have you made a complete inventory of your:						
	a. Billing/financial systems?					
	Rural	221	76%	16%	3%	5%
	Urban	191	84%	10%	3%	3%
	b. Clinical/medical records systems?					
	Rural	221	75%	16%	4%	6%
	Urban	191	83%	10%	4%	4%
	c. Biomedical equipment?					
	Rural	221	47%	19%	10%	24%
	Urban	191	45%	22%	12%	21%
12. Have you assessed the Y2K readiness of your:						
	a. Billing/financial systems?					
	Rural	221	76%	15%	3%	5%
	Urban	191	83%	11%	4%	2%
	b. Clinical/medical records systems?					
	Rural	221	78%	14%	3%	6%
	Urban	191	80%	13%	3%	4%
	c. Biomedical equipment?					
	Rural	221	44%	21%	9%	26%
	Urban	191	45%	22%	12%	21%
13. If necessary, have you renovated or replaced your:						
	a. Billing/financial systems?					
	Rural	221	49%	32%	3%	16%
	Urban	191	54%	31%	3%	11%
	b. Clinical/medical records systems?					
	Rural	221	48%	33%	3%	17%
	Urban	191	50%	31%	3%	15%
	c. Biomedical equipment?					
	Rural	221	19%	36%	10%	35%
	Urban	191	22%	37%	13%	28%

¹ Only analyzed if respondent answered "No" to question 8.

C. COMPUTER SYSTEMS (cont.)

		n	Yes	No	DK	N/A	
14. Have you tested your new or renovated:							
	a. Billing/financial systems? ²	Rural	109	50%	36%	3%	11%
		Urban	104	56%	36%	1%	8%
b. Clinical/medical records systems? ²	Rural	105	52%	34%	3%	10%	
	Urban	96	56%	32%	3%	8%	
c. Biomedical equipment? ²	Rural	42	36%	36%	7%	21%	
	Urban	42	50%	29%	2%	19%	
15. Have you begun to use your new or renovated:							
	a. Billing/financial systems? ²	Rural	109	59%	39%	2%	1%
		Urban	104	62%	38%	0%	0%
b. Clinical/medical records systems? ²	Rural	105	67%	30%	1%	2%	
	Urban	96	65%	35%	0%	0%	
c. Biomedical equipment? ²	Rural	42	48%	48%	2%	2%	
	Urban	42	50%	45%	2%	2%	
16. Are the following currently Y2K ready:							
	a. Billing/financial systems?	Rural	221	48%	37%	11%	5%
		Urban	191	49%	39%	9%	3%
b. Clinical/medical records systems?	Rural	221	52%	32%	10%	5%	
	Urban	191	54%	30%	10%	6%	
c. Biomedical equipment?	Rural	221	21%	25%	23%	31%	
	Urban	191	21%	28%	25%	27%	
17. Will the following be Y2K ready by December 31, 1999:							
	a. Billing/financial systems? ³	Rural	105	80%	2%	18%	0%
		Urban	92	84%	0%	16%	0%
b. Clinical/medical records systems? ³	Rural	93	77%	2%	20%	0%	
	Urban	77	78%	1%	21%	0%	
c. Biomedical equipment? ³	Rural	106	63%	3%	33%	1%	
	Urban	100	62%	5%	33%	0%	

² Only analyzed if respondent answered "Yes" to question 13a, 13b, or 13c, respectively.

³ Only analyzed if respondent answered "No" or "Don't Know" to question 16a, 16b, or 16c, respectively.

D. MEDICARE CLAIM FILING

		n	Yes	No	DK	N/A
18. Are you aware that several fields on HCFA claim forms now require or will soon require 8-digit dates?	Rural	221	67%	22%	3%	9%
	Urban	191	76%	14%	6%	5%
19. Can you:						
a. Enter 8-digit dates in the required fields of the paper HCFA Form 1450?	Rural	221	34%	15%	27%	24%
	Urban	191	37%	15%	26%	22%
b. Enter 8-digit dates in the required fields of the paper HCFA Form 1500?	Rural	221	33%	14%	25%	28%
	Urban	191	36%	15%	26%	24%
20. Can you:						
a. Enter 8-digit dates in the required fields of the electronic UB-92 (UB-92/X12 837)?	Rural	221	40%	20%	25%	14%
	Urban	191	52%	17%	23%	7%
b. Enter 8-digit dates in the required fields of the electronic HCFA Form 1500 (NSF/X12 837)?	Rural	221	30%	14%	27%	29%
	Urban	191	36%	12%	27%	24%
21. Will you be able to enter 8-digit dates in these fields in the next six months? ⁴	Rural	107	39%	5%	55%	1%
	Urban	89	43%	6%	51%	1%

E. MEDICARE CONTRACTOR EFFORTS

		n	Yes	No	DK	N/A
22. Has your Medicare contractor sent you information on Y2K or offered assistance with Y2K issues?	Rural	221	42%	31%	13%	14%
	Urban	191	41%	29%	18%	12%
23. Have efforts from your Medicare contractor increased your Y2K awareness?	Rural	221	27%	49%	7%	18%
	Urban	191	30%	41%	13%	15%
24. Are you aware that Medicare contractors have free Y2K-ready billing software available for use?	Rural	221	16%	62%	5%	18%
	Urban	191	26%	48%	13%	14%
25. Have you requested Y2K-ready software from your Medicare contractor?	Rural	221	11%	66%	6%	17%
	Urban	191	19%	60%	9%	12%
26. Have you received Y2K-ready software from your Medicare contractor? ⁵	Rural	221	10%	60%	9%	21%
	Urban	191	17%	60%	9%	14%

⁴ Only analyzed if respondent answered "No" or "Don't Know" to question 20.

⁵ Rural NF: 16 of 24 who requested software received it. Urban NF: 29 of 36 who requested software received it.

E. MEDICARE CONTRACTOR EFFORTS (cont.)

		n	Yes	No	DK	N/A
27. Have you installed the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	22	91%	9%	0%	0%
	Urban	33	79%	18%	0%	3%
28. Have you submitted any claims using the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	22	59%	32%	5%	5%
	Urban	33	61%	36%	0%	3%
29. Does your Medicare contractor's Y2K-ready software function properly? ⁶	Rural	22	55%	0%	32%	14%
	Urban	33	73%	3%	21%	3%

F. VENDORS AND CONTRACTORS

		n	Yes	No	DK	N/A
30. Have you identified all external vendors and contractors with whom you conduct business?	Rural	221	59%	30%	6%	5%
	Urban	191	69%	18%	7%	6%
31. Have you discussed Y2K issues with your vendors and contractors?	Rural	221	59%	31%	5%	5%
	Urban	191	59%	27%	8%	6%
32. Have you received certification from vendors and contractors that their systems will be Y2K ready?	Rural	221	33%	51%	9%	8%
	Urban	191	31%	47%	12%	10%
33. Do your contracts with vendors and contractors guarantee Y2K readiness?	Rural	221	25%	43%	26%	6%
	Urban	191	32%	34%	27%	7%
34. Have you tested Y2K data exchange between your systems and your vendors and contractors?	Rural	221	13%	71%	7%	10%
	Urban	191	15%	63%	10%	12%

⁶ Only analyzed if respondent answered "Yes" to question 26.

G. OVERALL ASSESSMENT

		n	Strongly Agree.....Strongly Disagree					
			1	2	3	4	5	6
35. I have an excellent understanding of Y2K issues:	Rural	221	14%	23%	30%	17%	8%	5%
	Urban	191	23%	26%	28%	9%	3%	6%
36. I am very concerned about Y2K issues:	Rural	221	34%	23%	26%	10%	2%	2%
	Urban	191	32%	24%	26%	8%	6%	1%
37. My facility is currently Y2K ready:	Rural	221	7%	14%	29%	16%	18%	11%
	Urban	191	5%	15%	31%	17%	15%	10%
38. My facility will be Y2K ready by December 31, 1999:	Rural	221	43%	29%	14%	5%	2%	1%
	Urban	191	53%	25%	9%	5%	1%	1%
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	221	45%	22%	14%	3%	5%	1%
	Urban	191	58%	20%	7%	5%	3%	1%
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	221	9%	10%	19%	16%	13%	13%
	Urban	191	10%	12%	19%	17%	13%	9%
41. My vendors have been very helpful in providing Y2K information/support:	Rural	221	5%	12%	35%	15%	14%	8%
	Urban	191	8%	16%	31%	20%	10%	5%

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

N/A

3%

5%

3%

4%

3%

7%

6%

7%

10%

6%

21%

20%

11%

10%

G. OVERALL ASSESSMENT (cont.)

		n	mean ⁷	median ⁷	mode ⁷
35. I have an excellent understanding of Y2K issues:	Rural	215	2.95	3	3
	Urban	181	2.57	2	3
36. I am very concerned about Y2K issues:	Rural	215	2.28	2	1
	Urban	184	2.32	2	1
37. My facility is currently Y2K ready:	Rural	214	3.59	3	3
	Urban	177	3.56	3	3
38. My facility will be Y2K ready by December 31, 1999:	Rural	208	1.92	2	1
	Urban	178	1.71	1	1
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	199	1.92	1	1
	Urban	179	1.68	1	1
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	175	3.66	4	3
	Urban	153	3.50	3	3
41. My vendors have been very helpful in providing Y2K information/support:	Rural	197	3.48	3	3
	Urban	172	3.26	3	3

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

⁷ N/A responses were not used to calculate the mean, median, and mode.

H. INFORMATION ABOUT YOUR BUSINESS

		n			
42. If your facility is not currently Y2K ready, by what date do you expect to be Y2K ready? ⁸	Rural	137	Largest Response Categories: 12/31/99 (26%), 6/30/99 (17%), 7/1/99 (10%)		
	Urban	126	Largest Response Categories: 12/31/99 (29%), 6/30/99 (14%), 6/1/99 (7%)		
43. What percentage of your business is represented by Medicare? ⁸	Rural	202	Approx. 3/4 of responses were below 25%. Median:10%		
	Urban	183	Approx. 3/4 of responses were below 20%. Median:10%		
44. Approximately how many beds does your nursing facility have? ⁸	Rural	206	Approx. 1/2 answered between 52 and 106. Median: 82		
	Urban	179	Approx. 1/2 answered between 64 and 164. Median: 101		
		n	Yes	No	N/A
45. Is your facility part of a national chain?	Rural	221	30%	67%	2%
	Urban	191	32%	65%	3%
46. Is your facility free-standing?	Rural	221	70%	26%	5%
	Urban	191	72%	24%	4%
47. Are you a provider for a managed care organization?	Rural	221	22%	75%	3%
	Urban	191	51%	45%	4%
48. Do you provide services for Medicaid patients?	Rural	221	95%	2%	3%
	Urban	191	94%	4%	2%
49. How long could you continue to serve Medicare patients if payments were delayed? ⁸	Rural	176	Largest Response Categories: 1-2 months (28%), 3-6 months (21%)		
	Urban	142	Largest Response Categories: 1-2 months (30%), 3-6 months (19%)		
50. If you couldn't submit electronically due to Y2K problems, how would you submit claims? ⁸	Rural	162	Largest Response Categories: Paper Claims (71%), Don't Know (13%)		
	Urban	137	Largest Response Categories: Paper Claims (68%), Don't Know (9%)		

⁸ Non-responses were not used in the analysis of these questions.

APPENDIX C

HOME HEALTH AGENCY SURVEY RESULTS

KEY:

- n = number of responses
- Yes = percentage of n answering "Yes".
- No = percentage of n answering "No".
- DK = percentage of n answering "Don't Know".
- N/A = percentage of n answering "Not Applicable" or providing no response.

All percentages may not total 100 percent due to rounding.

Applicable footnotes appear at the bottom of each page.

SURVEY RESPONSE RATES:

	Total Number	Number of Surveys Mailed	Number of Surveys Returned	Response Rate
Rural Home Health Agencies	2,905	500	136	27%
Urban Home Health Agencies	6,193	500	133	27%
Total	9,098	1000	269	27%

A. BACKGROUND

		n	Yes	No	DK	N/A
1. Do you contract with an external vendor for claims submission and payment activities?	Rural	136	34%	64%	1%	1%
	Urban	133	41%	56%	2%	2%
2. Is an external vendor or contractor assisting in your effort to solve Y2K-related computer problems?	Rural	136	51%	39%	3%	7%
	Urban	133	50%	40%	2%	9%
3. Have you contacted an external vendor or contractor to assist you in completing this survey?	Rural	136	5%	88%	0%	7%
	Urban	133	12%	80%	0%	8%

B. Y2K AWARENESS AND PLANNING

		n	Yes	No	DK	N/A
4. Have you thought about how Y2K problems could affect your agency?	Rural	136	98%	1%	1%	0%
	Urban	133	99%	1%	0%	0%
5. Have you developed a strategy for dealing with potential Y2K problems associated with your:						
	a. Billing/financial systems?					
	Rural	136	79%	15%	5%	0%
	Urban	133	83%	14%	2%	2%
	b. Clinical/medical records systems?					
	Rural	136	76%	15%	1%	7%
	Urban	133	78%	13%	2%	7%
	c. Biomedical equipment?					
	Rural	136	49%	13%	4%	35%
	Urban	133	49%	14%	5%	33%
6. Are you facing any of the following obstacles in identifying or fixing potential Y2K problems:						
	a. Lack of financial resources?					
	Rural	136	36%	57%	7%	0%
	Urban	133	39%	50%	6%	5%
	b. Lack of skilled personnel?					
	Rural	136	29%	67%	4%	0%
	Urban	133	32%	62%	5%	2%
	c. Lack of vendor cooperation?					
	Rural	136	13%	77%	6%	4%
	Urban	133	11%	76%	9%	5%
	d. Lack of billing service cooperation?					
	Rural	136	8%	71%	5%	16%
	Urban	133	7%	71%	5%	17%
7. Have you thought about the impact to your agency if all systems are not Y2K ready?	Rural	136	96%	3%	1%	0%
	Urban	133	99%	1%	0%	0%

B. Y2K AWARENESS AND PLANNING (cont.)

		n	Yes	No	DK	N/A
8. Have you developed contingency plans in case your agency experiences Y2K-related failures?	Rural	136	34%	59%	6%	1%
	Urban	133	42%	52%	4%	2%
9. If you have not developed contingency plans, do you plan to do so? ¹	Rural	80	75%	5%	20%	0%
	Urban	69	81%	7%	9%	3%
10. Do you feel that your ability to provide quality care could be compromised by Y2K-related failures?	Rural	136	31%	60%	9%	0%
	Urban	133	24%	66%	8%	2%

C. COMPUTER SYSTEMS

		n	Yes	No	DK	N/A
11. Have you made a complete inventory of your:						
	a. Billing/financial systems?					
	Rural	136	84%	12%	3%	1%
	Urban	133	83%	14%	2%	0%
b. Clinical/medical records systems?	Rural	136	79%	13%	3%	6%
	Urban	133	78%	14%	2%	5%
c. Biomedical equipment?	Rural	136	49%	10%	2%	39%
	Urban	133	48%	14%	5%	34%
12. Have you assessed the Y2K readiness of your:						
	a. Billing/financial systems?					
	Rural	136	82%	13%	4%	0%
	Urban	133	90%	8%	2%	0%
b. Clinical/medical records systems?	Rural	136	76%	13%	3%	7%
	Urban	133	80%	14%	2%	5%
c. Biomedical equipment?	Rural	136	43%	13%	4%	40%
	Urban	133	43%	17%	5%	35%
13. If necessary, have you renovated or replaced your:						
	a. Billing/financial systems?					
	Rural	136	38%	46%	4%	13%
	Urban	133	48%	37%	2%	14%
b. Clinical/medical records systems?	Rural	136	30%	44%	4%	22%
	Urban	133	42%	35%	1%	22%
c. Biomedical equipment?	Rural	136	16%	35%	3%	46%
	Urban	133	19%	32%	5%	44%

¹ Only analyzed if respondent answered "No" to question 8.

C. COMPUTER SYSTEMS (cont.)

		n	Yes	No	DK	N/A
14. Have you tested your new or renovated:						
a. Billing/financial systems? ²	Rural	51	63%	31%	2%	4%
	Urban	64	59%	36%	2%	3%
b. Clinical/medical records systems? ²	Rural	41	71%	22%	2%	5%
	Urban	56	61%	36%	2%	2%
c. Biomedical equipment? ²	Rural	22	59%	27%	5%	9%
	Urban	25	64%	24%	8%	4%
15. Have you begun to use your new or renovated:						
a. Billing/financial systems? ²	Rural	51	61%	31%	2%	6%
	Urban	64	66%	31%	2%	2%
b. Clinical/medical records systems? ²	Rural	41	66%	32%	0%	2%
	Urban	56	63%	34%	2%	2%
c. Biomedical equipment? ²	Rural	22	68%	23%	0%	9%
	Urban	25	64%	28%	0%	8%
16. Are the following currently Y2K ready:						
a. Billing/financial systems?	Rural	136	49%	38%	12%	2%
	Urban	133	50%	37%	11%	3%
b. Clinical/medical records systems?	Rural	136	47%	32%	10%	11%
	Urban	133	51%	29%	8%	11%
c. Biomedical equipment?	Rural	136	26%	23%	10%	41%
	Urban	133	21%	26%	14%	39%
17. Will the following be Y2K ready by December 31, 1999:						
a. Billing/financial systems? ³	Rural	67	70%	6%	24%	0%
	Urban	63	75%	3%	22%	0%
b. Clinical/medical records systems? ³	Rural	57	63%	5%	30%	2%
	Urban	50	80%	2%	18%	0%
c. Biomedical equipment? ³	Rural	45	60%	4%	29%	7%
	Urban	53	68%	2%	26%	4%

² Only analyzed if respondent answered "Yes" to question 13a, 13b, or 13c, respectively.

³ Only analyzed if respondent answered "No" or "Don't Know" to question 16a, 16b, or 16c, respectively.

D. MEDICARE CLAIM FILING

		n	Yes	No	DK	N/A
18. Are you aware that several fields on HCFA claim forms now require or will soon require 8-digit dates?	Rural	136	81%	15%	3%	1%
	Urban	133	89%	8%	2%	2%
19. Can you enter 8-digit dates in the required fields of the paper HCFA Form 1450?	Rural	136	54%	14%	24%	8%
	Urban	133	56%	11%	17%	16%
20. Can you enter 8-digit dates in the required fields of the electronic UB-92 (UB-92/X12 837)?	Rural	136	55%	16%	24%	4%
	Urban	133	63%	18%	16%	3%
21. Will you be able to enter 8-digit dates in these fields in the next six months? ⁴	Rural	55	38%	0%	62%	0%
	Urban	45	71%	2%	27%	0%

E. MEDICARE CONTRACTOR EFFORTS

		n	Yes	No	DK	N/A
22. Has your Medicare contractor sent you information on Y2K or offered assistance with Y2K issues?	Rural	136	54%	28%	11%	7%
	Urban	133	57%	27%	11%	5%
23. Have efforts from your Medicare contractor increased your Y2K awareness?	Rural	136	38%	44%	6%	12%
	Urban	133	42%	48%	5%	5%
24. Are you aware that Medicare contractors have free Y2K-ready billing software available for use?	Rural	136	33%	52%	8%	7%
	Urban	133	41%	50%	5%	5%
25. Have you requested Y2K-ready software from your Medicare contractor?	Rural	136	21%	65%	7%	7%
	Urban	133	22%	68%	8%	3%
26. Have you received Y2K-ready software from your Medicare contractor? ⁵	Rural	136	15%	67%	9%	10%
	Urban	133	17%	70%	7%	6%
27. Have you installed the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	20	70%	30%	0%	0%
	Urban	23	74%	22%	4%	0%
28. Have you submitted any claims using the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	20	55%	45%	0%	0%
	Urban	23	65%	30%	0%	4%
29. Does your Medicare contractor's Y2K-ready software function properly? ⁶	Rural	20	55%	0%	40%	5%
	Urban	23	65%	0%	22%	13%

⁴ Only analyzed if respondent answered "No" or "Don't Know" to question 20.

⁵ Rural HHA: 16 of 29 who requested software received it. Urban HHA: 19 of 29 who requested software received it.

⁶ Only analyzed if respondent answered "Yes" to question 26.

F. VENDORS AND CONTRACTORS

		n	Yes	No	DK	N/A
30. Have you identified all external vendors and contractors with whom you conduct business?	Rural	136	68%	16%	7%	9%
	Urban	133	73%	17%	4%	6%
31. Have you discussed Y2K issues with your vendors and contractors?	Rural	136	65%	20%	5%	10%
	Urban	133	65%	27%	3%	5%
32. Have you received certification from vendors and contractors that their systems will be Y2K ready?	Rural	136	46%	31%	13%	10%
	Urban	133	50%	40%	6%	5%
33. Do your contracts with vendors and contractors guarantee Y2K readiness?	Rural	136	38%	30%	21%	11%
	Urban	133	41%	34%	21%	5%
34. Have you tested Y2K data exchange between your systems and your vendors and contractors?	Rural	136	10%	71%	10%	10%
	Urban	133	18%	66%	8%	8%

G. OVERALL ASSESSMENT

		n	Strongly Agree.....Strongly Disagree					
			1	2	3	4	5	6
35. I have an excellent understanding of Y2K issues:	Rural	136	15%	31%	24%	18%	5%	7%
	Urban	133	20%	26%	32%	11%	8%	3%
36. I am very concerned about Y2K issues:	Rural	136	34%	30%	21%	10%	2%	3%
	Urban	133	40%	26%	20%	8%	2%	2%
37. My agency is currently Y2K ready:	Rural	136	9%	26%	24%	14%	15%	13%
	Urban	133	13%	17%	23%	17%	13%	16%
38. My agency will be Y2K ready by December 31, 1999:	Rural	136	55%	23%	10%	3%	5%	1%
	Urban	133	61%	26%	7%	1%	1%	1%
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	136	55%	19%	14%	4%	4%	4%
	Urban	133	64%	23%	4%	3%	2%	2%
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	136	9%	13%	26%	18%	12%	14%
	Urban	133	12%	14%	21%	17%	8%	15%
41. My vendors have been very helpful in providing Y2K information/support:	Rural	136	15%	20%	28%	17%	7%	6%
	Urban	133	19%	20%	30%	12%	5%	6%

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

N/A

0%

1%

0%

2%

1%

1%

3%

5%

1%

2%

9%

13%

7%

8%

G. OVERALL ASSESSMENT (cont.)

		n	mean ⁷	median ⁷	mode ⁷
35. I have an excellent understanding of Y2K issues:	Rural	136	2.87	3	2
	Urban	132	2.70	3	3
36. I am very concerned about Y2K issues:	Rural	136	2.25	2	1
	Urban	131	2.10	2	1
37. My business is currently Y2K ready:	Rural	135	3.38	3	2
	Urban	132	3.48	3	3
38. My business will be Y2K ready by December 31, 1999:	Rural	132	1.81	1	1
	Urban	127	1.50	1	1
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	135	1.92	1	1
	Urban	131	1.61	1	1
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	124	3.58	3	3
	Urban	116	3.45	3	3
41. My vendors have been very helpful in providing Y2K information/support:	Rural	126	3.00	3	3
	Urban	122	2.80	3	3

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

⁷ N/A responses were not used to calculate the mean, median, and mode.

H. INFORMATION ABOUT YOUR BUSINESS

		n			
42. If your agency is not currently Y2K ready, by what date do you expect to be Y2K ready? ⁸	Rural	85	Largest Response Categories: 12/31/99 (22%), 6/1/99 (12%), 7/1/99 (11%)		
	Urban	97	Largest Response Categories: 12/31/99 (30%), 6/30/99 (13%), 7/1/99/99 (11%)		
43. What percentage of your business is represented by Medicare? ⁸	Rural	132	Approx. 3/4 answered more than 70 percent. Median: 85%		
	Urban	126	Approx. 3/4 answered more than 60 percent. Median: 80%		
44. Approximately how many patients does your agency see per year? ⁸	Rural	122	Approx. 3/4 answered 570 or less. Median: 225		
	Urban	121	Approx. 3/4 answered 600 or less. Median: 300		
45. Is your agency free-standing?			Yes	No	N/A
	Rural	136	46%	50%	4%
	Urban	133	43%	55%	2%
46. Are you a provider for a managed care organization?	Rural	136	38%	60%	3%
	Urban	133	42%	57%	1%
47. Do you provide services for Medicaid patients?	Rural	136	90%	7%	3%
	Urban	133	96%	4%	0%
48. How long could you continue to serve Medicare patients if payments were delayed? ⁸	Rural	117	Largest Response Categories: 1-2 months (38%), 3-6 months (18%)		
	Urban	116	Largest Response Categories: 1-2 months (38%), 3-6 months (19%)		
49. If you couldn't submit electronically due to Y2K problems, how would you submit claims? ⁸	Rural	113	Largest Response Categories: Paper Claims (82%), Don't Know (8%)		
	Urban	111	Largest Response Categories: Paper Claims (85%), Don't Know (5%)		

⁸ Non-responses were not used in the analysis of these questions.

APPENDIX D

DURABLE MEDICAL EQUIPMENT SUPPLIER SURVEY RESULTS

KEY:

n = number of responses
Yes = percentage of n answering "Yes".
No = percentage of n answering "No".
DK = percentage of n answering "Don't Know".
N/A = percentage of n answering "Not Applicable" or providing no response.

All percentages may not total 100 percent due to rounding.

Applicable footnotes appear at the bottom of each page.

SURVEY RESPONSE RATES:

	Total Number	Number of Surveys Mailed	Number of Surveys Returned	Response Rate
Rural DME Suppliers	24,612	500	145	29%
Urban DME Suppliers	84,817	500	117	23%
Total	109,429	1000	262	26%

A. BACKGROUND

		n	Yes	No	DK	N/A
1. Do you contract with an external vendor for claims submission and payment activities?	Rural	145	28%	70%	0%	2%
	Urban	117	32%	59%	2%	7%
2. Is an external vendor or contractor assisting in your effort to solve Y2K-related computer problems?	Rural	145	46%	38%	3%	14%
	Urban	117	47%	32%	3%	18%
3. Have you contacted an external vendor or contractor to assist you in completing this survey?	Rural	145	4%	86%	1%	10%
	Urban	117	12%	79%	0%	9%

B. Y2K AWARENESS AND PLANNING

		n	Yes	No	DK	N/A
4. Have you thought about how Y2K problems could affect your business?	Rural	145	92%	5%	1%	3%
	Urban	117	92%	2%	1%	5%
5. Have you developed a strategy for dealing with potential Y2K problems associated with your:						
	a. Billing/financial systems?					
	Rural	145	73%	19%	2%	6%
	Urban	117	75%	11%	5%	9%
	b. Clinical/medical records systems?					
	Rural	145	68%	16%	2%	14%
	Urban	117	62%	11%	4%	23%
	c. Biomedical equipment?					
	Rural	145	37%	19%	6%	38%
	Urban	117	41%	15%	8%	36%
6. Are you facing any of the following obstacles in identifying or fixing potential Y2K problems:						
	a. Lack of financial resources?					
	Rural	145	16%	71%	7%	6%
	Urban	117	13%	74%	5%	9%
	b. Lack of skilled personnel?					
	Rural	145	21%	69%	5%	5%
	Urban	117	16%	73%	3%	8%
	c. Lack of vendor cooperation?					
	Rural	145	8%	77%	10%	5%
	Urban	117	3%	81%	7%	9%
	d. Lack of billing service cooperation?					
	Rural	145	5%	72%	5%	19%
	Urban	117	2%	70%	5%	23%
7. Have you thought about the impact to your business if all systems are not Y2K ready?	Rural	145	90%	6%	1%	3%
	Urban	117	90%	2%	3%	6%

B. Y2K AWARENESS AND PLANNING (cont.)

		n	Yes	No	DK	N/A
8. Have you developed contingency plans in case your business experiences Y2K-related failures?	Rural	145	32%	58%	6%	5%
	Urban	117	29%	56%	5%	10%
9. If you have not developed contingency plans, do you plan to do so? ¹	Rural	84	61%	17%	19%	4%
	Urban	65	72%	11%	17%	0%
10. Do you feel that your ability to provide quality care could be compromised by Y2K-related failures?	Rural	145	28%	57%	12%	3%
	Urban	117	27%	64%	4%	5%

C. COMPUTER SYSTEMS

		n	Yes	No	DK	N/A
11. Have you made a complete inventory of your:						
	a. Billing/financial systems?					
	Rural	145	72%	16%	5%	8%
	Urban	117	68%	22%	2%	9%
b. Clinical/medical records systems?	Rural	145	68%	12%	4%	16%
	Urban	117	58%	21%	2%	20%
c. Biomedical equipment?	Rural	145	35%	19%	9%	37%
	Urban	117	38%	17%	5%	39%
12. Have you assessed the Y2K readiness of your:						
	a. Billing/financial systems?					
	Rural	145	81%	10%	3%	6%
	Urban	117	73%	18%	1%	9%
b. Clinical/medical records systems?	Rural	145	71%	12%	3%	14%
	Urban	117	62%	15%	2%	22%
c. Biomedical equipment?	Rural	145	37%	17%	7%	39%
	Urban	117	36%	17%	5%	42%
13. If necessary, have you renovated or replaced your:						
	a. Billing/financial systems?					
	Rural	145	49%	29%	3%	19%
	Urban	117	39%	30%	3%	28%
b. Clinical/medical records systems?	Rural	145	43%	26%	3%	29%
	Urban	117	25%	35%	3%	38%
c. Biomedical equipment?	Rural	145	17%	28%	6%	50%
	Urban	117	13%	28%	5%	54%

¹ Only analyzed if respondent answered "No" to question 8.

C. COMPUTER SYSTEMS (cont.)

		n	Yes	No	DK	N/A	
14. Have you tested your new or renovated:							
	a. Billing/financial systems? ²	Rural	71	61%	37%	0%	3%
		Urban	46	80%	20%	0%	0%
b. Clinical/medical records systems? ²	Rural	62	58%	37%	2%	3%	
	Urban	29	86%	14%	0%	0%	
c. Biomedical equipment? ²	Rural	24	54%	42%	4%	0%	
	Urban	15	80%	20%	0%	0%	
15. Have you begun to use your new or renovated:							
	a. Billing/financial systems? ²	Rural	71	72%	25%	0%	3%
		Urban	46	76%	22%	0%	2%
b. Clinical/medical records systems? ²	Rural	62	60%	35%	2%	3%	
	Urban	29	79%	21%	0%	0%	
c. Biomedical equipment? ²	Rural	24	67%	25%	4%	4%	
	Urban	15	73%	27%	0%	0%	
16. Are the following currently Y2K ready:							
	a. Billing/financial systems?	Rural	145	59%	26%	8%	8%
		Urban	117	56%	28%	4%	11%
b. Clinical/medical records systems?	Rural	145	51%	22%	10%	17%	
	Urban	117	45%	22%	8%	25%	
c. Biomedical equipment?	Rural	145	23%	17%	16%	44%	
	Urban	117	28%	14%	15%	44%	
17. Will the following be Y2K ready by December 31, 1999:							
	a. Billing/financial systems? ³	Rural	49	82%	0%	18%	0%
		Urban	38	79%	5%	11%	5%
b. Clinical/medical records systems? ³	Rural	46	80%	2%	17%	0%	
	Urban	35	83%	6%	9%	3%	
c. Biomedical equipment? ³	Rural	47	64%	0%	34%	2%	
	Urban	33	64%	6%	24%	6%	

² Only analyzed if respondent answered "Yes" to question 13a, 13b, or 13c, respectively.

³ Only analyzed if respondent answered "No" or "Don't Know" to question 16a, 16b, or 16c, respectively.

D. MEDICARE CLAIM FILING

		n	Yes	No	DK	N/A
18. Are you aware that several fields on HCFA claim forms now require or will soon require 8-digit dates?	Rural	145	75%	19%	3%	3%
	Urban	117	74%	17%	2%	7%
19. Can you enter 8-digit dates in the required fields of the paper HCFA Form 1500?	Rural	145	65%	12%	16%	7%
	Urban	117	69%	12%	7%	12%
20. Can you enter 8-digit dates in the required fields of the electronic HCFA Form 1500 (NSF/X12 837)?	Rural	145	50%	14%	21%	15%
	Urban	117	55%	13%	15%	17%
21. Will you be able to enter 8-digit dates in these fields in the next six months? ⁴	Rural	51	51%	0%	49%	0%
	Urban	33	45%	3%	48%	3%

E. MEDICARE CONTRACTOR EFFORTS

		n	Yes	No	DK	N/A
22. Has your Medicare contractor sent you information on Y2K or offered assistance with Y2K issues?	Rural	145	42%	30%	10%	19%
	Urban	117	41%	29%	15%	15%
23. Have efforts from your Medicare contractor increased your Y2K awareness?	Rural	145	34%	34%	8%	23%
	Urban	117	38%	41%	7%	15%
24. Are you aware that Medicare contractors have free Y2K-ready billing software available for use?	Rural	145	23%	58%	4%	15%
	Urban	117	29%	48%	9%	14%
25. Have you requested Y2K-ready software from your Medicare contractor?	Rural	145	15%	65%	2%	18%
	Urban	117	14%	66%	4%	16%
26. Have you received Y2K-ready software from your Medicare contractor? ⁵	Rural	145	18%	57%	6%	19%
	Urban	117	13%	64%	7%	16%
27. Have you installed the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	26	77%	15%	0%	8%
	Urban	15	100%	0%	0%	0%
28. Have you submitted any claims using the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	26	65%	27%	4%	4%
	Urban	15	80%	13%	7%	0%
29. Does your Medicare contractor's Y2K-ready software function properly? ⁶	Rural	26	73%	8%	19%	0%
	Urban	15	80%	0%	20%	0%

⁴ Only analyzed if respondent answered "No" or "Don't Know" to question 20.

⁵ Rural DME: 21 of 22 who requested software received it. Urban DME: 11 of 16 who requested software received it.

⁶ Only analyzed if respondent answered "Yes" to question 26.

F. VENDORS AND CONTRACTORS

		n	Yes	No	DK	N/A
30. Have you identified all external vendors and contractors with whom you conduct business?	Rural	145	58%	28%	7%	7%
	Urban	117	56%	27%	4%	14%
31. Have you discussed Y2K issues with your vendors and contractors?	Rural	145	45%	44%	3%	8%
	Urban	117	43%	37%	5%	15%
32. Have you received certification from vendors and contractors that their systems will be Y2K ready?	Rural	145	37%	48%	6%	9%
	Urban	117	29%	48%	7%	16%
33. Do your contracts with vendors and contractors guarantee Y2K readiness?	Rural	145	29%	38%	23%	10%
	Urban	117	21%	34%	27%	17%
34. Have you tested Y2K data exchange between your systems and your vendors and contractors?	Rural	145	13%	68%	3%	17%
	Urban	117	12%	56%	8%	24%

G. OVERALL ASSESSMENT

		n	Strongly Agree..... Strongly Disagree					
			1	2	3	4	5	6
35. I have an excellent understanding of Y2K issues:	Rural	145	11%	32%	28%	13%	8%	4%
	Urban	117	18%	18%	37%	11%	6%	3%
36. I am very concerned about Y2K issues:	Rural	145	30%	30%	19%	10%	5%	3%
	Urban	117	28%	23%	22%	10%	3%	4%
37. My business is currently Y2K ready:	Rural	145	13%	23%	23%	15%	8%	12%
	Urban	117	18%	18%	22%	12%	11%	9%
38. My business will be Y2K ready by December 31, 1999:	Rural	145	47%	31%	8%	3%	1%	0%
	Urban	117	43%	27%	9%	1%	2%	2%
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	145	51%	22%	14%	6%	2%	1%
	Urban	117	55%	25%	8%	2%	0%	3%
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	145	7%	12%	23%	19%	8%	6%
	Urban	117	15%	11%	15%	12%	6%	12%
41. My vendors have been very helpful in providing Y2K information/support:	Rural	145	10%	18%	21%	21%	10%	6%
	Urban	117	18%	16%	21%	14%	3%	6%

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

N/A

4%

7%

4%

9%

7%

10%

10%

16%

4%

8%

26%

28%

15%

21%

G. OVERALL ASSESSMENT (cont.)

		n	mean ⁷	median ⁷	mode ⁷
35. I have an excellent understanding of Y2K issues:	Rural	139	2.86	3	2
	Urban	109	2.78	3	3
36. I am very concerned about Y2K issues:	Rural	139	2.36	2	1
	Urban	107	2.46	2	1
37. My business is currently Y2K ready:	Rural	135	3.18	3	2
	Urban	105	3.07	3	3
38. My business will be Y2K ready by December 31, 1999:	Rural	130	1.65	1	1
	Urban	98	1.77	1	1
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	139	1.85	1	1
	Urban	108	1.68	1	1
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	107	3.36	3	3
	Urban	84	3.25	3	1
41. My vendors have been very helpful in providing Y2K information/support:	Rural	123	3.21	3	3
	Urban	117	2.83	3	3

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

⁷ N/A responses were not used to calculate the mean, median, and mode.

H. INFORMATION ABOUT YOUR BUSINESS

		n	
42. If your business is not currently Y2K ready, by what date do you expect to be Y2K ready? ⁸	Rural	74	Largest Response Categories: 12/31/99 (23%), 7/1/99 (15%), 10/1/99 (10%)
	Urban	57	Largest Response Categories: 12/31/99 (28%), 6/30/99 (16%), 6/1/99 (12%)
43. What percentage of your business is represented by Medicare? ⁸	Rural	141	Approx. 3/4 answered less than 50%. Median: 25%
	Urban	104	Approx. 3/4 answered less than 50%. Median: 20%
44. Approximately how many Medicare claims do you submit per year? ⁸	Rural	117	Approx. 3/4 answered less than 2000 claims. Median: 500 claims
	Urban	82	Approx. 3/4 answered less than 3000 claims. Median: 450 claims
45. Is your business part of a national chain?		n	Yes No N/A
	Rural	145	6% 93% 1%
	Urban	117	11% 86% 3%
46. Are you a provider for a managed care organization?	Rural	145	43% 54% 3%
	Urban	117	55% 41% 4%
47. Do you provide services for Medicaid patients?	Rural	145	94% 4% 1%
	Urban	117	78% 17% 5%
48. How long could you continue to serve Medicare patients if payments were delayed? ⁸	Rural	125	Largest Response Categories: 1-2 months (30%), 3-6 months (36%)
	Urban	88	Largest Response Categories: 1-2 months (31%), 3-6 months (25%)
49. If you couldn't submit electronically due to Y2K problems, how would you submit claims? ⁸	Rural	117	Largest Response Categories: Paper Claims (91%), Will Be Ready (3%)
	Urban	93	Largest Response Categories: Paper Claims (87%), N/A (4%)

⁸ Non-responses were not used in the analysis of these questions.

A P P E N D I X E

PHYSICIAN SURVEY RESULTS

KEY:

n = number of responses

Yes = percentage of n answering "Yes".

No = percentage of n answering "No".

DK = percentage of n answering "Don't Know".

N/A = percentage of n answering "Not Applicable" or providing no response.

All percentages may not total 100 percent due to rounding.

Applicable footnotes appear at the bottom of each page.

SURVEY RESPONSE RATES:

	Total Number	Number of Surveys Mailed	Number of Surveys Returned	Response Rate
Rural Physicians	101,843	500	124	25%
Urban Physicians	649,897	500	95	19%
Total	751,740	1000	219	22%

A. BACKGROUND

		n	Yes	No	DK	N/A
1. Do you contract with an external vendor for claims submission and payment activities?	Rural	124	28%	69%	2%	2%
	Urban	95	39%	53%	1%	7%
2. Is an external vendor or contractor assisting in your effort to solve Y2K-related computer problems?	Rural	124	35%	42%	5%	18%
	Urban	95	47%	34%	5%	14%
3. Have you contacted an external vendor or contractor to assist you in completing this survey?	Rural	124	7%	83%	0%	10%
	Urban	95	3%	87%	0%	9%

B. Y2K AWARENESS AND PLANNING

		n	Yes	No	DK	N/A
4. Have you thought about how Y2K problems could affect your practice?	Rural	124	91%	6%	1%	2%
	Urban	95	86%	7%	2%	4%
5. Have you developed a strategy for dealing with potential Y2K problems associated with your:						
	a. Billing/financial systems?					
	Rural	124	73%	15%	2%	10%
	Urban	95	72%	15%	7%	6%
	b. Clinical/medical records systems?					
	Rural	124	51%	15%	3%	31%
	Urban	95	53%	11%	6%	31%
	c. Biomedical equipment?					
	Rural	124	41%	16%	6%	37%
	Urban	95	29%	11%	12%	49%
6. Are you facing any of the following obstacles in identifying or fixing potential Y2K problems:						
	a. Lack of financial resources?					
	Rural	124	17%	71%	4%	8%
	Urban	95	12%	76%	6%	6%
	b. Lack of skilled personnel?					
	Rural	124	24%	63%	3%	10%
	Urban	95	16%	72%	4%	9%
	c. Lack of vendor cooperation?					
	Rural	124	8%	73%	7%	12%
	Urban	95	6%	71%	13%	11%
	d. Lack of billing service cooperation?					
	Rural	124	2%	72%	4%	22%
	Urban	95	3%	63%	7%	26%
7. Have you thought about the impact to your practice if all systems are not Y2K ready?	Rural	124	84%	9%	3%	4%
	Urban	95	88%	4%	3%	4%

B. Y2K AWARENESS AND PLANNING (cont.)

		n	Yes	No	DK	N/A
8. Have you developed contingency plans in case your practice experiences Y2K-related failures?	Rural	124	32%	55%	5%	8%
	Urban	95	29%	51%	12%	8%
9. If you have not developed contingency plans, do you plan to do so? ¹	Rural	68	57%	21%	21%	1%
	Urban	48	50%	17%	33%	0%
10. Do you feel that your ability to provide quality care could be compromised by Y2K-related failures?	Rural	124	21%	68%	8%	3%
	Urban	95	22%	63%	8%	6%

C. COMPUTER SYSTEMS

		n	Yes	No	DK	N/A
11. Have you made a complete inventory of your:						
	a. Billing/financial systems?					
	Rural	124	68%	22%	3%	7%
	Urban	95	63%	19%	7%	11%
	b. Clinical/medical records systems?					
	Rural	124	52%	20%	4%	24%
	Urban	95	45%	17%	5%	33%
	c. Biomedical equipment?					
	Rural	124	46%	18%	6%	31%
	Urban	95	22%	18%	9%	51%
12. Have you assessed the Y2K readiness of your:						
	a. Billing/financial systems?					
	Rural	124	77%	14%	1%	8%
	Urban	95	66%	17%	7%	9%
	b. Clinical/medical records systems?					
	Rural	124	50%	16%	2%	31%
	Urban	95	47%	12%	4%	37%
	c. Biomedical equipment?					
	Rural	124	41%	19%	4%	36%
	Urban	95	23%	17%	7%	53%
13. If necessary, have you renovated or replaced your:						
	a. Billing/financial systems?					
	Rural	124	45%	35%	1%	19%
	Urban	95	43%	32%	3%	22%
	b. Clinical/medical records systems?					
	Rural	124	23%	34%	3%	40%
	Urban	95	21%	26%	3%	49%
	c. Biomedical equipment?					
	Rural	124	21%	35%	5%	40%
	Urban	95	14%	19%	8%	59%

¹ Only analyzed if respondent answered "No" to question 8.

C. COMPUTER SYSTEMS (cont.)

		n	Yes	No	DK	N/A	
14. Have you tested your new or renovated:							
	a. Billing/financial systems? ²	Rural	56	66%	32%	0%	2%
		Urban	41	61%	37%	2%	0%
b. Clinical/medical records systems? ²	Rural	28	68%	29%	0%	4%	
	Urban	20	70%	30%	0%	0%	
c. Biomedical equipment? ²	Rural	26	62%	31%	0%	8%	
	Urban	13	69%	23%	8%	0%	
15. Have you begun to use your new or renovated:							
	a. Billing/financial systems? ²	Rural	56	71%	25%	2%	2%
		Urban	41	68%	24%	2%	5%
b. Clinical/medical records systems? ²	Rural	28	71%	25%	0%	4%	
	Urban	20	65%	25%	5%	5%	
c. Biomedical equipment? ²	Rural	26	73%	19%	0%	8%	
	Urban	13	77%	15%	0%	8%	
16. Are the following currently Y2K ready:							
	a. Billing/financial systems?	Rural	124	54%	33%	5%	8%
		Urban	95	45%	25%	20%	9%
b. Clinical/medical records systems?	Rural	124	41%	19%	10%	30%	
	Urban	95	40%	15%	12%	34%	
c. Biomedical equipment?	Rural	124	30%	19%	15%	36%	
	Urban	95	20%	12%	17%	52%	
17. Will the following be Y2K ready by December 31, 1999:							
	a. Billing/financial systems? ³	Rural	47	75%	9%	17%	0%
		Urban	43	77%	7%	16%	0%
b. Clinical/medical records systems? ³	Rural	36	47%	14%	39%	0%	
	Urban	25	64%	8%	24%	4%	
c. Biomedical equipment? ³	Rural	42	45%	7%	45%	2%	
	Urban	27	52%	15%	30%	4%	

² Only analyzed if respondent answered "Yes" to question 13a, 13b, or 13c, respectively.

³ Only analyzed if respondent answered "No" or "Don't Know" to question 16a, 16b, or 16c, respectively.

D. MEDICARE CLAIM FILING

		n	Yes	No	DK	N/A
18. Are you aware that several fields on HCFA claim forms now require or will soon require 8-digit dates?	Rural	124	79%	15%	4%	2%
	Urban	95	68%	18%	7%	6%
19. Can you enter 8-digit dates in the required fields of the paper HCFA Form 1500?	Rural	124	75%	9%	14%	2%
	Urban	95	61%	13%	21%	5%
20. Can you enter 8-digit dates in the required fields of the electronic HCFA Form 1500 (NSF/X12 837)?	Rural	124	52%	10%	19%	18%
	Urban	95	50%	8%	26%	16%
21. Will you be able to enter 8-digit dates in these fields in the next six months? ⁴	Rural	37	27%	19%	51%	3%
	Urban	33	30%	3%	67%	0%

E. MEDICARE CONTRACTOR EFFORTS

		n	Yes	No	DK	N/A
22. Has your Medicare contractor sent you information on Y2K or offered assistance with Y2K issues?	Rural	124	51%	25%	10%	15%
	Urban	95	27%	37%	22%	14%
23. Have efforts from your Medicare contractor increased your Y2K awareness?	Rural	124	48%	31%	6%	15%
	Urban	95	20%	51%	14%	16%
24. Are you aware that Medicare contractors have free Y2K-ready billing software available for use?	Rural	124	27%	56%	3%	14%
	Urban	95	16%	60%	14%	11%
25. Have you requested Y2K-ready software from your Medicare contractor?	Rural	124	10%	69%	4%	18%
	Urban	95	12%	65%	7%	16%
26. Have you received Y2K-ready software from your Medicare contractor? ⁵	Rural	124	12%	61%	7%	19%
	Urban	95	7%	61%	11%	21%
27. Have you installed the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	15	87%	13%	0%	0%
	Urban	7	100%	0%	0%	0%
28. Have you submitted any claims using the Y2K-ready software provided by your Medicare contractor? ⁶	Rural	15	67%	20%	7%	7%
	Urban	7	86%	14%	0%	0%
29. Does your Medicare contractor's Y2K-ready software function properly? ⁶	Rural	15	67%	13%	13%	7%
	Urban	7	86%	0%	14%	0%

⁴ Only analyzed if respondent answered "No" or "Don't Know" to question 20.

⁵ Rural Phys: 7 of 12 who requested software received it. Urban Phys: 7 of 11 who requested software received it.

⁶ Only analyzed if respondent answered "Yes" to question 26.

F. VENDORS AND CONTRACTORS

		n	Yes	No	DK	N/A
30. Have you identified all external vendors and contractors with whom you conduct business?	Rural	124	41%	36%	9%	14%
	Urban	95	55%	20%	11%	15%
31. Have you discussed Y2K issues with your vendors and contractors?	Rural	124	40%	44%	5%	12%
	Urban	95	45%	35%	4%	16%
32. Have you received certification from vendors and contractors that their systems will be Y2K ready?	Rural	124	26%	53%	7%	14%
	Urban	95	31%	45%	6%	18%
33. Do your contracts with vendors and contractors guarantee Y2K readiness?	Rural	124	23%	36%	23%	18%
	Urban	95	21%	31%	26%	22%
34. Have you tested Y2K data exchange between your systems and your vendors and contractors?	Rural	124	14%	60%	6%	21%
	Urban	95	11%	56%	11%	23%

G. OVERALL ASSESSMENT

		n	Strongly Agree.....					Strongly Disagree	
			1	2	3	4	5	6	
35. I have an excellent understanding of Y2K issues:	Rural	124	14%	23%	32%	18%	6%	5%	
	Urban	95	19%	17%	32%	16%	5%	4%	
36. I am very concerned about Y2K issues:	Rural	124	18%	23%	31%	10%	11%	3%	
	Urban	95	21%	23%	25%	12%	5%	6%	
37. My practice is currently Y2K ready:	Rural	124	16%	29%	15%	11%	9%	12%	
	Urban	95	14%	22%	18%	18%	11%	8%	
38. My practice will be Y2K ready by December 31, 1999:	Rural	124	41%	31%	8%	4%	2%	4%	
	Urban	95	47%	29%	8%	4%	0%	0%	
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	124	56%	20%	11%	3%	3%	1%	
	Urban	95	56%	24%	4%	6%	0%	1%	
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	124	10%	10%	21%	16%	6%	12%	
	Urban	95	11%	6%	14%	19%	16%	11%	
41. My vendors have been very helpful in providing Y2K information/support:	Rural	124	14%	16%	26%	12%	7%	6%	
	Urban	95	15%	16%	20%	17%	7%	5%	

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

N/A

2%

7%

4%

7%

8%

9%

10%

11%

5%

8%

25%

24%

19%

20%

G. OVERALL ASSESSMENT (cont.)

		n	mean ⁷	median ⁷	mode ⁷
35. I have an excellent understanding of Y2K issues:	Rural	121	2.95	3	3
	Urban	88	2.83	3	3
36. I am very concerned about Y2K issues:	Rural	119	2.83	3	3
	Urban	88	2.74	3	3
37. My practice is currently Y2K ready:	Rural	114	3.04	3	2
	Urban	86	3.16	3	2
38. My practice will be Y2K ready by December 31, 1999:	Rural	111	1.95	2	1
	Urban	85	1.66	1	1
39. My Medicare patients' access to quality care will not be affected by Y2K problems:	Rural	118	1.73	1	1
	Urban	87	1.62	1	1
40. My Medicare contractor has been very helpful in providing Y2K information/support:	Rural	93	3.45	3	3
	Urban	72	3.72	4	4
41. My vendors have been very helpful in providing Y2K information/support:	Rural	101	3.03	3	3
	Urban	76	3.03	3	3

KEY:

1 = Strongly Agree

2 = Moderately Agree

3 = Slightly Agree

4 = Slightly Disagree

5 = Moderately Disagree

6 = Strongly Disagree

N/A = No Response or Not Applicable

⁷ N/A responses were not used to calculate the mean, median, and mode.

H. INFORMATION ABOUT YOUR BUSINESS

		n			
42. If your practice is not currently Y2K ready, by what date do you expect to be Y2K ready? ⁸	Rural	55	Largest Response Categories: 12/31/99 (35%), 6/1/99 (9%), 6/30/99 (7%)		
	Urban	41	Largest Response Categories: 12/31/99 (22%), 6/1/99 (12%), 6/30/99 (10%)		
43. What percentage of your business is represented by Medicare? ⁸	Rural	116	Approx. 3/4 answered less than 40 percent. Median: 30 percent		
	Urban	87	Approx. 3/4 answered less than 40 percent. Median: 25 percent		
44. Approximately how many patients do you see per year? ⁸	Rural	99	Approx. 3/4 answered 8000 or less. Median: 4500		
	Urban	69	Approx. 3/4 answered 5000 or less. Median: 2100		
		n	Yes	No	N/A
45. Are you a member of a group practice?	Rural	124	44%	52%	3%
	Urban	95	51%	43%	6%
46. Are you a provider for a managed care organization?	Rural	124	59%	36%	5%
	Urban	95	66%	28%	5%
47. Do you provide services for Medicaid patients?	Rural	124	90%	10%	1%
	Urban	95	65%	29%	5%
48. How long could you continue to serve Medicare patients if payments were delayed? ⁸	Rural	106	Largest Response Categories: 1-2 months (26%), 3-6 months (26%)		
	Urban	66	Largest Response Categories: 1-2 months (24%), 3-6 months (27%)		
49. If you couldn't submit electronically due to Y2K problems, how would you submit claims? ⁸	Rural	104	Largest Response Categories: Paper Claims (87%), N/A (8%)		
	Urban	70	Largest Response Categories: Paper Claims (86%), Don't Know (9%)		

⁸ Non-responses were not used in the analysis of these questions.

APPENDIX F

HEALTH CARE FINANCING ADMINISTRATION COMMENTS



The Administrator
Washington, D.C. 20201

DATE: MAR 19 1999

TO: June Gibbs Brown
Inspector General

FROM: Nancy-Ann Min DeParle *Nancy-Ann DeParle*
Administrator, HCFA

SUBJECT: Office of Inspector General (OIG) Draft Report: "Y2K Readiness of Medicare Providers," (OEI-03-98-00250)

We appreciate the opportunity to review and comment on the results of the OIG survey of health care providers' readiness for the Year 2000 (Y2K). As we discussed in our February 11, written testimony on HCFA Management before the House Ways & Means Health Subcommittee, we have made substantial progress in addressing the Y2K computer challenge and are continuing to work to be millennium ready. For example, we are proud to report that all 25 of HCFA's internal mission critical systems are compliant and 54 of the 78 external mission critical systems (those operated by Medicare contractors) are now certified as Y2K compliant. HCFA's claims processing and payment systems will work, and doctors and hospitals will be paid promptly. At no point will beneficiaries lose health benefits, and beneficiaries will continue to get the care they expect throughout the millennium. Moreover, we are working to encourage and help providers meet their Y2K responsibilities as well.

As you know, HCFA has worked closely with OIG over the last six months in developing the OIG survey. We are extremely concerned about provider Y2K readiness and want to be proactive in addressing issues of concern. The report points to what other surveys have found, i.e., the health care community at large is not moving quickly enough and extensively enough to address the Y2K problem. This is why HCFA developed and began a very comprehensive communications and outreach plan well before the OIG survey was distributed. We have attached for your information a copy of HCFA's "Year 2000 Communications & Consultation Plan." Additional assistance by HCFA and provider associations is still necessary.

Due to the nature of the OIG survey we recommend that caution be exercised in using data from the survey results to make generalizations regarding the entire

provider community. HCFA also notes that as part of OIG's study of Y2K readiness, and to the extent feasible, we would appreciate receiving additional analyses from OIG on the following Y2K subject matter areas:

Identify whether OIG found a difference in levels of Y2K readiness/compliance between rural vs. urban providers. If differences in Y2K levels were found among providers, indicate the types of provider groups where differences existed. Also indicate where no differences existed in Y2K readiness levels among providers;

- ▶ Address from the "rural vs. urban provider" perspective, the five key areas on which provider readiness was surveyed (billing/financial systems, submission of electronic claims, etc.); and,
- ▶ Determine if there existed a correlation between providers who contract with external vendors for claims/payment and those who reported not being aware of and/or not receiving contractor assistance or software for Y2K readiness.

In addition, we offer the following focused comments on specific sections of the report:

▶ Summary of Survey Results

We note that as of mid-February 1999, Medicare carriers reported approximately 99.8% of Medicare Part B claims submitters that bill electronically (either billing services or the providers themselves) are already doing so in a compliant, 8-digit manner. About 63% of Part A claims submitters (institutional providers such as hospitals, skilled nursing facilities, and home health agencies, or their billing services) are submitting claims in a compliant 8-digit manner. We set the April 5, 1999, deadline to compel providers to resolve their Y2K problems.

Medicare Contractor Efforts

In interpreting the responses relating to whether Medicare contractors had provided Y2K assistance or free/minimal cost software, we note that providers who responded "no" might not have actually required this assistance or software since they may contract with external vendors for claims submission and payment. We also note that large institutional providers might purchase a whole suite

of software that includes accounting, appointment scheduling, claims submission, etc. In these cases, large institutional providers may not need or be interested in contractor-provided software.

► **Conclusion**

Although we recognize the inherent limitations to any survey instrument, particularly on a topic of the expanded scope and magnitude as Y2K readiness, we agree that HCFA has a major responsibility to provide information and education to assist providers in becoming Y2K compliant. We also note that it would be useful for OIG to identify in the report those recommendations which pertain primarily to HCFA and those which apply to the provider associations. Moreover, we look forward to working with OIG as we continue efforts to focus our Y2K activities.

Furthermore, and as indicated above, we would also like to note that HCFA has already made great strides in the area of Y2K provider outreach. For example, prior to release of the OIG report we had already taken several proactive steps:

- We trained over 50 HCFA staff as Y2K speakers who are delivering the Y2K message to providers nationwide.
- We developed and placed on the HCFA web site a comprehensive set of self-help materials to assist providers in becoming Y2K compliant. We released these materials in late November 1998 to all Medicare contractors to use in conducting Y2K outreach to providers. We note that at the time the OIG survey was conducted, it is possible that some contractors had not yet had many opportunities to present these materials to providers.
- We released letters to all Medicare providers as noted in the OIG report.
- We published a notice in the February 4, 1999 Federal Register to alert the provider community to their responsibility to become Y2K ready, announce technical assistance that we have made available, and underscore the necessity to ensure the billings are complaint prior to April 5, 1999.
- We initiated plans to conduct at least 10 major HCFA-sponsored conferences nationwide focussing on provider needs to become Y2K compliant.
- We plan to conduct 12 conferences the week of March 29 (Y2K action week) in order to direct provider attention to the Y2K problem.

- We have participated in numerous conferences nationwide to deliver the Y2K message to providers;
- We developed a provider preparedness model that will be released in the near future, i.e., a sample project plan to guide providers through the Y2K remediation/preparation process.
- We signed a contract for a 1-800 hotline service to answer provider questions or to direct them to the appropriate Medicare contractor or Medicaid State Agency handling their providers claims for any further information.
- We will continue to pursue other aspects of the communications plan.

We also note that preliminary discussions have taken place between the Centers for Disease Control and Prevention (CDC) and HCFA regarding the need to heighten general physician awareness and responsiveness to the Y2K problem. In addition, we will work with the American Medical Association (AMA) and COLA (a physician office laboratory accrediting organization) to alert physicians about resources they may utilize for Y2K compliance.

Moreover, we plan to send a letter to all State Survey Agencies requesting their assistance in raising provider awareness about possible Y2K problems. Our letter will include information that can help ensure provider medical equipment, refrigerators, heaters, elevators, water, food, electrical supply sources, and other vital equipment are Y2K ready. Information and sources of guidance, advice, equipment checklists and other key information sites are being placed on a HCFA nursing home (provider) web-page with "hot links" to other key information sites including the Food and Drug Administration (FDA), and the FDA Y2K compliant medical equipment site. As part of our Y2K contingency planning efforts, we will also send a letter to all home health agencies and nursing facilities, as well as other providers and suppliers. This letter will specifically address the need to maintain compliance with Medicare's health and safety standards. The letter will also highlight several areas of concern for each provider.

Thank you for the opportunity to respond to this report. We intend to share this report with our regional offices and the States to bolster their efforts in reaching out to the Medicare and Medicaid provider communities. Meeting the Y2K computer programming challenge is our highest priority. We look forward to working with the OIG and our other partners as we continue moving forward to ensure that our health care programs are Y2K compliant.

Attachment

APPENDIX G

ASSISTANT SECRETARY FOR MANAGEMENT AND BUDGET COMMENTS



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

MAR 10 1999

TO: June Gibbs Brown
Inspector General

FROM: John J. Callahan
Assistant Secretary for
Management and Budget

SUBJECT: Comments on "Y2K Readiness of Medicare Providers"

We have had an opportunity to review the draft of your report, "Y2K Readiness of Medicare Providers," dated March 1999. We commend you on the thoroughness of your work. However, we would like to make suggestions that we feel would enhance your report.

- Define Terminology - In the methodology section, a definition of terminology would give the reader a better sense of the population described. For example, the report uses the terms "rural" and "urban" when referring to physicians, home health agencies, nursing facilities, and hospitals, but does not define these terms in terms of population per sampled area, or other quantitative criteria. A definition of the products covered by "durable medical equipment" would also help the reader better understand the problem.
- Adjust Statistics for Bias - As a general observation, based on the results of other surveys, those organizations that respond usually are those that have positive experiences to report. OIG may wish to acknowledge and adjust for sample bias arising for self-reporting.
- Provide Definitive Conclusions - Although we recognize that the OIG does not wish to make recommendations, the report's conclusions should be definitive enough to enable corrective actions to be instituted more expeditiously. For example, urban physicians and rural nursing facilities report the greatest concerns about the adequacy of Medicare contractors' awareness efforts. It may be concluded, therefore, that Medicare contractors need to take more specific aggressive actions to reach these populations - rather than simply improve communications.

We appreciate the opportunity to comment on your report. If you have any questions, please refer them to Gay Morris, Y2K Program Manager, at 202-690-6376.