

ICD-10 Task Force

Budget Planning for 5010/ICD-10 Projects

Tori Sullivan, MHA, RHIA, PMP

Capgemini

Herndon, VA

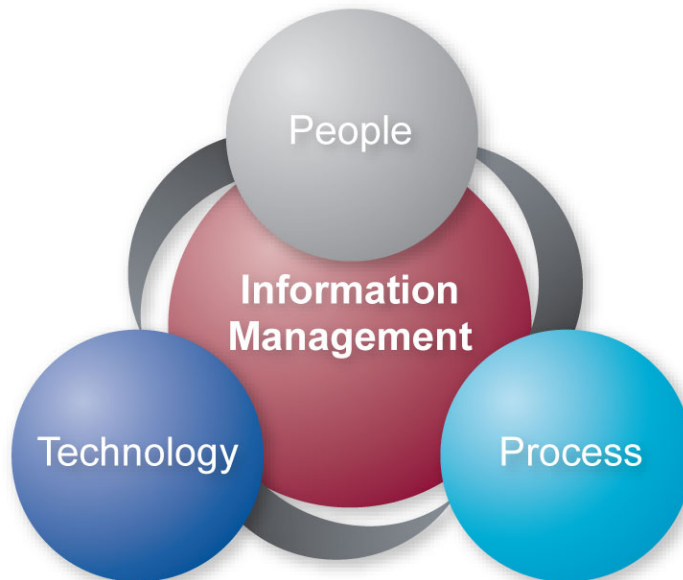
571-336-1668

Tori.Sullivan@Capgemini-gs.com

Budgeting Overview

RAND Corporation estimates the implementation of ICD-10 will cost the US healthcare industry between \$425-\$1,125 million dollars

Implementation Project Expenses



D09-014-001-1



Budget Considerations



Budget Expenses Categories



- Implementation:
 - Training, Hardware, Software, Support, Communication/Marketing
- Management:
 - Contingency Reserve
 - Loss of Revenue/Productivity

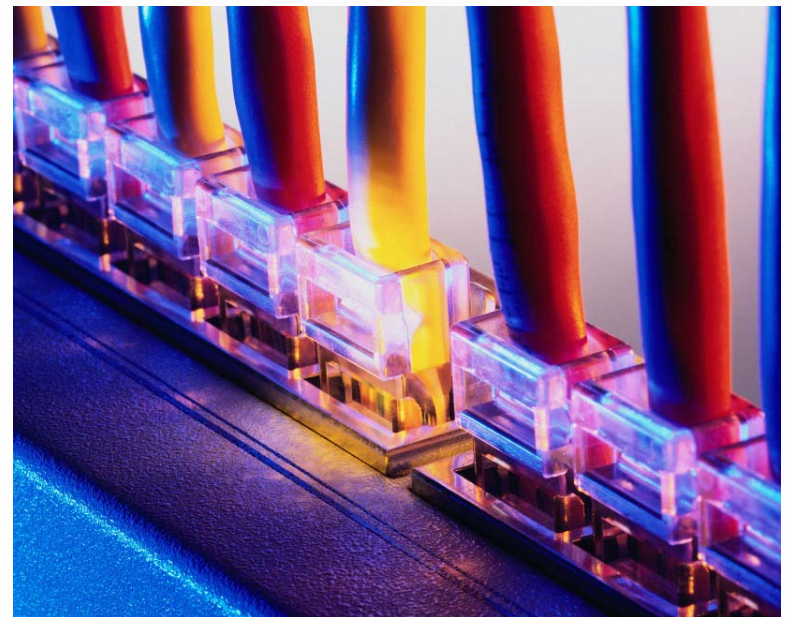
Expenses Categories Detailed

- Training
 - Regulation Awareness and Understanding
 - Coding Format, Anatomy & Physiology
 - Classes, Software, Books, Materials, Travel Expenses etc.
 - Procedural Changes
 - Admitting
 - Provider
 - Coding
 - Billing



Expenses Categories Detailed

- Hardware
 - Software modifications may require hardware changes
 - Production Server
 - Test Server(s)
 - Workstations
 - Testing Workstations



Expenses Categories Detailed

- Software
 - Vendor contractual fees (software upgrade)
 - New software/system
 - Software Programming
 - Testing application
 - Supporting applications (i.e. Project Management, Quality Control, or Budget Management)



Expenses Categories Detailed

- Communication/Marketing
 - Internal Communication
 - External Communication
 - Printing/Publishing
 - Survey or Data Gathering (software or supportive)



Expenses Categories Detailed

- Supportive Resources
 - Program Management
 - Overall Project Management
 - Assessment/Gap Analysis Activities
 - Technology Upgrades/Implementation and Testing
 - Subject Matter Expertise (SME)
 - Regulation Topics
 - Software Systems
 - Hardware/Network Infrastructure
 - Facility Expert (multi-facility setting)



Expenses Categories Detailed

- Loss of Revenue



- Chart Coding Takes Longer, Lowering Productivity
- Slowing Adjudication, Slower Turn-around for Payment
- Increased Claim Rejections

Expenses Categories Detailed



- Contingency Reserve
 - Hardware
 - Software
 - Training
 - Communications
 - Supportive Resources
 - Revenue

Budgeting Recommendations

- Include Revenue Loss/Gain in Budget Forecast
- Consolidate Budget Plan across Organization
- Assign a Resource to Manage Budget
- Review Budget/Expenses Monthly with Project Steering Committee
- User Risk Assessment in Budgeting Process
- Plan for Failures or Loss in Revenue

Budgeting Resources

- HIMSS ICD-10 Task Force Budget Template
http://www.himss.org/ASP/topics_FocusDynamic.asp?faid=220
- McNeill, G., Sullivan, T., Wall, K. Implementing ICD-10-CM/PCS for Hospitals. Chicago: AHIMA Press, 2009.
<https://imis.ahima.org/orders/productDetail.cfm?pc=AC201009&bURL=%2Forders%2FproductByType%2Ecfm%3Ft%3D2>
- Libicki, M., Brahmakulam, I. The Costs and Benefits of Moving to the ICD-10 Code Sets. Rand Corporations, 2004.
http://www.rand.org/pubs/technical_reports/2004/RAND_TR132.pdf