Countdown to ICD-10: Prepared for Success?

The impending switch to the ICD-10 code set is one of the biggest changes the healthcare industry has ever faced. Even with the recent delay, healthcare providers and organizations of all sizes need to be taking steps now to avoid major disruptions in their revenue streams and operations. In short, organizations need to prepare for these changes if they are to succeed, or prepare to fail if their efforts fall short.

Preparation is the key to making a successful transition to ICD-10, as the impact of the new code set is far-reaching for providers, payers, and clearinghouses. During the pre-implementation stages of ICD-10, organizations need to perform gap analyses to determine whether:

- Information systems will require upgrades or replacement to support the new code set.
- Current clinical documentation practices support the increased specificity required by ICD-10.
- Productivity will be impacted while organizational staff—including coders, auditors, claims adjudication specialists, customer support, and others—learn the new code system and clinicians work to improve their documentation practices.

In the months following the implementation deadline, organizations need to have plans in place to accommodate the expected productivity and cash flow decreases while the industry learns to resolve the issues associated with ICD-10 billing—from increased denials to adjudication troubles. Even the most ready organizations will experience disruptions due to the non-readiness of others in the healthcare revenue cycle chain. After these issues are resolved, a host of other issues will require addressing, such as tracking new claim denial trends, comparing historical ICD-9 claims to ICD-10 claims, and renegotiating provider and payer contracts based on ICD-10 codes.

Timelines
Organizations that are looking to start their ICD-10 planning, or are in the early stages of their efforts, can leverage the wealth of information that is already available. Besides CMS, several industry groups have created ICD-10 implementation timelines and checklists to help with the transition. These groups include the American Health Information Management Association (AHIMA) and the Workgroup for Electronic Data Interchange (WEDI).
CMS Timeline
The ICD-10 section of the CMS website contains detailed timelines and checklists for physician practices, hospitals, and payers. The CMS timelines for providers and payers recommend that organizations complete their initial planning and communications efforts 21 to 18 months prior to the mandated implementation date. Communications efforts include informing staff about ICD-10 initiatives, as well as contacting vendors and trading partners to discuss the timing of milestones. Key tasks during this phase include:

- Identifying resources
- Creating project team
- Assessing effects
- Creating project plans
- Securing budgets

System upgrade and replacement planning—although not specifically listed in the CMS timeline—could fall into the “creating project plans” category. CMS recommends that provider organizations spend the period 18 to 9 months prior to the go-live date monitoring vendor and payer preparations, beginning high-level ICD-10 training for users, and starting internal and external testing of ICD-10-related systems.

For payers, CMS timelines recommend that the organizations spend the period 18 to 9 months prior to the implementation date focused on revising coverage policies and provider contracts, followed by initial efforts to integrate ICD-10 into their information systems.

AHIMA Timeline
In contrast to CMS timelines, the AHIMA “ICD-10-CM/PCS Transition: Planning and Preparation Checklist” is substantially more aggressive, with the timeline beginning over 5 years before the implementation date. Planning phases for the AHIMA timeline include:

- Phase 1: Implementation plan development and impact assessment (69 to 27 months prior to implementation)
- Phase 2: Implementation preparation (45 to 20 months prior to implementation)
- Phase 3: “Go live” preparation (the 9 months prior to implementation)
- Phase 4: Post-implementation follow-up (the 15 months following implementation)

The checklist includes detailed components for each phase, making the download and review of the document essential reading for all organizations that will take part in the ICD-10 transition. The reasoning behind the aggressiveness of Phase 1 is spelled out in the checklist:

“Experience in other countries has shown that early preparation is key to success. Also, an early start allows for resource allocation to be spread over multiple years, rather than incurring a large budgetary investment at one time. Several of the preparation activities provide benefits to the organization before ICD-10 is implemented, such as clinical documentation improvement strategies and advancing the knowledge and skills of the coding staff.”

Besides the thoroughness of the phase descriptions, other information makes the checklist an essential read, including the figures at the end of the document that provide checklists for:

- High-level awareness education efforts by role, such as senior management, clinical department managers, and medical staff, as well as health information management (HIM) managers and coding staff
- Examples of systems and applications that may use coded data
- Examples of data user categories that will require ICD-10 education

WEDI/NCHICA Timeline
WEDI has developed a comprehensive ICD-10 timeline in cooperation with the North Carolina Healthcare Information and Communications Alliance, Inc. (NCHICA). A component that sets this timeline apart from the CMS and AHIMA timelines is that the WEDI/NCHICA timeline...
dedicates sections to address software vendor ICD-10 preparations. The timeline is task-oriented and includes primary and mainframe vendor tasks, as well as secondary tasks. Subsequent sections focus on tasks for health plans and providers.

Tasks on the WEDI/NCHICA timeline start 4 years prior to the implementation date, which is less aggressive than the AHIMA timeline but more aggressive than the CMS timeline.

Industry Readiness: Many are Already Behind

The findings from a 2013 WEDI industry survey make it clear that some providers will need to use every bit of the additional preparation time made available by the recently delayed implementation date. The WEDI survey findings, published in December 2013, reported that:

- Three-fifths of health plans had completed their impact assessments, and another one-fifth were more than three-quarters done. Less than one-tenth were less than halfway complete.
- Over four-fifths of health plans had either begun external testing or expected to do so by the end of the first half of 2014.
- Half of provider respondents indicated that they had completed their impact assessments, but another quarter didn’t plan to do so until sometime in 2014. One-sixth still did not know.
- Less than a quarter of providers planned to test with the majority of their payers. Another third expected to test with a sample of payers.

These findings place a substantial portion of the healthcare industry far behind the timelines recommended by CMS, AHIMA, and WEDI/NCHICA.

In response, industry organizations have taken a number of steps to improve the readiness of vendors and providers. For example, EHNAC and WEDI are creating a Practice Management Systems Accreditation Program, designed to ensure that accredited software:

- Meets the functional requirements of physician practices
- Complies with privacy, security, and transaction rules under HIPAA
- Adheres to the requirements of the Affordable Care Act

In addition, key processes will be impacted by the changes, including clinical documentation, which will be required by ICD-10 coding to specify:

- Laterality
- The impact of co-morbid conditions and complications
- Why diagnostic tests were ordered
- The severity of the patient’s condition

Revenue-cycle processes will also be affected, including:

- Coding
- Billing
- Denial management
- Billing and payment reconciliation
- Historical claims analysis
- Provider contracting
- Reimbursement—will ICD-10 reimbursement be more or less than ICD-9 reimbursement?

Where to Begin Preparations?

Organizations can take several steps to jump-start their ICD-10 implementation planning or augment their existing efforts. These include:

Education and Communications

Help prepare for change by communicating what ICD-10 is and why it’s necessary, as well as milestones and deadlines. These communications should be directed to all staff within the organization. Most importantly, be sure to articulate how failing to
prepare for ICD-10 will impact the financial stability of the organization.

Mapping — The General Equivalence Mappings (GEMs) published by CMS (and other vendors providing coding resources) enable users to forward-map ICD-9 to ICD-10 codes, or backwards-map ICD-10 codes to ICD-9. Use of the GEMs to prepare superbills, analyze coding, or practice ICD-10 coding with current clinical documentation helps individuals learn the differences and nuances of the new code set.

Clinical Documentation Improvement — The majority of current clinical documentation practices do not include the elements (such as laterality, complications, co-morbid conditions, etc.) required to satisfy ICD-10’s higher level of specificity. Organizations should analyze existing documentation practices to identify where improvements are needed to justify ICD-10 code selections.

Coder Training — Formal coder classroom training for ICD-10 should take place six to eight months before the implementation deadline, according to AHIMA. In the meantime, take advantage of any opportunities that arise—including webinars, conferences, reference materials, etc.—to help your coders get familiar with the code set and practice using it.

Productivity — Organizations should start planning immediately for strategies to accommodate staff productivity decreases during coder training and in the months following the implementation deadline. Plans may include shift adjustments, hiring additional staff, or outsourcing coding backlogs during the transition. Clinical documentation completion may also result in productivity decreases as clinicians work to modify their documentation practices to accommodate the increased specificity of ICD-10. Organizations should work closely with clinicians in the months before the ICD-10 deadline to avoid these productivity decreases.

Testing — Take advantage of the extra preparation time made available by the recent delay in the implementation date to conduct additional testing with your payers, your clearinghouse, and CMS. The more testing you do, the less likely you will be to face unwelcome surprises when ICD-10 goes live.

Looking Ahead

Although many organizations are well into their ICD-10 preparations, some have yet to begin their efforts. Downloading and evaluating the timelines from CMS, AHIMA, and WEDI/NCHICA are a good place to start, and are also a good way to compare progress toward milestones for organizations that are already underway with their ICD-10 planning. In addition, HIMSS offers a variety of resources and implementation guidance, including:

- ICD-10 PlayBook
- Cost Estimator
- Financial Risk Calculator

It’s also important to keep a proper perspective on the entire ICD-10 transition, as the changes that will take place are not solely focused on the efforts that will occur following the implementation deadline. Improvements in clinical documentation practices and higher-level coding will benefit provider organizations during the period before the deadline as well.

When it comes to ICD-10 preparations, organizations are either preparing to succeed, or preparing to fail. Early planning and careful monitoring of progress are essential for organizations to make a successful transition to ICD-10.

Learn more at icd.zirmed.com.

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