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 if:

- 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.

Initial Preparations

With much of this planning needing to take place immediately, ZirMed is offering a series of white papers to help organizations make the transition. This first white paper in the series focuses on the timelines of initial preparations that organizations should take immediately to prepare for the ICD-10 deadline. Subsequent white papers will focus on specific aspects of the transition.

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 during the first quarter of 2013. Communications efforts include informing staff about ICD-10 initiatives, as well as contacting vendors and trading partners to discuss the timing of milestones. First quarter planning stages 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. For the second through the fourth quarters of 2013, CMS recommends that provider organizations spend that time 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 second through fourth quarters of 2013 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 in 2009. Planning phases for the AHIMA timeline are as include:

- Phase 1: Implementation plan development and impact assessment (1st quarter 2009 to 2nd quarter 2012)
- Phase 2: Implementation preparation (1st quarter 2011 to 2nd quarter 2014)
- Phase 3: “Go live” preparation (1st quarter 2014 to 3rd quarter 2014)
- Phase 4: Post-implementation follow-up (4th quarter 2014 to 4th quarter 2015)

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.

The WEDI/NCHICA timeline is less aggressive than the AHIMA timeline, but more aggressive than the CMS timeline. Tasks on the WEDI/NCHICA timeline have a start date of July 2010, as opposed to the 2009 start date of the AHIMA timeline, and the 2012 start date of the CMS timeline.

Industry Readiness: Many are Already Behind

The findings from a 2012 WEDI industry survey is one of the reasons that CMS extended its ICD-10 implementation deadline to Oct. 1, 2014, according to CMS statements published in the Federal Register. The WEDI survey findings, published in March 2012, reported that:

- More than a third of health plans had completed their impact assessments, but a quarter were less than halfway done
- Most health plans did not expect to begin external testing until 2013
- Nearly half of provider respondents indicated that they did not know when they would complete impact assessments
- Although a third of providers expected to begin external testing in 2013, another half did not know when testing would occur

These findings place a substantial portion of the healthcare industry far behind the timelines recommended by CMS, AHIMA, and WEDI/NCHICA. In the months following the release of the WEDI survey findings, another influential report was published by HIMSS G7—a multi-stakeholder group affiliated with the Health Information and Management Systems Society (HIMSS). The report, "Implementing ICD-10 by the Compliance Date: A Call to Action," detailed steps that the industry should take to accelerate ICD-10 preparations, which included the following recommendations:

1. Achieve broad stakeholder support for an ICD-10 pilot program with end-to-end testing of business processes—HIMSS G7 proposes the creation of four virtual regional ICD-10 Solutions Centers to “test alternative implementation approaches, producing metrics around implementation impacts, resource needs, costs, and outcomes, while identifying critical test cases and scenarios.”

2. Accelerate the readiness of vendors supporting health plans, providers, and other vendors—HIMSS G7 proposes expanding participation in HIMSS-sponsored report cards to improve the transparency and reporting of vendor ICD-10 readiness.

3. Significantly expand education focused on independent, physician group practices—HIMSS G7 is sponsoring a number of educational tools and resources for medical specialty societies and regional extension centers (RECs) to combat what the organization describes as “a lack of comprehensive awareness of both the value of ICD-10 and the implementation requirements.”

4. Recognize a “single source of truth” for accurate and consistent coding—HIMSS G7 urges individuals and entities to seek answers from credible organizations, such as CMS, the National Center for Health Statistics (HCHS), AHIMA, and the American Hospital Association (AHA).

Where ICD-10 Will Impact Your Organization

To help organizations in their ICD-10 gap assessments, AHIMA has published lists of the many systems that will need evaluation, upgrades, or replacement to accommodate the ICD-10 code set. These systems include:

- Accounting systems
- Aggregate data reporting
- Billing systems
- Case management
- Case-mix systems
- Clearinghouse EDI systems
- Clinical protocols
- Clinical reminder systems
- Clinical systems
- Decision-support systems
- Disease management systems
- Encoding software
- Medical necessity software
- Medical record abstracting
- Payer claims adjudication systems
- Performance-measurement systems
- Physician practice management systems
- Provider profiling systems
- Quality management
- Registration and scheduling systems
- Test-ordering systems
- Utilization management

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 clinical documentation practices do not include the elements (such as laterality, complications, comorbid 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 October 2014 deadline, according to AHIMA. In the meantime, any efforts to help coders get familiar with the code set and practice using it through webinars, conferences, reference materials, etc. will augment the formal training that will take place in 2014.

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.

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, the HIMSS ICD-10 PlayBook offers another good resource for organizations to download and review.

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 Oct. 1, 2014 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.

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