

# Executive Briefing

## Transitioning to ICD-10: Act Now

The U.S. healthcare industry faces a looming deadline: October 1, 2014. This marks the date that your organization must transition to the use of the ICD-10 diagnosis code set. With the number of codes escalating from about 17,000 in ICD-9 to around 140,000 in ICD-10, you can expect a significant impact in areas such as training, documentation, IT, and productivity. Transitioning successfully to ICD-10 will require that you adopt a broad range of policy and procedural changes, all of which will take time and planning. Yet, MGMA found that less than 5% of organizations report having made significant progress in preparing for this transition as of June 2013. Without a plan to implement ICD-10, you are at risk for lower revenue and higher costs. Furthermore, being unprepared means that neither you nor your patients will benefit from the improvements the ICD-10 code set offers, including the ability to better measure the quality, safety, and efficacy of care.

Now is the time to start planning for the adoption of ICD-10. This *Executive Briefing* provides a framework to plan your transition to ICD-10. We also discuss specific steps to mitigate the impact of ICD-10 and make the transition as smooth as possible.

### Framework for the Transition to ICD-10

The first step to a successful ICD-10 transition is to establish a planning framework to address key implementation questions. By thinking through these questions, you can develop a comprehensive approach to transition to ICD-10.

### Mitigating the Impacts of ICD-10

The United States is the last industrialized nation to transition to ICD-10. Learning from the experiences of countries that have already undergone the transition, mitigation strategies for ICD-10 fall into five categories:

#### 1. Documentation

The dramatic growth in the number of codes used in ICD-10 was intended to provide a greater level of specificity. This enhanced specificity will, in turn, require more comprehensive supporting documentation. Do not wait until October 2014 to focus on changing provider documentation habits. Coding and compliance teams should begin working closely with providers now to evaluate their current documentation compliance with existing standards of specificity, start to familiarize providers with the new documentation requirements for ICD-10, and identify areas of improvement to work on during the first half of 2014.

#### 2. Training

Creating an effective training program is the single most important step you can take to smooth the transition to ICD-10. Developing a robust training program requires consideration of three areas:

- **Roles** – Different roles will require distinct training to occur at various points during the ICD-10 transition. Define an approach that meets the unique needs of coders, providers, and other staff.
- **Trainers** – You will need to determine whether you have internal resources with the appropriate skill sets to leverage as trainers or if you will need to rely on external training experts to provide the needed education.
- **Timing** – It will be necessary to determine how much time is needed to complete training for each of the constituent groups. Training estimates vary, but a range of 16 to 24 hours for clinical staff and 40 to 60 hours for coders is suggested. In addition to ICD-10 training, providers should receive documentation training. All staff should also have plenty of hands-on practice time.

### Planning Framework



### 3. Coder and Provider Productivity

Many studies and industry experts predict a decrease in productivity during the initial 3 to 6 months of ICD-10, as coders and providers will be slowed down by the process of determining which codes to pick and creating the greater level of documentation required to support those codes. Steps to mitigate productivity issues include the following:

#### ● For Coders

- *Future Work Flow Validation* – Take the time to define process or procedural changes that will need to be made for ICD-10, including updated documentation standards, proactive/reactive provider education, and regular audits.
- *Work Flow Efficiency* – Once future work flows are defined, ensure that the coding and compliance teams are working at maximum efficiency by fall 2014 by establishing and monitoring work standards.
- *Staffing* – Trained coding staff will become a sought-after resource post-October 2014. Plan for increases in workload due to the higher probability of coding errors, and ensure enough coders are in place to meet these needs. Early identification of these needs will be critical in order to act before the spike in demand for coders in fall 2014.

#### ● For Providers

- *IT Upgrades* – Implement IT system upgrades required to support ICD-10 no later than winter 2013 to ensure adequate time to both configure and test all systems for those vendors that have released the necessary upgrades.
- *Hands-On Practice* – Devise a strategy to leverage the existing IT systems to expose staff to ICD-10 before October 2014 so they can practice selecting the correct ICD-10 codes.
- *Common Diagnoses* – Although the effectiveness of mapping ICD-9 codes to ICD-10 codes using programs such as General Equivalency Mappings (GEMs) is still being debated, take the first step of identifying the top ICD-9 diagnosis codes each specialty group uses and cross-walk them to the associated subset of ICD-10 codes.
- *“Elbow Support”* – Identify a group of provider superusers and then provide them with extra training. This will give you an additional tier of support staff to assist providers during the first few hectic weeks of ICD-10.

### 4. Testing

True end-to-end testing with every provider, vendor, and payor is a nearly impossible task. Fortunately, there will be opportunities for healthcare organizations to share test scenarios and leverage national testing efforts through groups such as the Workgroup for Electronic Data Interchange (WEDI). WEDI has partnered with a group of payors to begin a national pilot to test the feasibility of ICD-10 using a series of end-to-end, provider-to-payor testing processes. These efforts are focused on identifying high-level issues with ICD-10 early on, as well as developing standard testing plans for providers to use. In addition to using external resources such as WEDI as a starting point, you should focus on vetting your organization’s specific IT systems and work flows. This would include assessing current vendor ICD-10 readiness, developing integrated testing of your systems using a diverse group of testers (e.g., clinical, billing, front desk staff), and testing the mappings for the most commonly used codes by specialty.

### 5. Change Management and Financial Oversight

A key to successful change management is a comprehensive communication strategy that identifies the constituent groups that require communication. Based on that, develop an understanding of how ICD-10 will impact each of these groups on an individual level and how the organization will support them. Then identify the media and frequency with which to communicate with each group.

With respect to mitigating financial impact, the more complex documentation and coding demands of ICD-10 will likely result in more errors and potential payor delays in processing claims. Denial rates are predicted to increase by 100% to 200%, and A/R delays could be 20% to 40%, according to some industry experts. Establish baseline metrics in order to track trends, quickly identify issues, perform root-cause analyses when needed, and take appropriate corrective action to help alleviate the anticipated financial impact of ICD-10. As an extra precaution, keep 1 to 3 months of cash in reserve to cover any delays in payment.

### Conclusion

The ICD-10 deadline is only a year away, and waiting to prepare for the transition is no longer an option. By leveraging a planning framework that focuses on training, documentation, productivity, testing, and change management, you can ready your organization for ICD-10 while taking steps to mitigate the risks as best as possible. The time to focus on ICD-10 is now.

ECG Management Consultants, Inc., can guide you through all aspects of a successful transition to ICD-10, with a focus on readiness assessments, planning, and implementation. To learn more, please contact Mr. Jason D. Meaux or Mr. Benjamin C. Colton at 206-689-2200 or e-mail [jmeaux@ecgmc.com](mailto:jmeaux@ecgmc.com) or [bcolton@ecgmc.com](mailto:bcolton@ecgmc.com).

### About ECG Management Consultants, Inc.

ECG offers a broad range of strategic, financial, operational, and technology-related consulting services to healthcare providers. As an industry leader, ECG is particularly known for providing specialized expertise regarding the complexities of the academic healthcare enterprise, strategic and business planning, specialty program development, and hospital/physician relationships. ECG has offices in Boston, Dallas, San Diego, San Francisco, Seattle, St. Louis, and Washington, D.C. For more information, visit [www.ecgmc.com](http://www.ecgmc.com).