



WHITE PAPER

# Do I Proceed, Pause or Stop?

HOW YOU CAN CAPITALIZE ON THE ICD-10 DELAY

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# Introduction

For some organizations, the ICD-10 delay deferred all of the hard work and preparation that has been in place for some time. That's frustrating for those who were ahead of the Oct. 1, 2014 deadline and wanted to realize the rewards for their diligence.

For other organizations, this delay is a stress reducer, creating an opportunity to continue their work around leveraging and evaluating the impact of the ICD-10 code set on new technologies, reimbursement shifts, and continued clinical documentation improvement opportunities.

Finally, for other organizations, the delay is seen as an opportunity to reset a project plan that represented significant risk to facility operations.

## **THE QUESTION IS:**

Which of those three classifications describes your organization?

## **THE ANSWER MIGHT BE:**

You're not really sure.

*"As many organizations reassess their ICD-10 plans, they struggle to objectively evaluate their current status."*

As many organizations reassess their ICD-10 plans, they struggle to objectively evaluate their current status. Questions they should be asking include:

- ▶ How do we work through contradicting information?
- ▶ Should we continue preparing for ICD-10 or should we pause and focus on other things?

The following info will help organizations assess their current status and decide whether they should continue to proceed, pause, or stop their ICD-10 transition activities.

# Impact on ICD-10 Implementation Projects

Across the healthcare industry, organizations have been preparing for the transition to ICD-10 for quite some time. Governance committees and detailed project plans have been in place defining the tasks and activities required to successfully transition to ICD-10 on Oct. 1, 2014. The impact of the recent ICD-10 delay will now require organizations to revisit their project plans, and possibly suspend governance oversight, as well as end or curtail ICD-10 implementation activities.

ICD-10 project plans differ depending on the complexion of the organization, the systems that are in place, the level of integration required and the resources dedicated to the project. Most organizations likely are in one of these categories:

## 1. "EARLY ADOPTERS"

These organizations have been working diligently towards compliance requirements and have a mature project plan well underway. New systems and/or upgrade implementations have occurred. Systems, reports, and forms have been remediated. Coder education is completed. Physician training and education is ongoing. Dual-coding processes and clinical documentation improvement initiatives are synchronized. Testing with clearinghouses and/or payers was initiated. End-to-end testing results were evaluated. These organizations typically started their ICD-10 implementation planning before Q1 2013.

## 2. "MIDDLE OF THE ROAD"

These organizations were primarily focused on Meaningful Use and only started ICD-10 work in earnest in early to mid-2013. They formed an internal ICD-10 governance team and created detailed project plans, yet these organizations still had a significant amount of work to do to

implement ICD-10. These organizations were nervous about complying with the Oct. 1, 2014 date, and were in the process of retaining additional project managers, or subject matter experts, to complete all of the remaining tasks in order to meet the compliance deadline. Not all systems were upgraded, nor fully tested. Dual-coding may have been initiated, but results were not fully evaluated. Coder education may have occurred yet physician education synchronized with clinical documentation improvement and communication was lagging.

"We should remind ourselves of the mistakes that were made in 2012 when many shelved their ICD-10 project ... "

## 3. "LATE STARTERS"

These organizations were waiting on their EHR or billing system vendor to provide them with "ICD-10 compliant" software, believing that software was the primary resolution to complying with ICD-10. Many were in a conundrum about how to staff their ICD-10 project. Some organizations thought that their ICD-10 Project Manager or HIM Director could figure it out alone, with minimal internal support or assistance. These organizations were in serious jeopardy of not making the Oct. 1, 2014 compliance date.

As an industry, we should remind ourselves of the mistakes that were made in 2012 when many shelved their ICD-10 project for other priorities only to discover later the complexity and the enormity of the ICD-10 work they faced ... let alone the additional cost.

Consider laying out a three-tiered approach to manage the remaining scope of work and take advantage of the longer ICD-10 implementation timeline. To manage the tiers, look at the pros and cons for each level, consider fiscally smart routes and tie them to the three categories and sub-categories below so it makes sense for each organization's unique situation.

### **A SIX SIGMA FAILURE MODE ANALYSIS TOOL CAN ASSIST IN QUANTIFYING AND 'HEAT-MAPPING' THE RESULTS:**

#### **Proceed, continue**

Elements of the project that should continue as planned, if:

- ▶ The project enhances or improves quality, patient safety, staff skills, productivity, workflow, system integration and functionality, as well as integrity of information within the organization, regardless of code-set in use
- ▶ Activity supports both ICD-9 and ICD-10 requirements (e.g., clinical documentation improvement)
- ▶ Software functionality and/or workflow processes support requirements for ICD-10 future-state
- ▶ The task or activity is also tied to Meaningful Use
- ▶ Resources and funding are available

#### **Pause, defer or slow down**

Scope of work that requires slow down due to:

- ▶ Resource restrictions
- ▶ Budget limitations this fiscal year
- ▶ Software functionality is unable to support ICD-10 requirements at present time
- ▶ Trading partner (e.g., payer) unable to commit to a testing schedule
- ▶ Activity will require significant retraining effort, or will need to be repeated closer to ICD-10 compliance date

#### **Stop and restart in Q4 2014 or Q1 2015**

Either there is dependency here to the two categories above, or there is little need to complete them until later in the project timeline.

- ▶ Task or activity was not budgeted, no funding available
- ▶ No resources assigned to the task or activity
- ▶ Results of the task or activity do not provide value to the organization (e.g., quality, patient safety, etc.), nor is a requirement for reimbursement, reporting, productivity, or processing of information

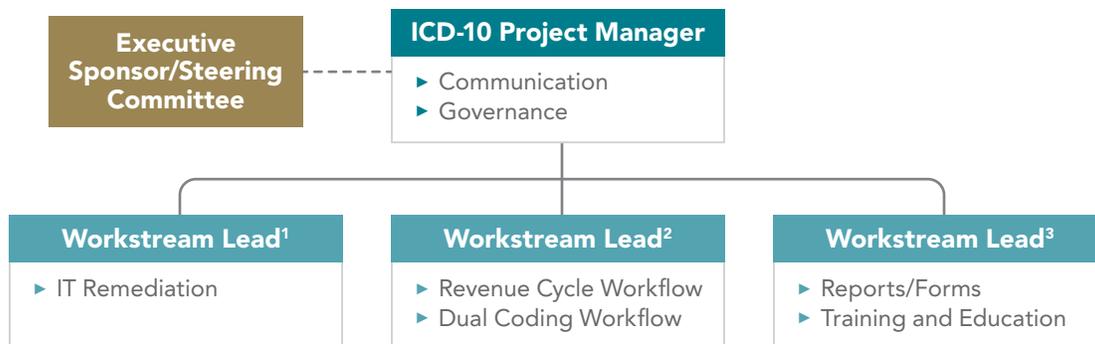
# Pragmatic Application

Whether your organization would be considered an early adopter, middle of the road, or a late starter on the journey to ICD-10, there are adjustments needed to your ICD-10 project plan to account for this implementation delay. Take a step back and review the initial formation of the ICD-10 project. As with any project, the size of an ICD-10 system-wide implementation, “work streams” are created to better manage all of the major impact areas. Typically, the major work streams included in an ICD-10 implementation project include:

- ▶ Program governance established and activated
- ▶ Organization-wide communications plan
- ▶ Systems evaluation and remediation
- ▶ Software system upgrades to support the ICD-10 code set, descriptions, and enhanced functionality
- ▶ Software system unit and integration testing
- ▶ End-to-end workflow validation (inpatient, emergency department, ambulatory clinics) to assure people, processes, and technology support ICD-10 input and output (including new levels of data capture at patient, procedure, and diagnostic levels)

- ▶ Inventory and remediation of reports used system-wide
- ▶ Inventory and remediation of forms used in various workflows
- ▶ Specialized training and education targeted to stakeholders (physicians, clinicians, case managers, coders, billers, etc.)
- ▶ Modifications to EHR (clinical documentation templates, orders, order-sets, etc., flow-sheets, structured notes, problem lists, etc.) to remediate ICD-9 content, customizations, etc. or to add new prompts, guidelines or ICD-10 related content
- ▶ Revenue cycle optimization in preparation for ICD-10 claims processing and managing denials
- ▶ Payer communication and economic strategies to ensure that payers promptly adjudicate claims and provide expected reimbursement

Prior to the delay of ICD-10, there may have been a project structure in place similar to Figure 1 below. The project director and work stream leaders addressed the highest priority organizational needs required for an Oct. 1, 2014 implementation date. Figure 1 shows a proposed division of tasks and



**FIGURE 1.** ICD-10 Core Project Team

deliverables assigned to multiple members of the ICD-10 project leadership team.

Having a strong steering committee and governance structure in place will provide guidance on reprioritization of tasks and help redefine the ICD-10 project team structure. The core ICD-10 team working on a well-defined set of priorities will need to be reevaluated after the delay.

It is important to heed the lessons learned from the last ICD-10 delay and not place the entire ICD-10 project plan on the shelf and defer the good work and significant financial investment that has gone into the preparation for the ICD-10 transition. A decision to completely stop the work associated with ICD-10 implementation will only serve to once again require an organization to restart a highly complex project at a significant cost to the organization.

A recent survey conducted by Talk Ten Tuesday podcast (April 8, 2014 "ICD-10: The Delay – Industry

Reaction", <http://icd10monitor.com/podcasts-98487>) showed about 66% of hospitals/providers would be staying on course with minor revisions to the ICD-10 implementation plan (see Figure 2).

As the survey indicates, most providers are pushing forward with their ICD-10 project plans, but in some cases making changes to the plan to accommodate this implementation delay. This is a pragmatic approach given the delay and some uncertainty associated with the new implementation date. As such, the details of the ICD-10 project plan should be defined and evaluated in terms of:

- ▶ **Tasks that should continue** to completion as originally defined in the project plan.
- ▶ **Tasks that can be slowed** knowing that the timeline for implementation is to be expanded.
- ▶ **Tasks that should be deferred** into 2015 so that they best support the new ICD-10 implementation timeline.

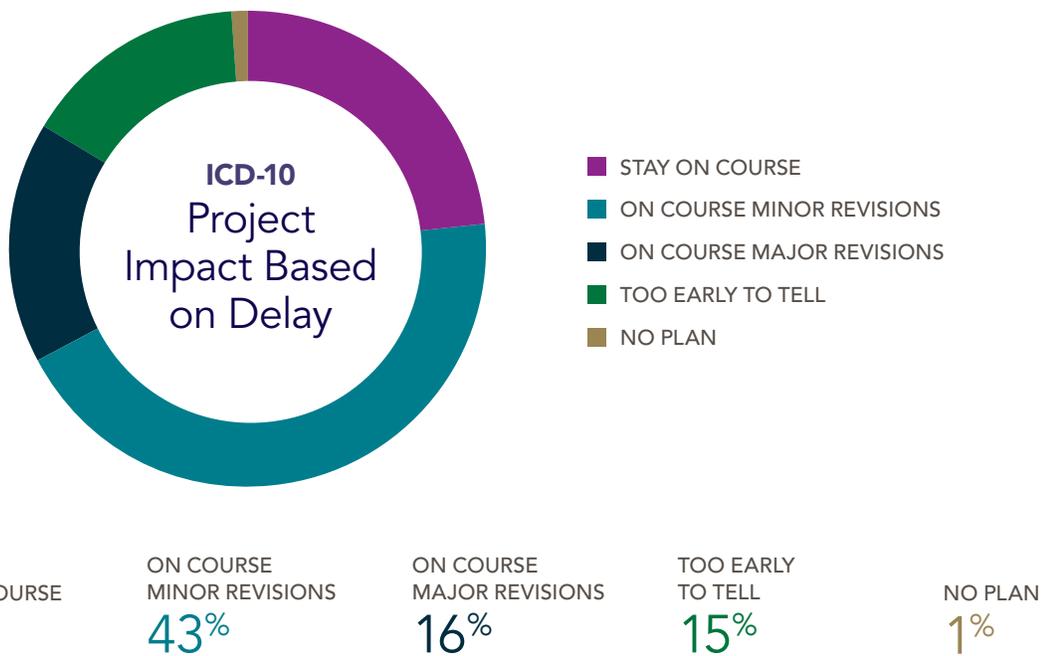


FIGURE 2. ICD-10 Project Impact Based on Delay

Below is a tool that can be used to identify the “big rock” work stream deliverables and a color coding scheme to group the tasks into the categories discussed above (see Figure 3). This tool helps the core ICD-10 project team, the steering committee, and senior leadership visualize the impacts that the ICD-10 delay will have on the project team. The tool will also help facilitate communication among the key stakeholders – as there are likely to be some

differing opinions related to the categorization of all of the ICD-10 tasks in an effort to “pace” the project according to a new timeline.

For many organizations, the ICD-10 extension is providing an opportunity to look deeper into DRG reimbursement shifts, GEMs mappings, technologies such as CAC, and workflow adjustments to address outdated super-bill forms in use throughout the ambulatory clinics.

IT/TESTING	VALIDATION ACCESS	VALIDATION CODING	VALIDATION REV CYCLE	TRAINING & EDUCATION	REPORTS & FORMS	COM	CDI
Inventory IT systems	Current state workflow	Current state workflow	Current state workflow	Assist in vendor selection	Current state workflow	Communications matrix	Evaluate Soarian
Coordinate the delivery of software	Future state (In) Future state (Out)	Future state (In) Future state (Out)	Future state (In) Future state (Out)	Build the education plan	Future state workflow	Define communication channels	Evaluate Athena
Develop test plan/scripts	Develop plan (In) Develop plan (Out)	Develop plan (In) Develop plan (Out)	Develop plan (In) Develop plan (Out)	Roll out the education plan	Reports and forms inventories	Build plan for physicians	Build plan for CDI Program
Unit test systems	Validate workflow	Validate workflow	Validate workflow	Establish policies and procedures	Establish remediation plan	Build plan for non-clinical staff	Roll out strategy
Integration testing		Dual coding (IP) – just until edu complete	Testing with clearing-house/payor	Evaluate training	Identify resources		Roll out CDI program
Upgrade to production/testing		Superbill replacement	DRG shift analysis	Gap analysis with ICD-9			
End-to-End/Payor testing		GEMs mapping project	Case Mix Index (CMI) analysis				

■ CONTINUE AS HIGH PRIORITY/ACCELERATED PACE    
 ■ CONTINUE AS MEDIUM/HIGH PRIORITY BUT AT SLOWER PACE    
 ■ DEFER UNTIL 2015 – EXACT DATE TBD

**FIGURE 3.** ICD-10 Project Transition Strategy

Re-casting the ICD-10 project plan is not a one-size-fits-all exercise, but strategic thinking associated with the project plan can better prepare and equip an organization to handle this significant industry shift.

Once discussed with key stakeholders, agreements will be reached as to the tasks that should continue on current trajectory, and those tasks that should be

redefined in terms of timing within the project. These decisions will feed directly into the generation of a revised project plan that will re-cast the project over an extended timeline.

The Gantt chart below shows a sample plan that has been revised based on the evaluation of tasks and prioritization within the revised timeframe.

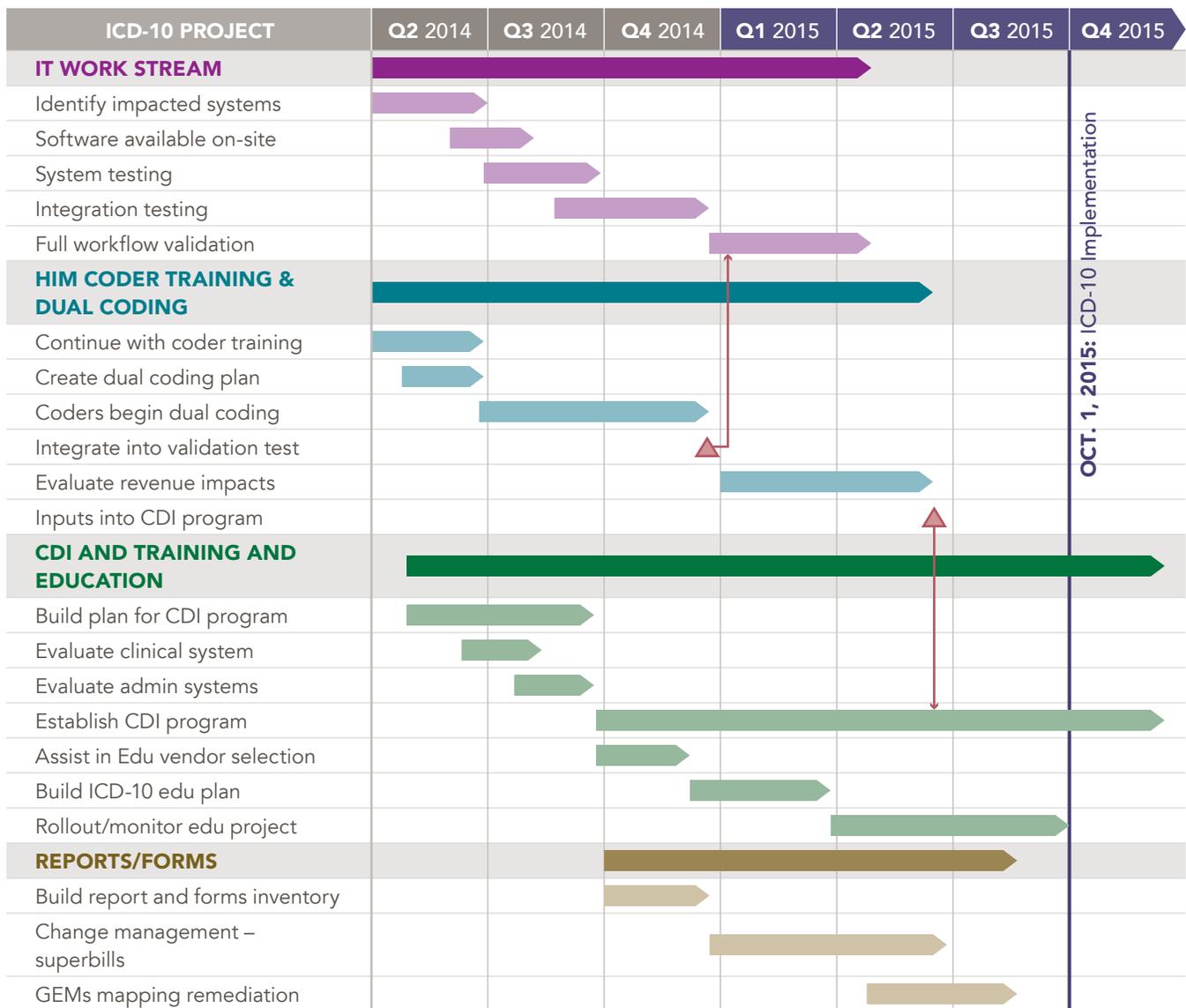


FIGURE 4. Revised ICD-10 Project Plan

# Conclusion

We recommend that each organization evaluate their current ICD-10 project and make necessary changes to that plan, but not stop progress that has been made so far. When it comes to the ICD-10 transition, it is not a question of “if” ICD-10 happens, it is a question of “when” the transition will occur. The momentum toward this transition has already started, and it is a costly mistake to halt all efforts and restart at some time in the future.

Now is the time to objectively re-assess all aspects of your organization’s plan and incrementally drive the transition to ICD-10 successfully by relying upon people, processes and technology within your organization.



## ABOUT LEIDOS AND LEIDOS HEALTH

Leidos is a new company formed from the separation of FORTUNE 500® company SAIC on Sept. 27, 2013.

Leidos Health helps healthcare organizations achieve their goals of meeting regulatory requirements, improving quality of care, reducing costs and enhancing the patient experience. Its services include implementation and optimization of EHRs for all major vendors, as well as solutions for critical initiatives such as IT strategy, revenue cycle, clinical optimization, cybersecurity, Meaningful Use, ICD-10, technology infrastructure, and project management. Previously part of SAIC and including the former companies of maxIT Healthcare and Vitalize Consulting Solutions, Leidos Health is a new company with uncommon capabilities and a 40 year legacy of success.

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