

View Point



ICD10

What a Healthcare Provider Must Know

Abstract

The transition to ICD10 is inevitable, impactful and invasive. But before healthcare providers start fretting about this complex migration and its extensive requirements, it is vital they realize that its benefits are numerous – including lower costs, fewer errors and greater efficiencies.

Providers must leverage this compliance regimen as an opportunity and transform processes and technology to maximize performance and returns. They must act fast, analyze the impact, and adopt a holistic approach that embraces business and technology. This paper details what a provider must know to ensure a smooth transition, the most effective approach for the migration, and which implementation partner is the best bet.

ICD10 – Core Considerations

It is now certain that the impending migration to the ICD10 code set is unavoidable. Though the Department of Health and Human Services (DHHS) pushed back the original implementation date by 2 years to October 1, 2014, healthcare stakeholders should not view the postponement as a DHHS vacillation or consent to delay migration strategies.

The healthcare space needs to prepare for this challenging implementation since ICD10 will have fundamental implications for all sectoral players and impact a range of operations. While implementation requires significant investments and portends substantial business and technology changes, it promises providers major benefits by lowering costs, reducing errors, and enhancing medical support.

If a provider fails to seize the initiative and design a migration strategy urgently, it will be unable to convert this challenge into an opportunity and will lose the competitive advantage. To ensure a smooth transition and reap the benefits accruing from this inevitable implementation, providers must be aware of the following 5 core tenets:

1. ICD10 is set to impact all stakeholders – ranging from small individual practices to large hospitals, and from laboratories to hospices – and bear on their processes, products and systems.
2. The migration will not stop at affecting the obvious core systems such as Electronic Medical Record (EMR), Revenue Cycle Management (RCM), etc. It will also have significant bearings on seemingly non-impacted peripheral systems such as Business Intelligence (BI) tools, Electronic Health Record (EHR) systems, etc. The provider must adopt an enterprise-wide holistic view to streamline the impact assessment process.
3. With the transition period expected to be long and arduous (around 3 years for mid-size hospitals), providers cannot afford any delay in planning and formulating their strategy.
4. Providers must not solely depend upon software vendors in planning and implementing the transition. Most software roadmaps are restricted to upgrading the individual software to support ICD10's extended field sizes. However, the implementation comes with many additional issues – such as dual storage, correct coding, superbills, clinical decision support, etc. – that only a consulting and services partner can and will address.
5. Progressive payers are already viewing the transition as an opportunity to consolidate redundant systems, review contracts, and adjust payouts. The provider segment needs to follow suit lest the contract renegotiation becomes a one-way street.

Adopt a Sound Approach for a Successful Migration

It is absolutely imperative that providers adopt a comprehensive approach to deal with the transition to ICD10. Such an approach need not only cover technical remediation but also incorporate business and operational aspects. A three-dimensional plan of action with holistic views of business processes, application portfolios, and operational requirements is the preferred way forward. Not only will it minimize disruption, but it will also ensure sizeable benefits. Let us examine each of these dimensions.

Business Processes: Providers must analyze all processes, including the seemingly unrelated ones, at least at a high level. The impact of the code transition runs silent and deep and analyzing each active process will be a fruitful exercise, even if the only outcome is excluding certain processes from the impact list. Commercially available reference architecture that depicts all provider processes and sub-processes may be a good baseline with which to start.

Application Portfolios: Once business processes are assessed, each application supporting the impacted processes must be analyzed at multiple levels. These include bidirectional data dependencies, code impact, and the possibility of consolidation with other similar applications. An automated code analyzer can be very handy in reducing cost and effort. This is because the application code base – depending upon the complexity of the code and its style – may become unwieldy to manage in a purely manual mode. A provider must establish early contact with its software vendors and understand the extent of their upgrade roadmaps to avoid problems.

Operational Strategies: All the application transitions will come to a naught in case a provider fails to institute corresponding operational changes. Hence, operational strategy specifications assume a significant focus. These strategies need to cover bases such as:

- Contract negotiation and fee schedules based on the new code sets
- Dual storage and data archival strategies for clinical decision support
- Process monitoring strategies to support the altered clinical pathways based on the additional granularity of information contained in the ICD10 code set

Opportunities Beckon for Providers

The transition to ICD10 must not be viewed simply as 'just one more regulatory mandate' that will claim exorbitant amounts of already scarce capital without providing any significant return on investment. The ICD10 transition, unlike some other prior initiatives, provides multi-dimensional opportunities to the provider community, such as the opportunity to:

- Consolidate redundant applications and code sets on to a single enterprise-wide platform
- Streamline clinical pathways based on additional granularity of information provided by the new code set that directly correlates with significant advancements in medicine since the adoption of ICD9
- Enable pro-active alert-based monitoring systems to ensure that maximum incentives are realized from Centers for Medicare and Medicaid Services (CMS) and other Pay for Performance (P4P) programs

Conclusion

At first glance, the ICD10 transition may seem like another of those ill-advised regulatory mandates that the provider community could do without. However, on deeper analysis, the benefits of implementing the code set shine through. This transition holds the promise of being the single biggest contributor toward streamlining USA's healthcare industry. Moreover, it can have far-reaching repercussions in reducing healthcare costs for the consumers, payers and providers alike.

Providers must capitalize on the advantages offered by ICD10 by acting now. They must take a holistic view of business processes, application portfolios, and operational strategies to plan an implementation approach that lowers risk and enhances benefits. Moreover, providers must engage with a partner who has the domain knowledge and technical expertise for an end-to-end migration from assessment to implementation for a trouble-free transition.



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