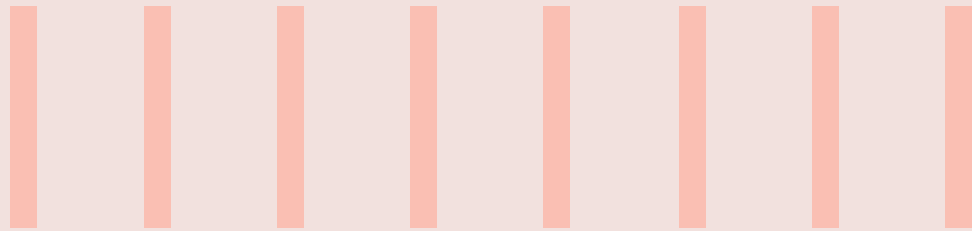# JFK HEALTH SYSTEM READIES FOR ICD-10 TRANSITION

With help from Infosys Public Services, New Jersey's leading healthcare provider aims to mitigate financial risk from conversion to new medical classification standard

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JFK Health System prides itself on its commitment to high quality, compassionate healthcare services. To ensure its fiscal stability, the provider must also effectively manage its reimbursement processes—so in the face of a federal mandate to convert to the updated medical classification standard, the ICD-10, by October 1, 2014, JFK engaged Infosys to assess potential financial risks and formulate a plan to fix the root causes to ensure a revenue neutral and sustainable business in the ICD-10 world.

Planning ICD-10 conversion: ensuring financial neutrality is critical to providers' economic health

ICD-10, which is replacing the previous version of the classification system (ICD-9) with more granular classifications (ICD-10) that better reflect today's healthcare procedures and technology, is embedded in virtually every process JFK Health System uses to manage its patients and deliver patient care, from scheduling and case management to clinical documentation and management of reimbursements. Using the codes properly ensures JFK will be reimbursed appropriately by health insurance plans for services it renders patients, within acceptable variance from the current ICD-9 classification system. Disruption to the smooth handling of reimbursements or variance beyond acceptable levels therefore puts JFK at risk of incurring higher administration costs or

even fiscal losses.

For these reasons, transitioning from the ICD-9 to the ICD-10 standard is a significant undertaking for the provider. JFK therefore began planning the conversion well in advance of the regulatory deadline. And because it needed to understand the impact of the conversion on its finances and clinical documentation, JFK Health System evaluated the capabilities of several Healthcare IT consultants who offer ICD-10 conversion expertise and services.

Automated Financial Analytics drives value

The provider selected Infosys for several reasons.

First, Infosys was the only vendor JFK Health System considered that offers an automated product for ICD-10 financial neutrality analysis: the Infosys iTransform™ Payout Simulator. The other vendors JFK considered perform the analytics manually. JFK knew that automated analytics would be faster, would allow them to efficiently analyze thousands of historical records, and would allow them to perform 'what-if' scenarios as needed without significant additional cost.

In addition, JFK was impressed by the expertise and professionalism of the Infosys consultants and by how detail-oriented, flexible and accommodating they are.

Prognosis: a sound footing and financial neutrality

To perform the analysis, Infosys assembled a team comprising an ICD-10 subject matter expert, clinicians, coders and financial data analysts to work with JFK Health System. Infosys then leveraged its Payout Simulator and utilized volumes of historical claims records in ICD-9 to simulate how those same records would be reimbursed using the ICD-10 standard and its associated Diagnosis Related Group (DRG) codes. The product's rich analytics and predictive modeling capabilities helped in statistical data segmentation to determine impacted DRGs, condition category shifts and high risk ICD-9 codes for various health plan, service line and clinical categories.

Multiple what-if analysis scenarios were refined in successive iterations of the analysis and were reported to JFK Health. This provided a full and comprehensive picture of the financial impact JFK can anticipate when it converts to ICD-10.

Throughout the process, the Infosys team project manager kept JFK closely apprised of project status. "The project management provided by Infosys was essential," says Brinda Bhatt, Director, Program Management Office, JFK Health System. "It ensured we were focused and on schedule."

The analytics delivered the results JFK Health System required, ensuring the provider understands the financial impact of converting from ICD-9 to ICD-10 so that they are fully prepared for required remediation needed to offset the financial impact during the implementation phase. In addition to the financial impact, the Infosys team also analyzed the impact of converting to ICD-10 on JFK Health System's clinical documentation. This helps JFK understand the gaps in existing documentation practices it must address in order to prepare for the new coding standard, derive accurate DRG codes and conform to correct reimbursement procedures, and reduce the risk of future claims denials.

"Complying with ICD-10 is an enormous undertaking," Bhatt concludes. "We knew the first step was to identify, as much as possible, how compliance will impact our organization and exposing the financial and clinical vulnerabilities at multiple levels. Infosys helped us do that by replacing some uncertainty with analysis and insights we can act on."

Key Features of the Infosys iTransform™ Payout Simulator

Actionable Insights – Next generation BI capabilities for unified view of impact, intuitive depiction of variances / root causes to test neutrality hypotheses, and actionable reports

Automation – Modeling and simulating large volumes of historical data from any relational data base or structured templates across multiple what-if scenarios (including on-the-fly / user defined), dimensions, hierarchies

Adaptability – Flexible analytics package for Provider specific needs around custom reporting, configurable dashboard, graphic visualization

Affordability – Cloud based solution that frees up infrastructure set up cost, implementation, maintenance hassles

Adoption – Intuitive, IT independent, self-service discovery analysis mode for ease of use and faster adoption. Out-of-the-box support for reimbursement analysis at the ICD code and DRG level. Preloaded with CMS DRG grouper (Version 24) and MS DRG grouper (Versions 26, 27, 28)

Realizing the Value

- Exposed financial and clinical vulnerabilities associated with the claims data at multiple levels
- Identified gaps in clinical documentation that impacted assignment of appropriate ICD-10 codes, and action plans to enhance data capture to comply and reduce risk of claims denials
- Reduced risk of claim denials could lead to significant operational cost savings
- Provided scientific data/input for re-negotiating contracts with health insurers on a "revenue-neutral" basis for identified service lines and clinical conditions
- Out-of-the-box analysis reports helped identify defensive actions to offset the financial impact
- Analytics configurable to meet provider's current and future needs

About JFK Health System

JFK Health System, a non-profit organization, encompasses a wide array of organizations, services and facilities serving residents in the Central New Jersey region. The system includes acute care hospital JFK Medical Center, inpatient and outpatient rehabilitation centers, nursing facilities and specialized treatment programs.

Strong ties to the community, established regional reputations, exceptional employees, a mutual commitment to patient satisfaction and quality medical staffs are key factors that brought us together. JFK Health System is a parent company that connects affiliated organizations without replacing their own names or identities.

Infosys helped us with the expertise and tools to quickly and cost-effectively assess and understand the impact of converting to the ICD-10 coding standard. As a result, we can proceed with greater confidence on the revenue-neutrality of the conversion and how the new standard will affect our clinical documentation.

– Brinda Bhatt, Director, Program Management Office, JFK Health System

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