Taking ICD-10 from burden to strategic opportunity

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In March 2014, Congress extended the deadline for the transition from ICD-9 to ICD-10 from October 2014 to October 2015. Even though the healthcare industry made use of the additional time allotted to prepare for the changeover to the new coding system, many organizations still have a long way to go, according to a recent study from the Workgroup for Electronic Data Interchange (WEDI).

"Based on the survey results, all industry segments appear to have made some progress since October 2013, but the lack of progress by providers, in particular smaller ones, remains a cause for concern as we move toward the compliance deadline," said Jim Daley, WEDI Chairman and ICD-10 Workgroup Co-Chair.

According to the survey results, only about 50 percent of the providers indicated they have completed their ICD-10 impact assessments – essentially the same number as in the October 2013 survey. About 35 percent of providers have begun external testing, while in the October 2013 survey about 60 percent had expected to begin by the middle of 2014.

The apparent lack of progress has prompted officials at the Centers for Medicare and Medicaid Services (CMS) to call for healthcare organizations to address the pending transition more purposefully.

"Many of you may think, 'Well, I have another year to go,'" said Denesecia Green of CMS' Administrative Simplification Group during a November 5, 2014, Medicare Learning Network webinar. But time is of the essence, according to Green, and "pre-work is the important piece in getting your organization ready for ICD-10."

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The state of readiness has once again, however, prompted a number of industry groups to fight back with a request for even more time. Most recently, the National Physicians' Council for Healthcare Policy, the Medical Society of the State of New York, the Texas Medical Association and other state medical groups sought to delay the ICD-10 implementation deadline – this time until October 2017. The medical groups sent a letter to Congress, calling for a delay to be included in a bill.

The continued tussling over the ICD-10 deadline is understandable, considering that the change definitely won't be easy. But the conversation needs to shift. Instead of concentrating on the ICD-10 deadline, leaders should focus more keenly on the overall value ICD-10 can bring to their healthcare organizations. In essence, the conversation needs to move from a tactical one to a strategic one.

The good news is that a recent survey from the American Health Information Management Association (AHIMA) and the eHealth Initiative concluded that as healthcare executives become more familiar with ICD-10, they are beginning to recognize the long-term benefits of the updated code set and plan to use it for quality improvement and performance measurement.

The expanded coding system is, in essence, designed to help support value-based care models. With its greater complexity and granularity, ICD-10 can support a system that closely ties reimbursement to clinical care – and, thereby, can help to create a clinically driven revenue cycle. Indeed, ICD-10 can apply codes to their clinical actions more precisely, making it possible to link payment to care more accurately. And with advanced electronic health records (EHRs) in place, organizations will be able to integrate the new and improved coding into the care process so that it becomes a by-product of patient care – and not another burden.

With this more strategic understanding of ICD-10's potential, organizational leaders can finally stop worrying exclusively about the pending ICD-10 deadline and instead focus on how the move to the new coding system can bring added value to their organizations. As such, the deadline, wherever it may ultimately land, will seem less like an administrative hassle and more like a strategic opportunity. With this mindset, leaders will understand the ultimate value in the work involved – and will be more likely to enthusiastically jump into a change initiative that gets their organizations ready for ICD-10 by:

- Developing a plan that addresses all aspects of the transition, from clinical documentation improvement to information technology changes to education to communications.
- Formulating a budget that anticipates the financial impact associated with training, IT upgrades and potential lost revenue due to the transition.
- Launching a comprehensive testing program that covers all applications and interfaces.
- Conducting clinical documentation training that ensures that front-line clinicians understand the potential impact on care documentation.
- Revising processes and forms to include diagnosis and procedure information that is used in the new codes.
- Bulletproofing the revenue cycle against any negative impact that might emanate during the transition.
- Preparing to temporarily code in both ICD-9 and ICD-10 in an effort to smooth the transition to the new system.
- Upgrading all software, interfaces and reports to meet the new requirements. **HMT**