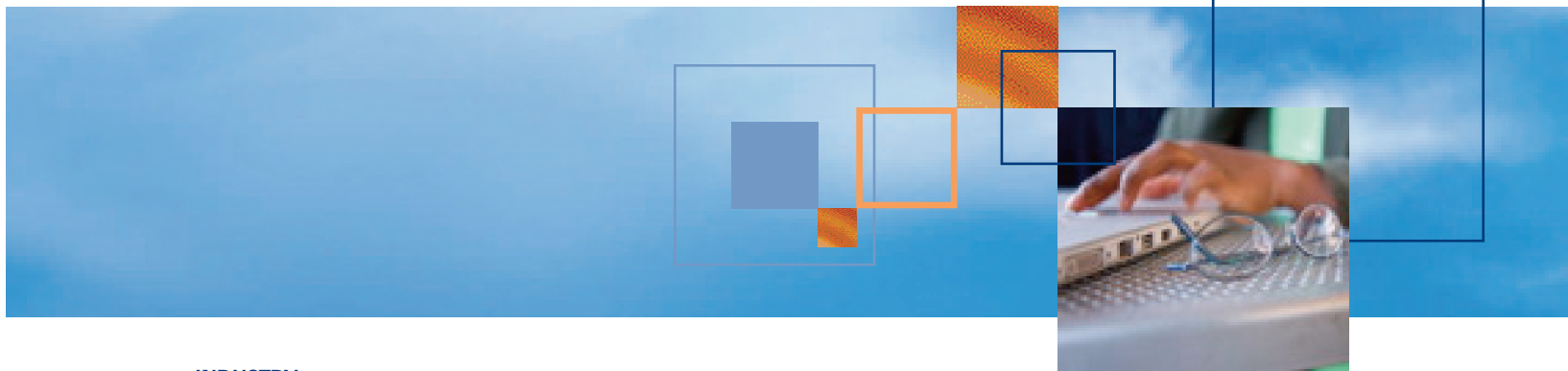


HighPoint Solutions Identifies Impacts and Implications of the ICD-10 Transition for Kansas City's Largest Health Benefits Provider

To see the actual article, see the January/February 2010 issue of *ADVANCE for Health Information Executives*



INDUSTRY:

Healthcare Payer

SERVICE AREA:

Compliance Management

CHALLENGE:

Federal mandate to be ICD-10 compliant by October 1, 2013

SOLUTION:

ICD-10 Transition Impact Assessment

RESULTS:

- Identified ICD-10 implications and impacts to facilitate the development of implementation plan
- Provided better understanding of training needs by raising awareness of the impact of transition to ICD-10

“We looked at the assessment results to give us the foundation upon which to build an implementation plan.”

KEVIN SPARKS

Senior Vice President,

Chief Strategy & Information Officer

BLUE CROSS AND BLUE SHIELD OF KANSAS CITY

The healthcare industry is facing a multitude of challenges. While healthcare providers are continually trying to improve patient care and control rising costs, insurance organizations are trying to meet the growing demand for customer-centric services. In addition to the day-to-day challenges, with the federal focus on healthcare reform, the industry is in a state of constant change and uncertainty.

In particular, one significant change that is impacting all healthcare organizations is the transition to ICD-10. The US Department of Health and Human Services published regulations for the replacement of the ICD-9 code sets with the adoption of ICD-10-CM (clinical system) and ICD-10-PCS (procedure coding system) by October 1, 2013. Since ICD-9 is the official system for assigning codes for medical diagnosis and procedures for inpatient and outpatient medical care, the transition to the new coding system will have industry-wide impacts on everything from reimbursement to quality management, research, medical surveillance, and health policy.

NO TIME TO LOSE

Once transitions are completed, ICD-10 will create significant opportunities to improve internal processes, create greater collaboration among healthcare organizations and better coordination of benefits and care for consumers. As the biggest mandated change in diagnosis classification and procedure code sets in 30 years, the tasks associated with the transition are daunting. The most successful implementations will be completed by those organizations that think strategically and start early.

Blue Cross and Blue Shield of Kansas City (Blue KC) – Kansas City's largest health benefits provider, serving nearly one million members in 32 counties – quickly grasped the urgency of beginning their transition to ICD-10. From the start, the organization understood that a multi-year, phased approach would be necessary to successfully meet the deadline. Being a forward thinking organization, Blue KC reached out to HighPoint's Healthcare Practice for an Impact Assessment.

“We knew we needed professionals that already understood the potential impacts and could quickly assess where we are, where we need to go and the steps for getting there. While we understood many of the implications, we knew we wanted to have an enterprise-wide perspective that would demonstrate the ramifications of the ICD-



10 transition to our business leaders. We looked to the assessment results to give us the foundation upon which to build an implementation plan.” said Kevin Sparks, Blue KC’s Sr. Vice President, Chief Strategy & Information Officer.

PEOPLE, PROCESSES AND TECHNOLOGY

Blue KC called on HighPoint’s team of consultants to leverage its years of healthcare experience managing and assessing business operations and IT organizations to develop an ICD-10 Impact Assessment. The assessment detailed the effects the transition would make on the various internal stakeholders, business processes and supporting systems.

PEOPLE	PROCESS	TECHNOLOGY
<p>Changes will dictate new roles, new training, new support (how will we engage and support our providers?)</p> <ul style="list-style-type: none"> ▶ Provider Relations ▶ Utilization Management ▶ Case / Disease Management ▶ Claims ▶ Customer Service ▶ Enrollment ▶ Finance 	<p>Changes will create new business and operational workflows</p> <ul style="list-style-type: none"> ▶ Actuarial, Underwriting ▶ Benefit Design, Provider Contracting, Claims Processing ▶ Budgeting & planning cycle ▶ Communications ▶ Internal Audit/Fraud & Abuse ▶ Legal / Government Relations / Compliance / HR 	<p>Changes will create new business and operational workflows</p> <ul style="list-style-type: none"> ▶ IT Systems / Department ▶ Provider Contracting ▶ Reporting, Testing ▶ Training ▶ Vendor oversight

To get the eight-week engagement off to a quick start, HighPoint held a kick-off meeting with key internal stakeholders to identify the assessment objectives, scope of work and schedule of activities. The Blue KC Assessment Team included staff responsible for varying job functions ranging from product development, to medical and claims management, to network management. Organizational charts, application inventories and other pertinent information were also provided.

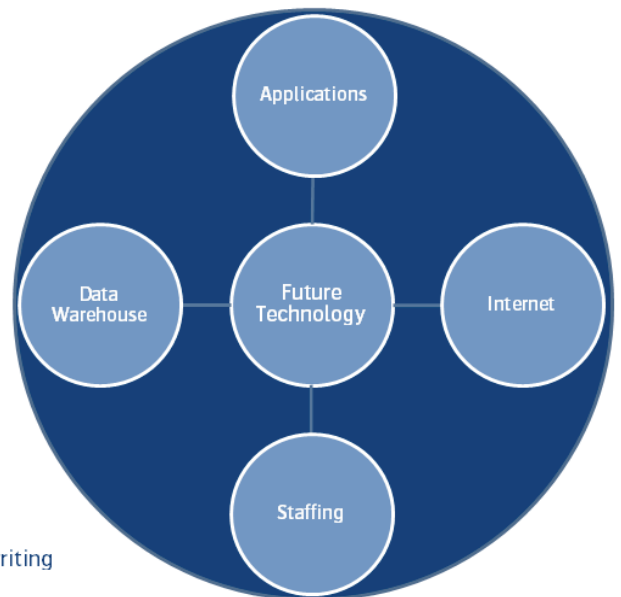
After reviewing the collected material, HighPoint conducted on-site discovery sessions with the Blue KC Assessment Team. To initiate an internal dialogue about the transition, each interview began with brief introduction of why the HighPoint team had been contracted, a brief education around ICD-10, and the timeline for implementation. Throughout the process, HighPoint reviewed business process workflows, technical and business architecture, and related documentation. Additional stakeholders were identified and interviewed as needed.

Once the research was completed, the HighPoint consulting team prepared a written Impact Assessment Report. The report documented the results of the discovery sessions and provided recommendations for next steps for the transition. Prior to preparing the final written Impact Assessment, the initial report was shared and validated with the Blue KC Assessment Team.

“Overall we were very pleased with the Assessment Report results,” said Jane Hamerle, Director, Technology Service Group Leader for Integrated Health Management with Blue KC. “The report confirmed that we were doing very well in most areas, and that our efforts to standardize our environment over the last couple of years had eliminated most of the non-standard applications and undocumented databases that are typically found in a payer environment. It pointed out a few gaps that needed to be addressed and gave us the direction we needed to prepare an enterprise-wide plan for the ICD-10 transition.”

Major Areas of Focus

- ▶ Accounting & Finance
- ▶ Appeals
- ▶ Claims
- ▶ Claims Audit/ SIU
- ▶ Customer Service
- ▶ DOI
- ▶ FEP Claims
- ▶ Human Resource
- ▶ IPG (PMO)
- ▶ Medicaid, HEDIS, NCQA
- ▶ Medical Management
- ▶ Membership & Billing
- ▶ Network Mgt & Provider Contracting
- ▶ New Directions
- ▶ OPI
- ▶ Privacy & Security
- ▶ PHP
- ▶ Premier Workers Comp
- ▶ Rating, Actuarial & Underwriting
- ▶ Sales & Marketing



The final assessment contained not only the objectives, timeline and the recommended steps to a successful implementation, it also included:

- Introduction to why ICD-10 was developed
- Example of ICD-9 to ICD-10-CM and ICD-9 to ICD-10-PCS coding
- High Level Diagram of the ICD-10 Impact on People, Processes, and Technology and their corresponding impact on Blue KC
- Business Environment Understanding
- Overview of ICD-10 Implementation Planning Approach
- The Impact Assessment results with ratings (Direct, Indirect, No Impact), by Business Owner, Key Messages, Recommended Strategies, IT Initiatives, and Education & Training Approach
- List of Critical Questions to Answer as Blue KC begins its Implementation plan
- Application Inventory List with Impact Ratings

AWARENESS DRIVES IMPLEMENTATION

Overall, the Impact Assessment clearly explained how people, processes and technology align to facilitate a smooth ICD-10 implementation across the enterprise. If these three components are not aligned, inefficiencies can lead to a number of negative outcomes, including:

- Excessive backlogs of claims, increased claim denial rates, enrollment and ID-card requests
- Miscommunications between Blue KC and its affiliated providers
- Inability to analyze and use diagnosis codes to drive innovative care management program objectives

“From the beginning, Blue KC understood the importance of getting the assessment done early. Having gone through the process, staff members throughout the enterprise have now been introduced to the impacts and implications of the transition. They have the information they need to begin work on an implementation plan. Through thoughtful and careful planning, Blue KC is well on its way to a smooth transition to ICD-10,” said Pamela Ruebelmann, PMP, vice president of healthcare solutions.

	ICD-10 Drivers	Impact on Blue KC
People	<ul style="list-style-type: none"> ▶ In general, awareness of the impacts of ICD10 to policies & procedures, processes, software, billing and coding are not well known ▶ ICD-10 requires Providers to provide documentation and code with additional specificity, laterality (left vs. right) and content ▶ Hiring or training certified coders will provide competitive advantage 	<ul style="list-style-type: none"> ▶ Introduce an ICD-10 Awareness Workshop ▶ Invest in resources to train, educate & support internal staff and Provider community ▶ Evaluate job descriptions to capture ICD-10 coding requirements and skill sets ▶ Starting in 2010 through the October 2013 implementation date budget and plan for resources to address the implementation (financial & human resources) ▶ Beyond the October 2013 implementation date, plan for resources to address any internal or external issues with implementation
Process	<ul style="list-style-type: none"> ▶ Change: <ul style="list-style-type: none"> ▪ Product development methodology based on new capabilities in underwriting & risk management ▪ Reimbursement management ▪ Finance & Administration ▪ Claims management of historical claims/medical data process from ICD-9 to ICD-10 ▪ Network & Provider Management ▪ Care Management & Medical Policy 	<ul style="list-style-type: none"> ▶ Include Change Management as a component of implementation for all affected areas ▶ Strategically take advantage to streamline processes with value analysis & improvement ▶ Improved clinical decision making with complete review of policy and standard operating procedures ▶ Development of education & training program for a phased approach for all providers and staff ▶ Enhanced understanding of ICD-10 conversion and what benefits are driven from this
Technology	<ul style="list-style-type: none"> ▶ Structural changes include: Field length—Systems, interfaces, and databases will need to accommodate the larger seven-digit fields used in ICD-10. ▶ Alphanumeric characters—Systems, interfaces, and databases will need to accommodate the alphanumeric characters used in ICD-10-CM & ICD-10 PCS codes. ▶ Solution for general equivalency mapping ▶ Migrate to the ANSI X12 v. 5010 Transactions by 2012 ▶ ICD-10 Implementation Date of Oct 1, 2013. <ul style="list-style-type: none"> ▪ Will Vendors be ready in sufficient time to accommodate implementation and sufficient testing? ▪ How will vendors incorporate ICD-10 functionality into the applications? 	<ul style="list-style-type: none"> ▶ Continuous Impact assessment of all core systems & applications ▶ Development of ICD-10 implementation methodology and detailed project plan with tasks and process owner assigned ▶ Converted data and bi-directional mapping required ▶ Database size—The ICD-10 code set is much larger than ICD-9, so it will require more storage space. ▶ Dual code sets—During the transition to the new code sets, most systems will need to simultaneously run ICD-9 & ICD-10 codes ▶ 3 Year ICD-10 implementation process recommended; include at least one year of testing (system / user) at all integration points/vendors