Panel 2 - ICD-10: Achieving a Successful Transition
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The Challenge

- **ICD-10**: Oct. 1 compliance date
  - One of the biggest challenges faced by industry
  - Each link in the chain must be ready—no indication that ANY link is ready (incl govt)
  - Implications of provider compliance: high cost, decreased clinician/coder productivity
  - Implications of non-compliance: disrupted cash flow, potential of disrupted patient access to care
MGMA Research

- **MGMA most recent survey data:**
  - Conducted late January 2014
  - 570 Practices…where
  - More than 21,000 physicians practice in 44 specialties
  - Average practice size in the survey was 8 FTEs
# Level of Concern - Productivity

Please rate your level of concern for each of the following ICD-10 implementation issues:

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>% of respondents that indicated “Concerned or very concerned”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes to clinical documentation</td>
<td>87.5%</td>
</tr>
<tr>
<td>Loss of clinician productivity after implementation</td>
<td>87.6%</td>
</tr>
<tr>
<td>Loss of productivity of coding staff after implementation</td>
<td>83.4%</td>
</tr>
</tbody>
</table>
# Expected Change in Difficulty

What is the expected change in difficulty to accomplish the following practice activities under ICD-10?

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>% of respondents that indicated “Somewhat or much more difficult”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to document the patient encounter</td>
<td>89.8%</td>
</tr>
<tr>
<td>Ability of clinician to select appropriate diagnosis code</td>
<td>97.6%</td>
</tr>
<tr>
<td>Ability of coding staff to select appropriate diagnosis code</td>
<td>93.1%</td>
</tr>
<tr>
<td>Ability to compare new diagnosis data in ICD-10 with previously collected diagnosis data using ICD-9</td>
<td>87.8%</td>
</tr>
</tbody>
</table>
Approximately how much will it cost, or did it cost, to upgrade or replace your Practice Management System to use the ICD-10 diagnosis codes?

| Average cost per FTE: | $11,500 |

Approximately how much will it cost, or did it cost, to upgrade or replace your EHR to use the ICD-10 diagnosis codes?

| Average cost per FTE: | $12,885 |
When has your vendor indicated that they will make the ICD-10 upgrade or replacement available to you?

**Practice Management System**
- **By April 1, 2014**: 22%
- **We have not heard from our vendor regarding a specific date**: 22%
- **Already upgraded or replaced our software**: 22%
- **By Oct. 1, 2014**: 10%
- **By July 1, 2014**: 9%
- **By May 1, 2014**: 9%
- **By March 1, 2014**: 2%
- **By February 1, 2014**: 0%

**EHR**
- **By July 1, 2014**: 31%
- **By Oct. 1, 2014**: 17%
- **Not applicable**: 13%
- **Our vendor will not be upgrading or replacing our software**: 8%
- **By May 1, 2014**: 9%
- **By April 1, 2014**: 1%
## Claims Testing with Plans/CHs

When have the following entities indicated that they will be ready to accept test claims?

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Fully tested</th>
<th>Started to test but not yet completed</th>
<th>Plan to test by Jan. 1, 2014</th>
<th>Plan to test between Jan. 1 and Oct. 1, 2014</th>
<th>We have not heard from entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your major health plans</td>
<td>0.5%</td>
<td>5.4%</td>
<td>1%</td>
<td>33.5%</td>
<td>59.6%</td>
</tr>
<tr>
<td>Your clearinghouse</td>
<td>3.2%</td>
<td>8.1%</td>
<td>2.1%</td>
<td>39.4%</td>
<td>47.2%</td>
</tr>
</tbody>
</table>
Critical Industry Issues

- Changes to health plan payment policies
  - Will fee schedules significantly change?
  - Can we expect payment “neutrality”?
  - Will increased code specificity result in greater demand from health plans for attachments and documentation reviews?

- Concern about release of health plan edits to CHs
  - When will health plans make these public?

- Reinforces why testing is so important
Critical Messages to Practices

- Staff buy-in/training is critical
- Perform robust CDI
- Be aggressive with your trading partners
- Focus on codes and payers that make up high volume/high dollar reimbursement
- Ideal testing will test the entire flow of a claim to the payer and back with a remittance advice
- Any testing is better than no testing
- Closely monitor claims processing and reimbursement
- Expect cash flow interruptions
- Prepare for the “what ifs”
MGMA Recommendations - CMS Should Consider:

- Releasing all Medicare/Medicaid ICD-10 readiness levels and payment edits
- Testing end-to-end with practices, as per NGS
- Conduct outreach to non-covered entities (PM vendors, workers comp, etc)
- Working closely with industry to determine readiness levels of all “links” and ID vulnerable stakeholders
- Work with industry on comprehensive contingency plans that should consider multiple options such as:
  - Dual use of ICD-9 and ICD-10 codes
  - Relaxed edits
  - Advance payments to providers
  - Extensions to the ICD-10 compliance date