

Converting to ICD-10

Get Ready. Get Strategic.



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What's your plan?

According to estimates from the Workgroup for Electronic Data Interchange (WEDI) and the North Carolina Healthcare Information & Communications Alliance (NCHICA), the ICD-10 conversion process will take an estimated 1,286 days. In other words, every affected organization should have its conversion project well underway.

Unfortunately, many have barely started. Meanwhile, others are struggling to recognize—and realize—the full potential of the ICD-10 conversion.

The penalties...

By converting to ICD-10, organizations can increase coding accuracy, optimize efficiency and reduce costs. But those aren't the only drivers of compliance. Stiff fiscal and reporting consequences await organizations that aren't ready for the cutover on October 1, 2013.

Organizations that fail to convert may face challenges, including the following:

- They won't be in compliance with medical necessity claim edits.
- They will have inaccurate or incomplete clinical metrics and pay-for-performance reporting that doesn't meet peer standards.
- They may face managed care contracting challenges.
- They will be at risk of providing erroneous reports to regulatory and third-party agencies.

ICD-10 Framework and Approach

The Accenture Provider ICD-10 Strategic Framework should reflect the value potential and strategic considerations of the joint Business and IT change initiative.

Revenue Enhancement Opportunities



Quality Opportunities

And perhaps most important, the Centers for Medicare & Medicaid Services (CMS) will no longer accept the ICD-9 code set for services provided on or after October 1, 2013. Failure to fully transition to the ICD-10 code set will likely result in the loss of CMS revenue.

Today, all HIPAA "covered entities" face the need to convert from ICD-9 to ICD-10 by October 1, 2013. Although that's two years later than the original goal of October 1, 2011, there's little to suggest that the date will be pushed out again.

...and the payoffs

ICD-10 conversion can also help improve core business processes around scheduling and registration, clinical care and quality improvement, post-hospital care, collection management and public reporting. Ultimately, hospitals, health systems and other providers are better positioned to:

- Improve portfolio management.
- Redesign clinical and administrative operations.
- Improve physicians' clinical documentation.
- Increase loyalty among patients and providers.
- Enhance integration with payers and providers.

Achieving high performance: An end-to-end strategy

To tap into the full potential of ICD-10 conversion, hospitals, health systems and other providers must take a strategic approach. Don't "fight" the project. Don't write off ICD-10 as simply an IT or medical records problem. And don't put it off.

Instead, take an enterprise view. Proactively embrace the migration as an opportunity to create new and incremental business value, enhance the revenue stream, and optimize medical and administrative costs. The key: begin now and follow a clearly defined plan.

As a starting point, consider the Accenture Provider ICD-10 Strategic Framework that has served provider and payer ICD-10 conversions worldwide. The framework illustrates the areas where providers can better drive revenue and quality improvements as part of an ICD-10 conversion.

It also helps identify opportunities to reinvent processes and deliver value throughout an organization.

In addition, Accenture recommends a five-phased approach that aims to address impacts to people, processes and technology:

Strategy and assessment: Assess the current business and IT infrastructure, identifying and prioritizing opportunities to create value. Identify everyone inside and outside the organization with a role to play in conversion. Begin documenting the impact on business functions, IT systems, business-owned applications and other resources.

Enterprise roadmap: Build a plan. Outline a strategic approach and governance model. Build a budget for the project. Then communicate—clearly and often—about it.

Analyze and design: Execute against the plan. Define detailed business process design and system requirements. Work with vendors to ensure their plans and responsibilities are integrated.

Build and test: Build or redesign business functions, IT systems and business-owned applications. Test, test and test some more—being sure to include systems within and outside the "four walls" of the organization. Begin creating training materials.

Conversion: Complete the conversion—and keep managing the change. Develop change readiness tools and conduct internal and external training, which are key to ICD-10 success. Continually address and monitor compliance.

Providers have the opportunity to get the conversion right and to better avoid costly financial and operational burdens. Recognizing that implementation costs are already estimated to range from "50 to 100 percent more than HIPAA" to "three to four times more than HIPAA," Accenture encourages organizations to view the ICD-10 conversion not as a costly headache but rather as a strategic opportunity to create value.

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Will you succeed?

An organization's ability to quickly assemble an experienced ICD-10 conversion team with established ICD-10 conversion methodologies and implementation tools will significantly affect success. The good news: Accenture's Health & Public Service team, along with our international coding alliance partner, have more than 800 business, technology and clinician professionals dedicated to ICD-10 and the revenue cycle to support conversions.

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Accenture: Insight Driven Health

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1 Source: "Replacing ICD-9 with ICD-10-CM and ICD-10-PCS: Challenges, Estimated Costs and Potential Benefits," a Robert E. Nolan Company report prepared for Blue Cross and Blue Shield Association.

