



View Points of ICD-10 / 5010

NCVHS Subcommittee on Standards

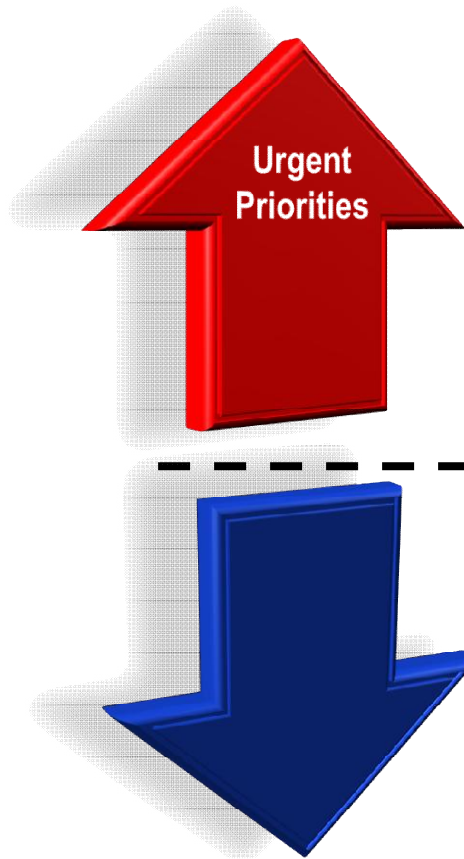
Industry Preparations for the updated HIPAA Standards
and Code Sets

December 10, 2009

Five Critical Points of View

- Industry Trends and Impacts
- Extensions and Delays
- Value Versus Minimal Compliance
- Industry Standard Crosswalks and Mappings
- Summary and Conclusions

#1 Industry Trends and Impacts: Current market forces are creating a series of diverging priorities that conflict with ICD-10

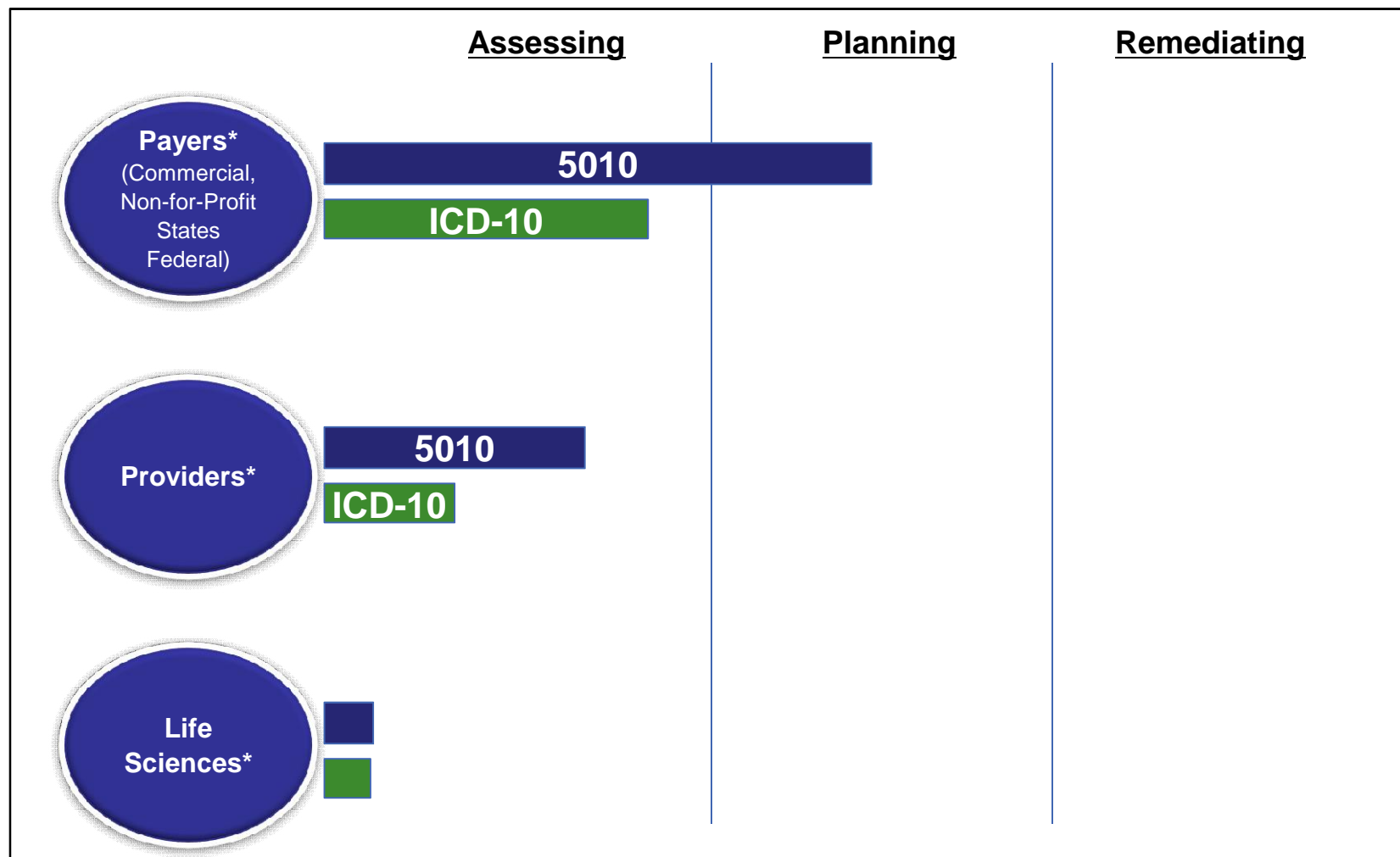


- Economic Recovery
- Declining Margins
- Health Insurance Reform
- Access to Capital
- HITECH (Stimulus)
- ...

- ICD-10 / 5010 Readiness

Current market forces, combined with the previous HIPAA adoption trends, point to a possibility of extended ICD-10 transition past 2013

#1 Industry Trends and Impacts: Based on our view of the market, payers are leading in ICD-10 readiness at this time

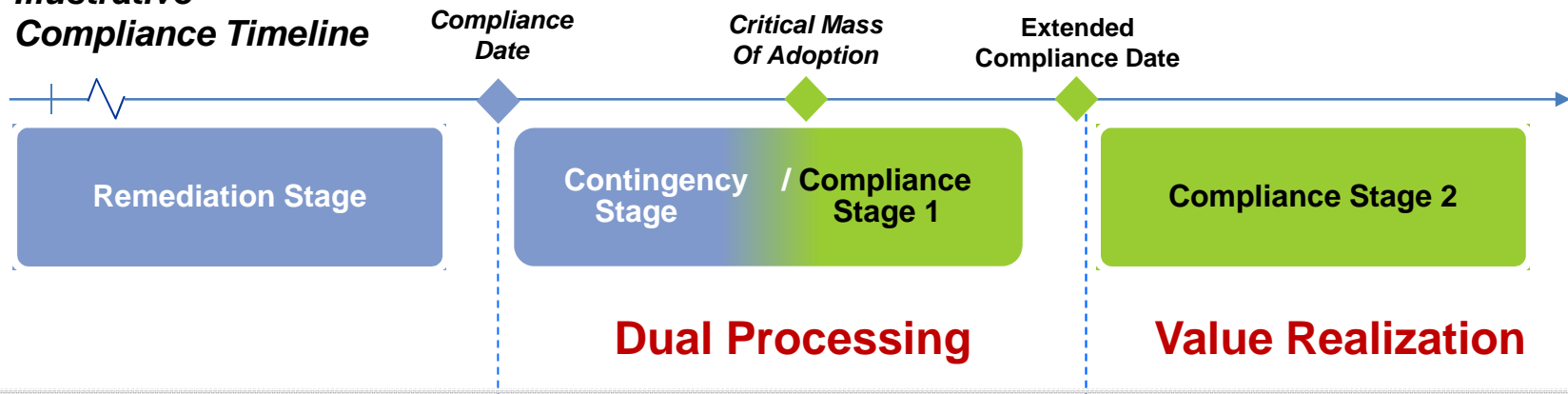


*Data based on Deloitte informal survey of the market. Chart is not statistically accurate.

#2 Extensions and Delays: In the past, compliance extensions have driven up complexity and cost, and delayed value

Illustrative

Compliance Timeline



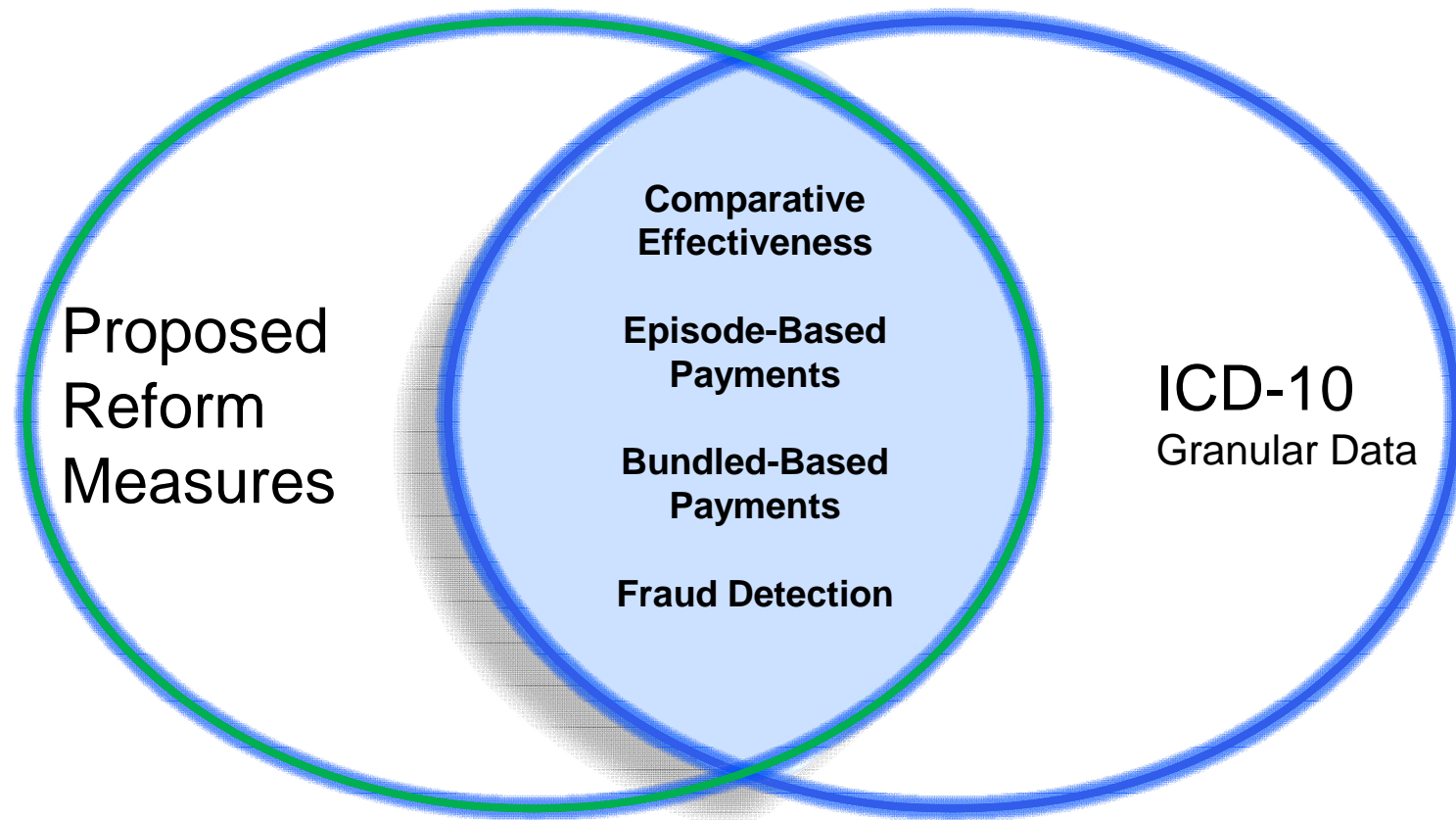
Dual Processing Has Been a Trend

- Extensions have historically occurred due to lagging adoption
- During an ICD-10 extension period, the industry will be in *dual processing mode* with some entities converted to ICD-10 and some remaining in ICD-9
- The reality of dual processing is that all entities will have to maintain dual capabilities to keep the industry whole

Value Realization Has Been Delayed

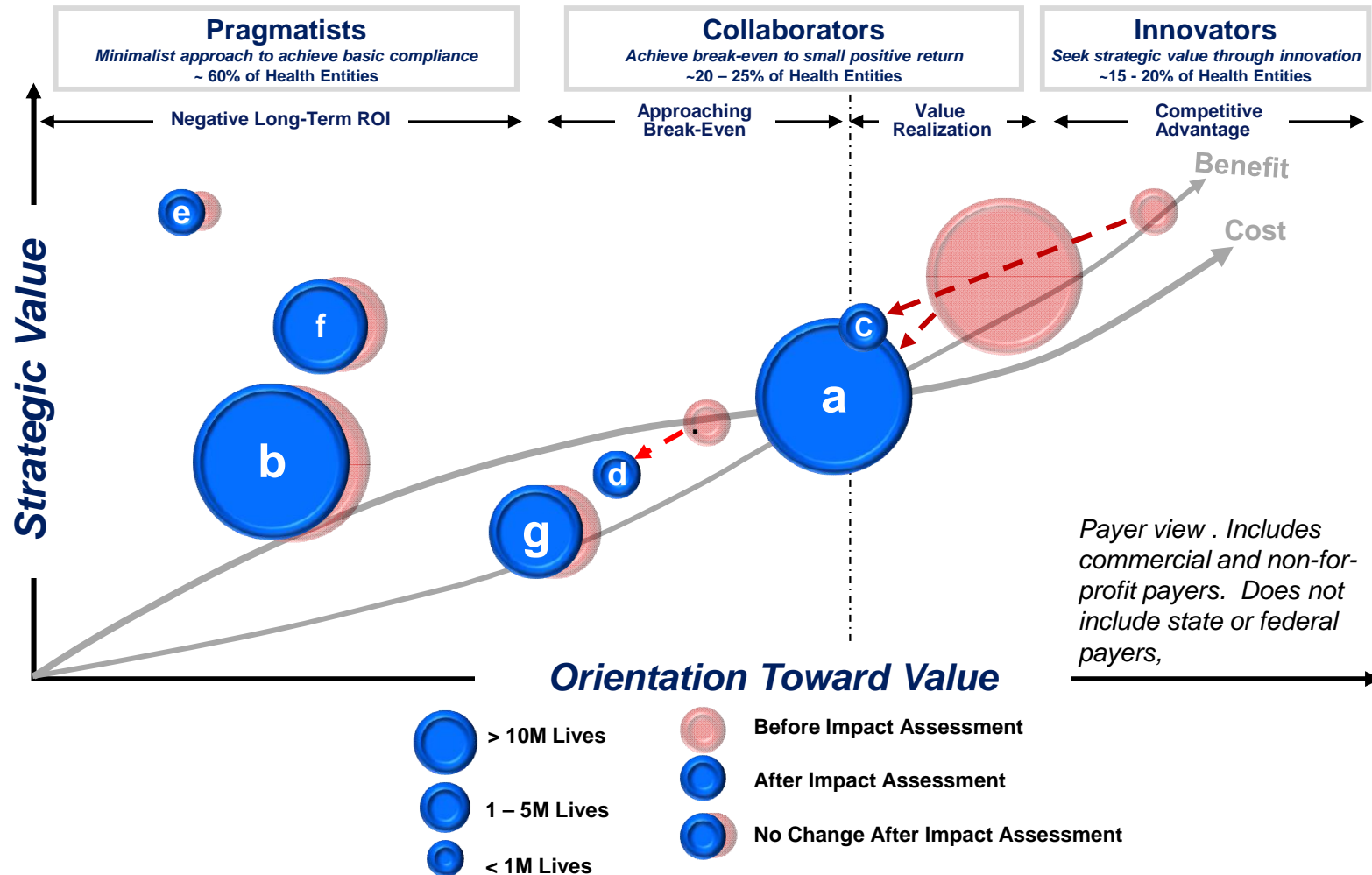
- The true value of ICD-10 is derived from amassing the more granular diagnosis and procedure data
- Delays in adoption would delay accumulation of ICD-10 data
- Even after adoption, amassing the data will take a non-trivial amount of time (over one year)
- In this situation, the value of using the granular data is both delayed and risky to presume

#3 Value Versus Minimal Compliance: We believe that value can be derived if the industry embraces and adopts ICD-10



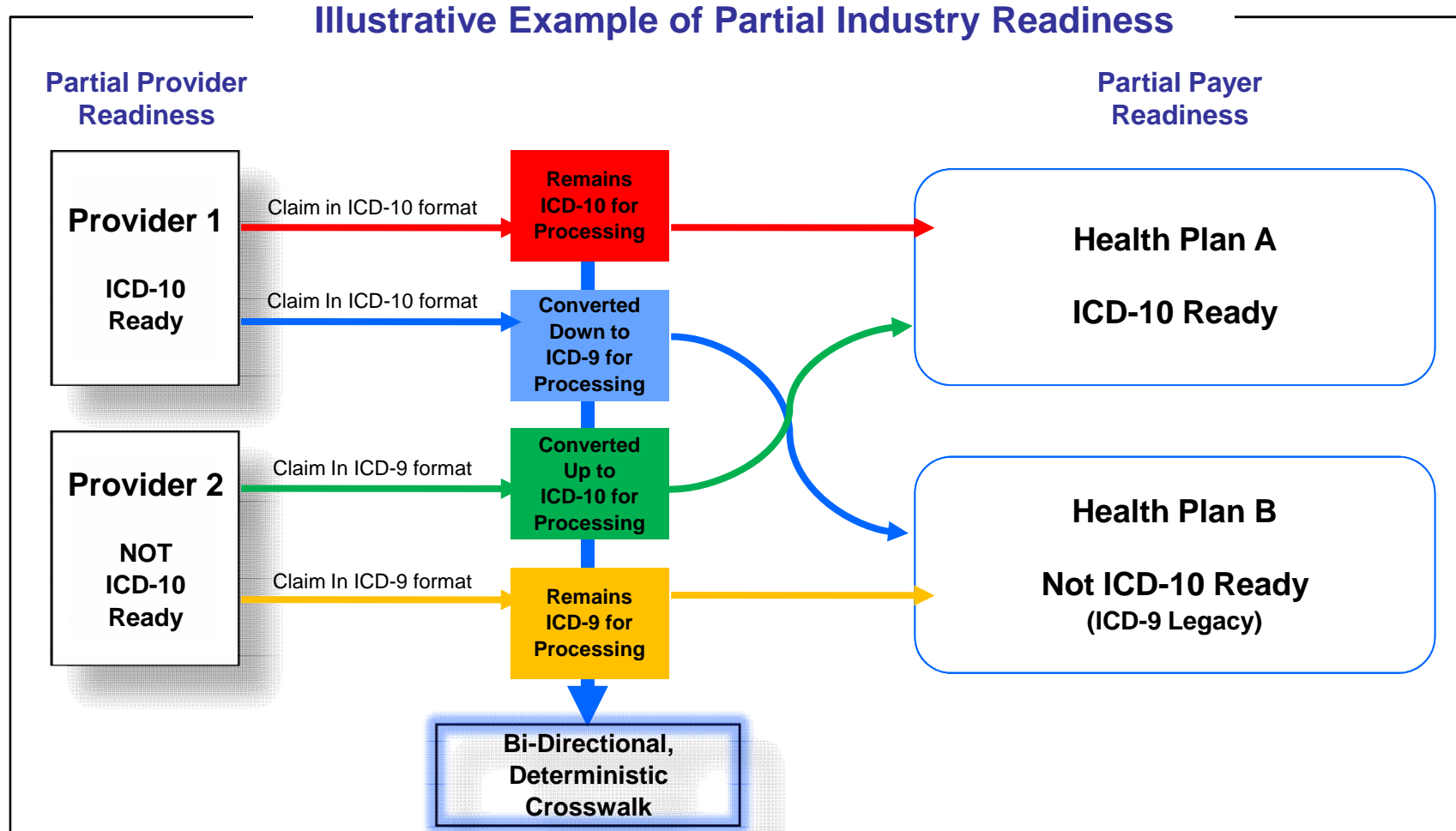
ICD-10 is positioned to act as a catalyst to many of the proposed health reform measures

#3 Value Versus Minimal Compliance: We see a wide disparity in acceptance of the value proposition across the industry



Lack of acceptance of the potential value of ICD-10 risks the possibility of realizing that value after the transition is complete

#4 Crosswalks and Mappings: We believe a crosswalk is indicated to help ease the transition of ICD-9 to ICD-10



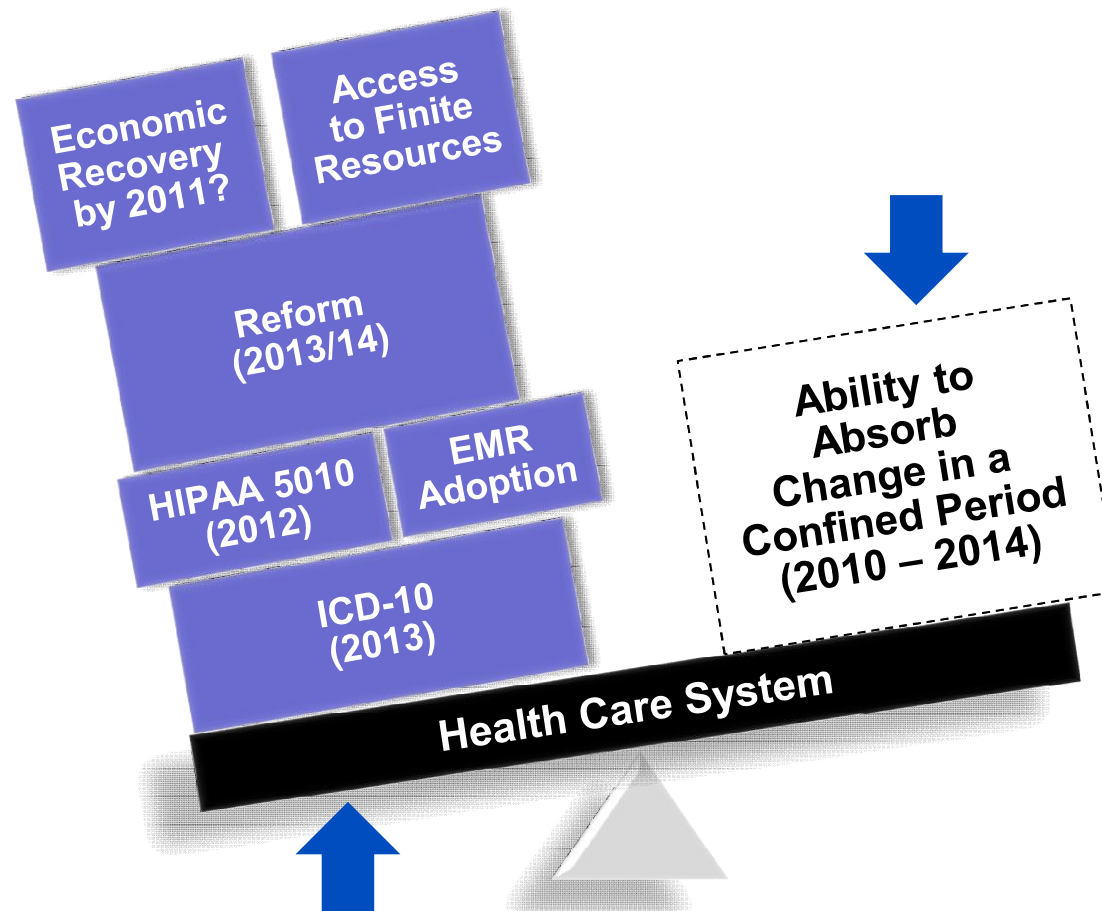
If there is varied readiness across the industry, a deterministic, automatable crosswalk would assist in buffering the transition

#4 Crosswalks and Mappings: The industry is asking for a standardized crosswalk – it does not exist today

- ✓ **The General Equivalency Mappings (GEMS) between ICD-9 and ICD-10 are not complete.**
- ✓ **The unmapped codes are difficult and complex to map.**
- ✓ **Many mappings have significant revenue and medical policy implications to providers and payers.**
- ✓ **Similarly, many mappings will have service implications to patients/ members.**
- ✓ **Today, each health entity is planning to make its own mapping choices.**
- ✓ **Disparate mappings across the industry have the potential to create confusion and, ultimately, elongate the transition.**

**Some grass-roots efforts are emerging
to develop an industry standard crosswalk**

#5 Summary and Conclusions: The current state of the industry creates a significant challenge to achieving on-time compliance



Given the challenges and trends, we believe it will be difficult to achieve uniform adoption of ICD-10 by October, 2013

Deloitte.