WEDI ICD-10 Update

National Committee on Vital and Health Statistics

Subcommittee on Standards

February 19, 2014

Jim Daley, Chairman, WEDI
Director, IT Risk & Compliance, BlueCross BlueShield of South Carolina

WEDI

About Us

The Workgroup for Electronic Data Interchange (WEDI) is the leading authority on the use of Health IT to improve healthcare information exchange in order to enhance the quality of care, improve efficiency and to reduce costs of the American healthcare system. Formed in 1991 by the Secretary of Health and Human Services (HHS), WEDI was named in the 1996 HIPAA legislation as an advisor to HHS and continues to fulfill that role today.

- Established in 1991
- Named advisor to the Secretary of HHS under HIPAA
- Web site: www.wedi.org

WEDI draws upon an extensive organization of industry volunteers to help guide focused workgroups based on key Health IT implementation topics.

Agenda

- General Comments
- October 2013 ICD-10 Survey Results
- Closing Comments
- Questions

The WEDI ICD-10 Industry Survey: *Are We Making Progress in Implementing ICD-10?*

October 2013 Results

February 19, 2014

Survey Background

- **Latest (8th) survey conducted in October 2013**
- Approximately one half year after previous survey.
- Key considerations:
  - Is the industry "catching up" on meeting the compliance date?
  - How much external testing is being planned?
- Survey is voluntary; not a statistically valid sample
  - Respondents likely represent a more advanced group than the general population, and results should be interpreted with caution

Respondents

- Three groups of respondents (353 total)
  - Vendors – 59, a variety of sizes and customer types
  - Health Plans – 98, mix of Blue Plans, other Commercial Plans, Federal Plans and State Agencies. Half had under a million covered lives, half had over.
  - Providers - 196, a mix, almost half were hospitals/health systems, 1/3 were physicians practices, and the remainder a variety. Roughly even distribution on number of clinical FTE's.
- ***Responses were about half the number in the March 2013 survey***

General Observations

- ***The industry continues to make slow progress, but not the amount needed for a smooth transition.***
  - Health plans and providers are completing impact assessments.
  - Remediation and internal testing is beginning, but some organizations lag behind in these steps and will not complete them until 2014.
  - Some vendor products were not yet ready.
  - The industry may not have the necessary time for enough internal and external testing to prevent significant disruptions upon the compliance date.

OCTOBER 2013 SURVEY RESULTS

Vendor Results

- ***How complete is your solution development for the majority of your ICD-10 products and services?***
  - All have started. Around 1/4 said they are complete; another half are at least halfway complete.
  - Compare this with around 2/5 that said they had not yet started or were less than 1/4 complete in February 2013.
- ***Conclusion – Some progress since February 2013. However, with just a year to go, only 1/4 being complete is not encouraging.***

Vendor Results

- ***When do you plan to start ICD-10 customer review and beta testing?***
  - More than a third had started … twice as many as in February. Another quarter planned to start by year end.
  - The number that did not expect to begin until 2014 grew slightly.

- ***Conclusion – Some respondents showed progress in getting products/services into beta testing, but others have further delayed this step.***

Vendor Results

- ***When do you plan to have your ICD-10 services/software available to customers?***
  - More than 1/3 were ready now – a slight increase over February.
  - About 2/5 would not be ready until 2014 – an increase over the prior survey.

- ***Conclusion – as in the previous slide, some showed progress while others indicated a further delay in product availability.***

Vendor Results

- ***Which are your top 3 Issues/Obstacles?***
  - Competing priorities (by far the most common response)
  - Customer readiness
  - Other regulatory mandates

- ***These are the same issues as in the prior two surveys.***

Health Plan Results

- ***How complete is your formal impact assessment/gap analysis?***
  - About 3/5 were completed and another 1/5 were nearly complete. All had at least started.
  - This is an increase over the 1/2 that were complete in February.

- ***Conclusion – health plans made progress but still weren't done with this important initial phase.***

Health Plan Results

- ***How complete is your internal business process design and development?***
  - About 3/5 were complete or nearly complete, as opposed to about 1/3 in the prior survey.
  - About 1/10 had not started or were less than a quarter complete.

- ***Conclusion – some good progress was made, but some health plans are still far behind***

Health Plan Results

- ***What is your estimated date to start internal testing of fully functional ICD-10 processing?***
  - Almost 1/2 had started and another 1/5 expected to start by year end.
  - Although the total of the two is down slightly from the February survey, most had not started at that time.

- ***Conclusion – health plans made some progress in starting to test***

Health Plan Results

- ***Do you intend to conduct external testing?***
  - Only 1/5 planned to test with the majority of providers.
  - Most plan to test with a sample of providers.
  - A few planned to test only with clearinghouses.

- ***Conclusion – Many providers will need to rely on test results of others.***

Health Plan Results

- ***What is your estimated date to begin external testing?***
  - About 1/3 had already begun or expected to begin by year end.
  - The number started was higher than in February, but there was a slight increase in those (about 3/5) that planned to start in 2014.

- ***Conclusion – While external testing has started with selected trading partners, over half of health plans will have 9 months or less to complete testing***

Health Plan Results

- ***What are the top 3 obstacles/issues that have caused delay and/or lack of progress in ICD-10 planning and implementation?***
  - Competing internal priorities
  - Other regulatory mandates
  - Provider readiness concerns surpassed staffing concerns as the third highest obstacle.

- ***Conclusion – Health plans remain concerned about their workload***

Health Plan Results

- ***What is your primary strategy for ICD-10 claims processing?***
  - Almost 3/4 indicate direct processing of ICD-10 codes is their primary strategy, up slightly from February
  - About 1/5 plan to use a combination of direct processing and crosswalking
  - A few indicated crosswalking as a primary strategy

- ***Conclusion – direct processing is gradually increasing as a primary strategy for claims processing***

Provider Results

- ***What is the expected completion date of your ICD-10 impact assessment?***
  - About 1/2 had completed this step, up from 1/6 in February 2013.
  - The number that responded "unknown" was down significantly, but about 1/4 did not plan to complete this step until 2014.

- ***Conclusion – providers are making progress, but many will have little time for remediation and testing.***

Provider Results

- ***When do you expect to complete business changes?***
  - A few had completed this step or planned to by year end. The number that responded "unknown" was down significantly.
  - About 1/2 indicated that they would not be complete until the first half of 2014 and 1/5 indicated the third quarter of 2014.

- ***Conclusion – Most providers now have a plan, but have not taken significant steps forward in remediation.***

Provider Results

- ***What is your estimated date to begin internal testing of your business processes and system changes?***
  - Almost 1/4 expected to start by year end.
  - About 1/2 expected to start in the first half of 2014.
  - The remainder did not know when they would start or did not plan to start until the second half of 2014.

- ***Conclusion – most providers will have 9 months or less to test internally and externally.***

Provider Results

- ***Do you intend to conduct external testing with health plans / trading partners?***
  - Slightly under 1/4 planned to test with the majority of payers.
  - About 1/3 expect to test with a sample of payers.
  - About 1/4 planned to test only with clearinghouses.

- ***Conclusion – Many providers will need to rely on test results of others.***

Provider Results

- ***What is your expected date to begin external testing?***
  - About 1/2 expected to start in the first half of 2014.
  - Roughly 1/4 answered "unknown", down significantly from the prior survey.

- ***Conclusion – many providers will have less than 9 months for external testing.***

Provider Results

- ***What are your top obstacles that have caused delay and/or lack of progress in ICD-10 planning and implementation?***
  - Respondents were fairly evenly split among the answers here (staffing, competing priorities, vendor readiness, IT impacts), similar to prior surveys.
  - Concern over budgets dropped significantly, down to just 1/5 of respondents.

- ***Conclusion – Providers are facing a myriad of issues in completing their ICD-10 work.***

Provider Results

- ***How do you plan to produce ICD-10 codes?***
  - Over 1/2 of the respondents indicated they would choose ICD-10 codes directly, twice the number from the February 2013 survey.
  - About 1/4 plan to use a mix of crosswalking and direct code selection.
  - Less than 1/6 will use only crosswalking.

- ***Conclusion – many providers will be using some crosswalking in selecting ICD-10 codes.***

CLOSING COMMENTS

THE INDUSTRY IS BEHIND

- TIME IS RUNNING OUT
- Suggested industry actions include
  - Stress that the compliance date is not changing
  - Emphasize importance of communication / collaboration
  - Continue outreach and education (e.g. fact sheets & issue briefs)
  - Finish impact assessments / prioritize remediation efforts
  - Focus on clinical documentation improvement
  - Test
  - Establish metrics
  - Conduct contingency planning / risk mitigation
  - Monitor industry progress
- Anecdotal test results found some coding issues and DRG shifts

WEDI ICD-10 ACTIVITIES

- **WEDI plans to conduct additional surveys in 2014**
- WEDI is working with CMS and other industry partners to engage the industry, gather concerns, and coordinate efforts. A special database of issues and FAQ's has been established. This could also be used to gather test results and other pertinent information.
- WEDI brought together state collaboratives to share best practices and facilitate communication.
- WEDI continues workgroup activity on white papers and issue briefs and holds monthly national calls.
- Continuing with ICD-10 programming at conferences and ICD-10 forums (January 2014 and July 2014).

THANK YOU …
QUESTIONS?