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Panel 3

What is the current state of adoption of ICD-10 by property/casualty carriers and workers' compensation carriers and other HIPAA non-covered entities?

NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS
SUBCOMMITTEE ON STANDARDS

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Jopari Solutions, Inc.

- Jopari provides connectivity services between medical providers and payers in the Property and Casualty marketplace, with an already extensive and ever-expanding country-wide network.
- This includes medical providers of all sizes and specialties, as well as payers ranging from local claims management firms to nationwide insurance carriers and employer already in place.
- Jopari also is one of the key promoters of Administrative Simplification by the use of these technologies by the Property & Casualty industry place, and is regularly called upon by jurisdictional, insurance trade, and National Standards Organizations to provide both industry perspective as well as serving as subject matter experts for various discussions.

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Current state of Property & Casualty Industry Adoption

- As stated in the WEDI P&C Testimony, the State regulations define the state of adoption for all P&C Industry stakeholders
- 19 States that have declared alignment with the ICD-10 federal regulations
- We anticipate more states will align with the ICD-10 regulations in order to support the industry migration from a paper intense transaction environment to electronic data interchange to gain administrative simplification, the question being when?
- Stakeholders will either need to transition fully to ICD-10 or be required to maintain dual ICD processes to comply with federal and the various state requirements

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Payer Adoption

- National Payers are beginning internal testing, but are impacted by unknown state ICD-10 readiness. Most are planning on having to support a dual process in anticipation if states to not move to ICD-10 and/or stakeholders are not ready, especially those with multi-state business.
- Those payers that write P&C and Commercial lines of business are faced with dual processing challenges as well focusing on the risks of the transition and how to ensure continuity for all aspects of their business.
- Many payers have not kept up with recommended project schedules, especially for testing, and that poses still more uncertainty.
- Many IT technology systems (both provider and payer) are not ready, which impacts internal as well as external testing
- High percentage of payers are Partnering for Compliance
- Overall claims handling and ability to properly manage patient care to ensure appropriate resolution of the injury/ilnnes.

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Provider and Vendor Adoption

- **Virtually the same issues as payers, mirrored from their vantage points**
- **A much more defined concern about impact financially due to any impact in processing timelines**

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Key issues with non-covered entities not adopting ICD-10

- **Dual Processing- Impact on business continuity and revenue cycle metrics**
- **Vendors not supporting ICD-9 after Oct 1 2014**
- **Providers abandon P&C business- their systems may not support ICD-9 and it would be too costly to try to maintain dual processes, *even if they tried to revert back to paper billing methods.* (e.g. changes to CMS 1500, etc.)**
- **What progress that has already been made improving revenue cycle metrics as well as reducing operating costs by implementing HIPAA transactions in the P&C world could be lost.**

Handling claims with/without ICD-10 codes post October 1, 2014?

- State ICD-10 requirements will determine how claims will be handled claims post October 1, 2014
- If a state aligns with CMC ICD-10 rules, then submitted claims with ICD-9 post October 1, 2014 will be rejected
- Payers are concerned about how to plan for business continuity issues for stakeholders that will not be ready. Most payers are planning on maintaining dual process, however concerned about not being in compliance with state rules.

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Recommendations:

- Encourage industry dialog with non-covered technology entities that are not ready for ICD-10 that will have significant impact on all stakeholders contingency plans.
- Partner with WEDI to assess the status of the state's ICD-10 readiness in order to help all stakeholders determine an appropriate contingency action plan to comply with both state and federal implementation timelines.
- Need for a coordinated ICD-10 approach that results in administrative simplification across all lines of health care. It is to costly to maintain dual business processes.