KEY FACTORS IN DRIVING A SUCCESSFUL ICD-10 IMPLEMENTATION

OVERVIEW

North Highland’s healthcare team includes some of the most experienced professionals in the industry. We help healthcare executives across the country successfully address the critical challenges and opportunities generated by Healthcare Reform, an aging population, and changing reimbursement. North Highland brings deep healthcare experience in every sector, including for-profit, not-for-profit, providers, payers, and life sciences companies. We work with clients to implement the latest healthcare solutions and navigate the rapidly changing healthcare landscape.

The North Highland Healthcare team assists some of the leading healthcare organizations in the world. We work with our HC clients developing strategy, streamlining operations, and implementing technology to deliver business value.

The Healthcare team has been especially effective addressing the opportunities and issues related to Healthcare Reform. We have helped many of our clients reach their meaningful use objectives, resulting in millions of dollars in meaningful use funding. We help clients address the important issues such as ICD-10 (The International Classification of Diseases), as well as the challenges of physician adoption and clinical workflow related to EHR [Electronic Health Records] and clinical implementations. And many organizations have turned to us to help redefine their care delivery system to meet the demands of Accountable Care Organizations (ACOs) or Patient Centered Medical Homes (PCMHs).

PERSPECTIVE

While ICD-10 was announced more than five years ago, many providers have not begun the significant changes needed to transition to the
new code set. This can be problematic for those who have waited. The ramp up is time intensive and the consequences for not migrating to the new code set—or doing so after the start date—are serious. But the reasons to adopt an ICD-10 strategy are not all compliance related. Providers and payers should approach it as a strategic initiative that is foundational to healthcare reform. By embracing the granularity of ICD-10, organizations can leverage a richer data set to enhance disease management programs, drive better outcomes, price procedures more accurately, and enhance quality.

To successfully implement ICD-10, healthcare organizations should perform thorough, enterprise-wide assessments, and develop comprehensive roadmaps that seek to achieve compliance, while taking advantage of the benefits ICD-10 has to offer. The assessments and roadmaps should incorporate the following four key factors:

1. **Identify and Understand the Codes that "Move the Needle."**
   At first glance, the number of new codes available with ICD-10 may seem overwhelming. The number of diagnosis and procedure codes combined is increasing from approximately 18,000 under ICD-9 to more than 150,000 under ICD-10.
   
   - Start by identifying the diagnostic-related groups (DRGs) that account for the largest percentage of your organization’s revenue.
   - Leverage analytics to understand how ICD-9 codes map to these DRGs today.
   - Utilize predictive modeling techniques and scenario building to gain an understanding of your potential DRG mix under ICD-10.

   In some markets, select providers and payers are starting to work together to abstract and code a subset of historical claims using ICD-10. By joining forces, these organizations are striving to achieve financial neutrality during the initial period when ICD-10 will take effect. Their plan is to run the data through mock end-to-end processing cycles to understand the financial impact ICD-10 may have on each of them.

2. **Develop an Effective Strategy to Address Physician Adoption and Improve Clinical Documentation.**
   Physician inclusion and buy-in are a must, if an organization wants to successfully implement ICD-10. In order for coders to abstract and codify records appropriately, physicians need to document in a manner that supports the granularity of ICD-10. Imprecise notes can lead to
increased coder follow-up time and potential coding errors. Start by understanding documentation deficiencies that exist today, as areas that are deficient under ICD-9 will only get worse under ICD-10.

Identify physician champions who understand the importance of clear and comprehensive documentation. It is particularly important to find champions practicing in those specialties that are especially impacted. Leverage these physicians as advocates for ICD-10 in their local medical communities. Consider implementing structured documentation tools and utilizing clinical documentation specialists to help address areas in which coding deficiencies exist today.

3. Implement Measures to Prepare Coders and Secure Additional Resources.

Based on the experiences of other countries that have already moved to ICD-10 (e.g., Canada, Australia), it is likely that healthcare organizations will experience a sharp decline in coder productivity when ICD-10 initially takes effect. In order to mitigate the risks associated with lost productivity, organizations need to implement comprehensive training plans that prepare coders to work effectively with ICD-10 codes. These plans should include refresher training on anatomy and physiology. In addition, plans should explore the use of concurrent coding strategies to reinforce learning objectives. The concurrent coding approach should include a component that focuses on the codes most central to the business. Organizations should also explore the use of computer-assisted coding tools that offer robust features to increase the efficiency and accuracy of the coding process.

Along with the implementation of effective tools and processes, organizations should plan for increased staffing to fill the gaps. Budgets should include provisions for overtime, additional full-time equivalents, and/or contract coding resources for a period of time after ICD-10 first goes into effect.

4. Create a Reporting Strategy to Leverage the Benefits of ICD-10.

Build a long-term strategy for mining and modeling ICD-10 clinical and financial data. By designing reporting systems and processes to leverage the specificity of ICD-10, organizations will be in a stronger position to navigate changes in a landscape being shaped by healthcare reform.
Implementing an initiative as large as ICD-10 is, at best, complex. It is important not to be frozen by the size and intricacy of the task. North Highland suggests the following simple steps to take now:

• Develop a vision/plan for overall implementation
• Identify and focus on the codes that “move the needle”
• Plan a training strategy for coders

North Highland works with the leading healthcare providers to address the thorny issues facing the industry today. We understand the painstaking process of compliance and the level of effort that goes into a successful implementation. We can help you simplify the ICD-10 journey to maintain compliance and profitability, navigate changes in a landscape being shaped by healthcare reform.

ABOUT NORTH HIGHLAND

North Highland is a global management consulting firm that delivers unique value, relevant big ideas and strategic business capabilities to clients around the world. The firm solves complex business problems for clients in multiple industries through an integrated approach and offers specialty services via its Data and Analytics, Managed Services, and Sparks Grove divisions. North Highland is an employee-owned firm that has been named as a “Best Firm to Work For” every year since 2007 by Consulting Magazine. The firm is a member of Cordence Worldwide (www.cordenceworldwide.com), a global management consulting alliance. For more information, visit northhighland.com and connect with us on LinkedIn, Twitter and Facebook.

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