



“Implementing the Future”

Impact of delaying work on ICD-10

Latest recommendations on Operating Rules

NPAG 2011

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The ICD-10 NCHICA/WEDI Timeline

- Idea to develop an industry wide timeline to assure cooperation and timeliness in implementing ICD-10
- Using the compliance date (Oct 1, 2013) as a target, what needs to be done by vendors, plans, and providers and when should it be done?
- Assumed that work would begin in earnest when final rule was published (Jan 2009)
- A “reasonable” work plan to assure that all necessary work was done.

The Real World

- After publication of ICD-10 rule, we had significant economic downturn
- Stimulus bill (which included HITECH) passed
- Health Care Reform discussion took center stage
- ICD-10 was pushed into the background in 2009

Industry Surveys

- Many industry surveys (WEDI, HIMSS, AHIMA) showed that work on ICD-10 has been delayed
- Providers focusing on EHRs and meaningful use
- Plans focusing on 5010 and health care reform
- Vendors beginning to offer ICD-10 products, but customers not yet ready.

The “Alternative” Timeline

- Timeline group recognized that work had been delayed.
- Spent time looking at original timeline and adjusted to recognize delays
- Items had to be combined and/or shortened
- Serious cuts in important tasks
- What does this do to the quality of the implementation?

Changes to the Timeline



ICD-10 Timeline - Assumes Aug 2010 Start Date Ready for Publication 11122010 (corrected 01312011).pdf

Direct Impacts

- Vendors have less time for engineering and product production, customer testing
- Plans have less time for strategizing, development, and testing
- Providers have less time for design, development, internal and external testing
- Serious issue – testing will be difficult as it must be end to end to have any real impact. Providers must be able to send codes to plans and understand how they will be processed.

Key Questions?

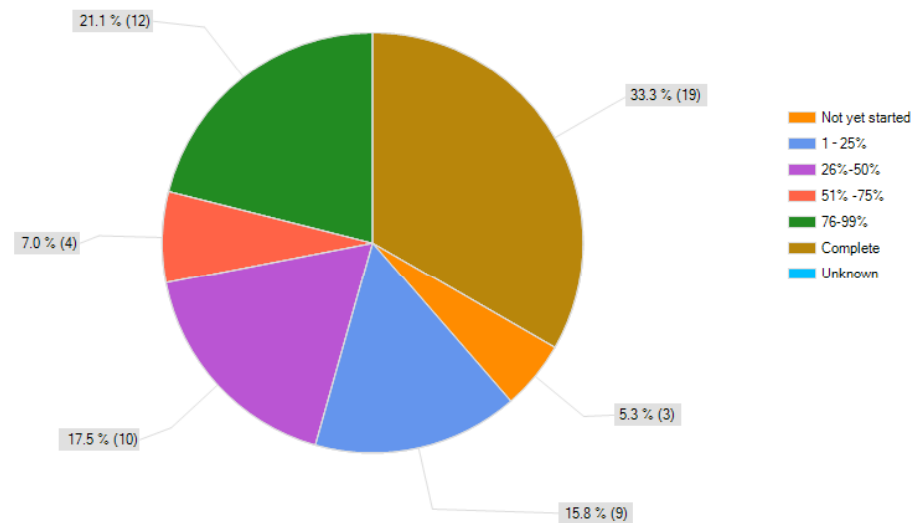
- Will we be ready for Oct 1, 2013?
- How will we be ready?
- What will the surprises be?

ICD-10 Survey Results

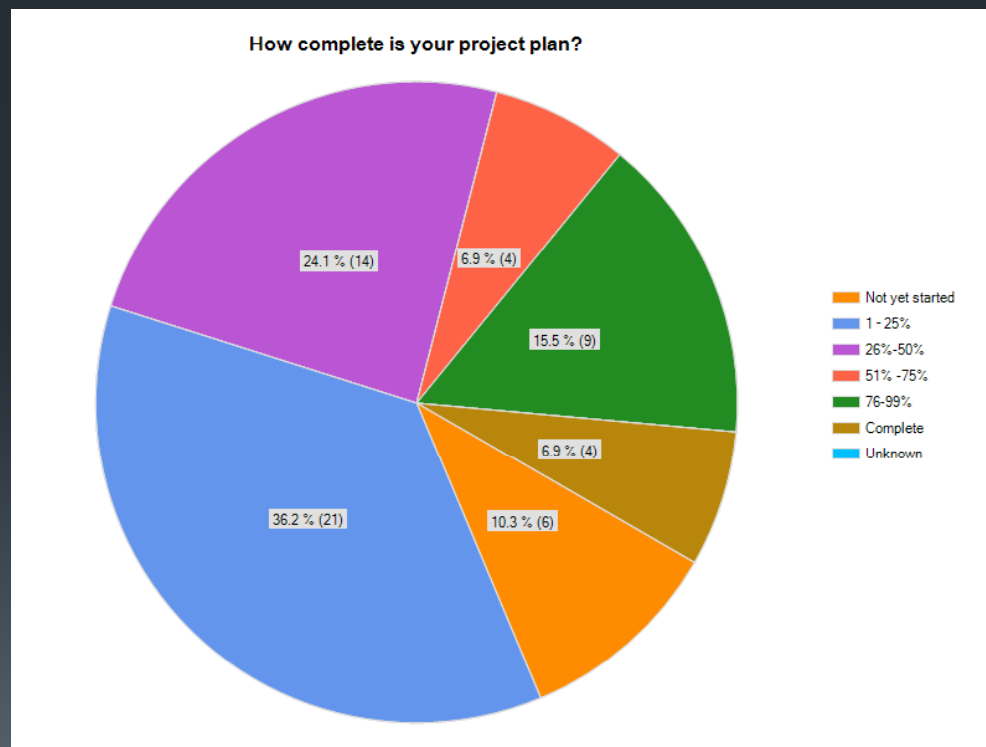
- WEDI January 2011 Survey
- Not enough responses from providers and vendors to form conclusions
- However, we had a good number of responses from plans
- Here is what the health plan respondents said:

Status of Impact Assessment (should be completed Jan 2011)

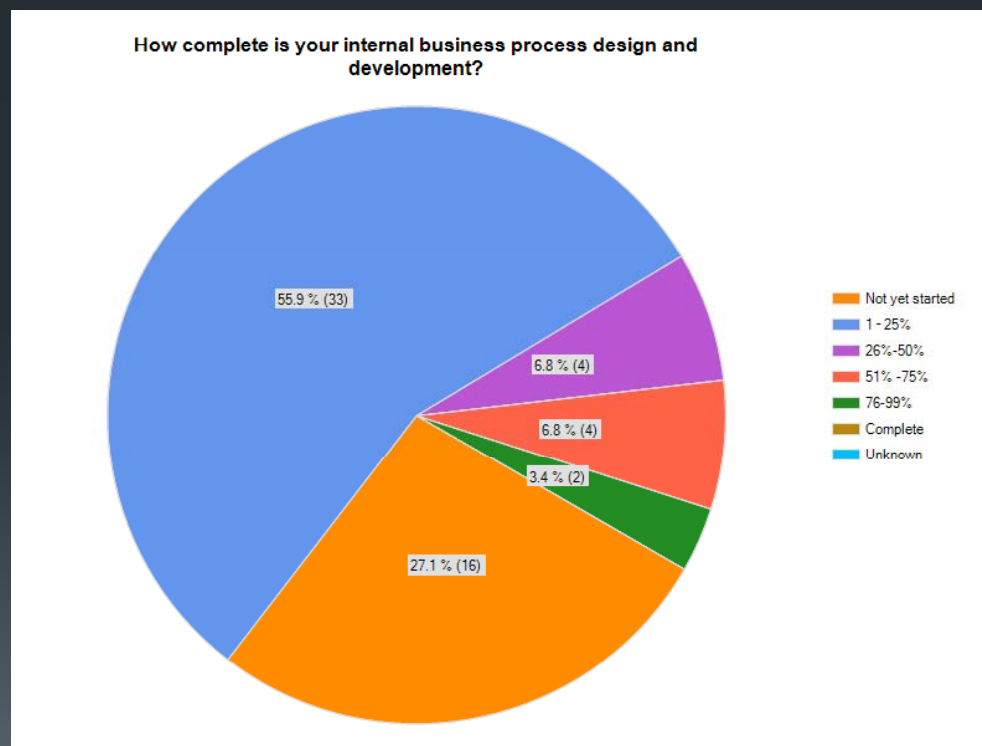
How complete is your formal impact assessment/gap analysis, which would consist of determining the impact of ICD-10 on all your business processes, systems, and trading partner relationships?



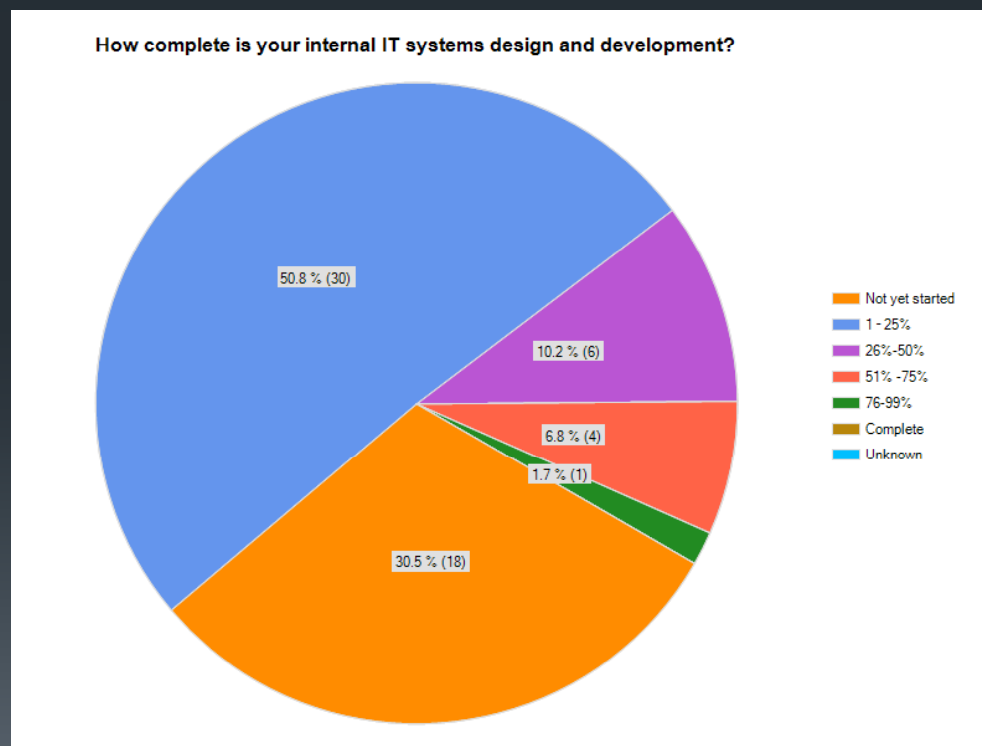
Project Plan Development



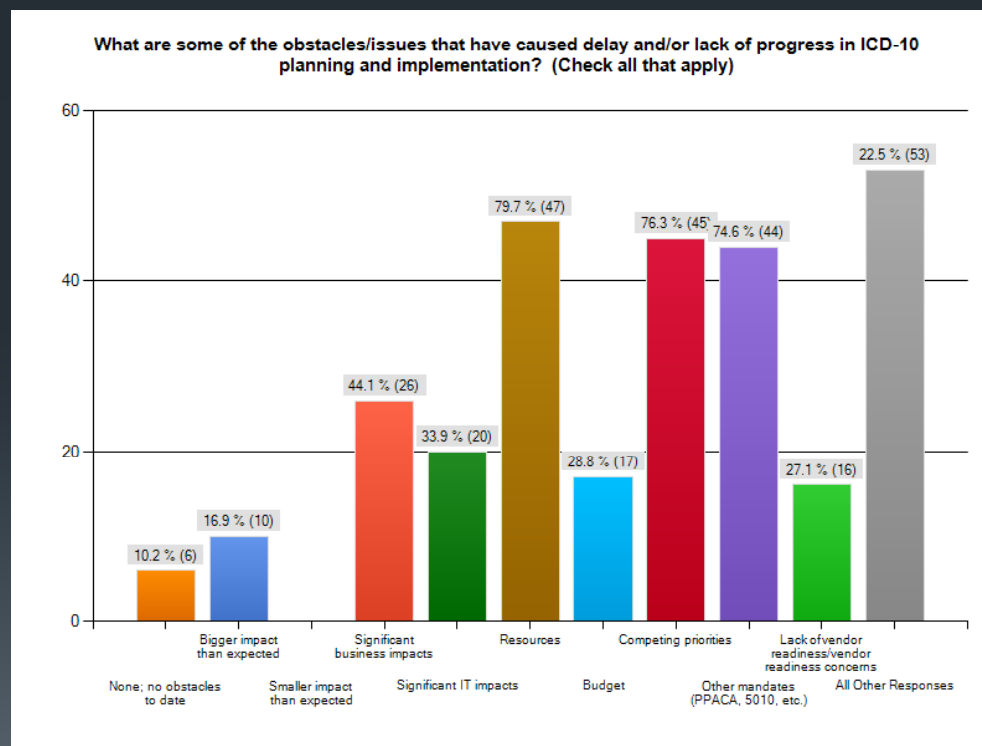
Internal Business Processes



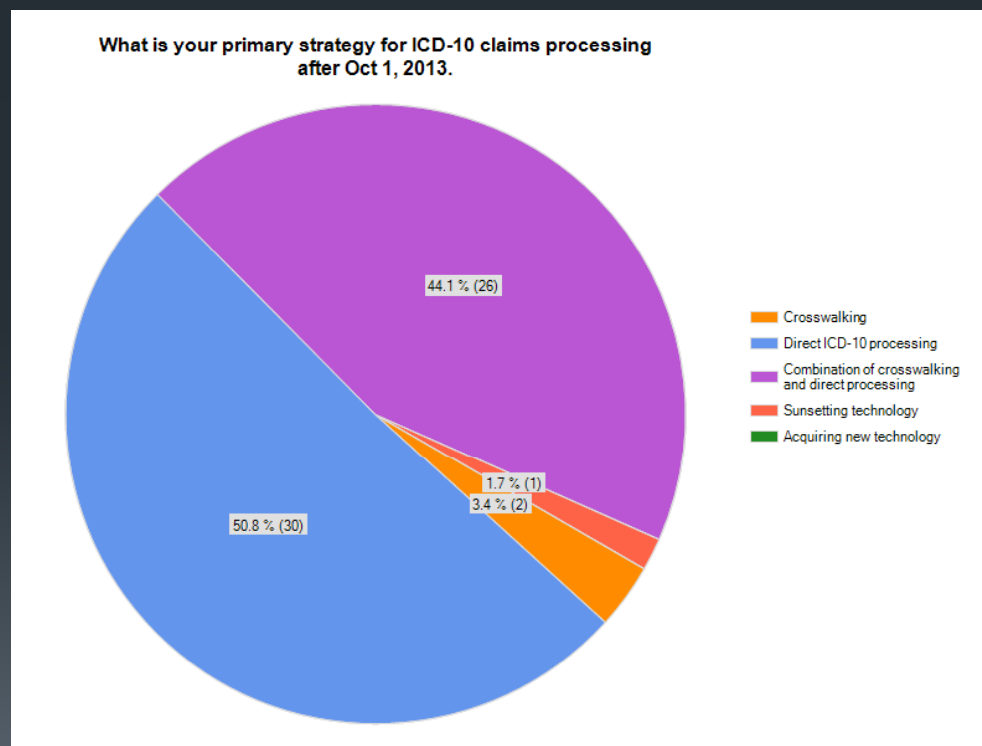
Internal IT Systems Design



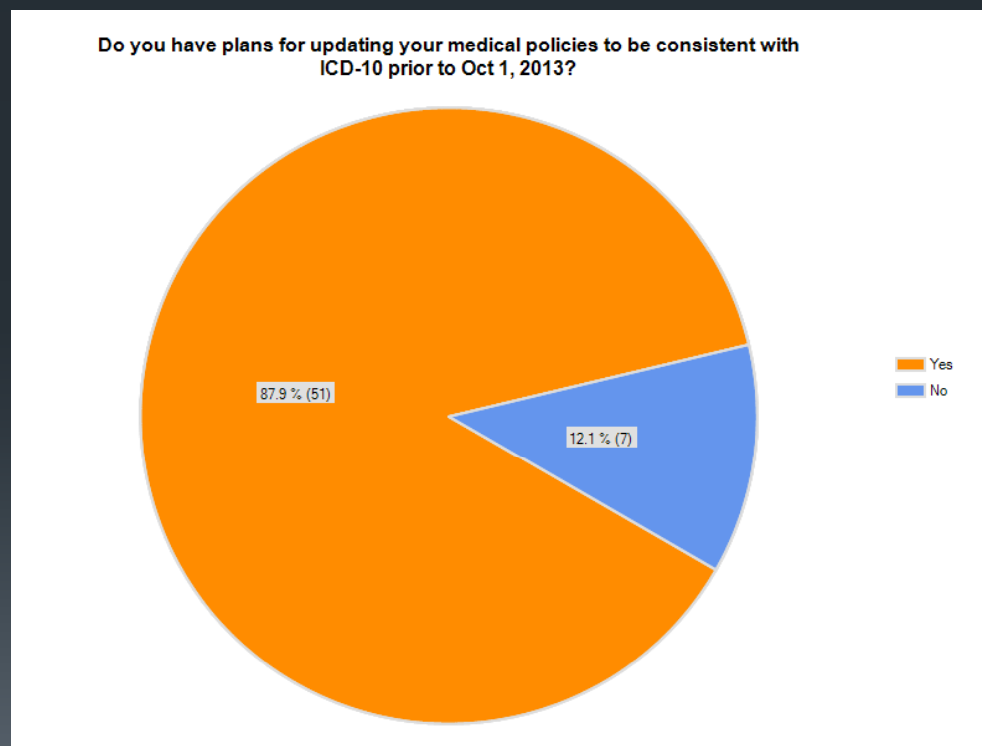
Obstacles to Progress



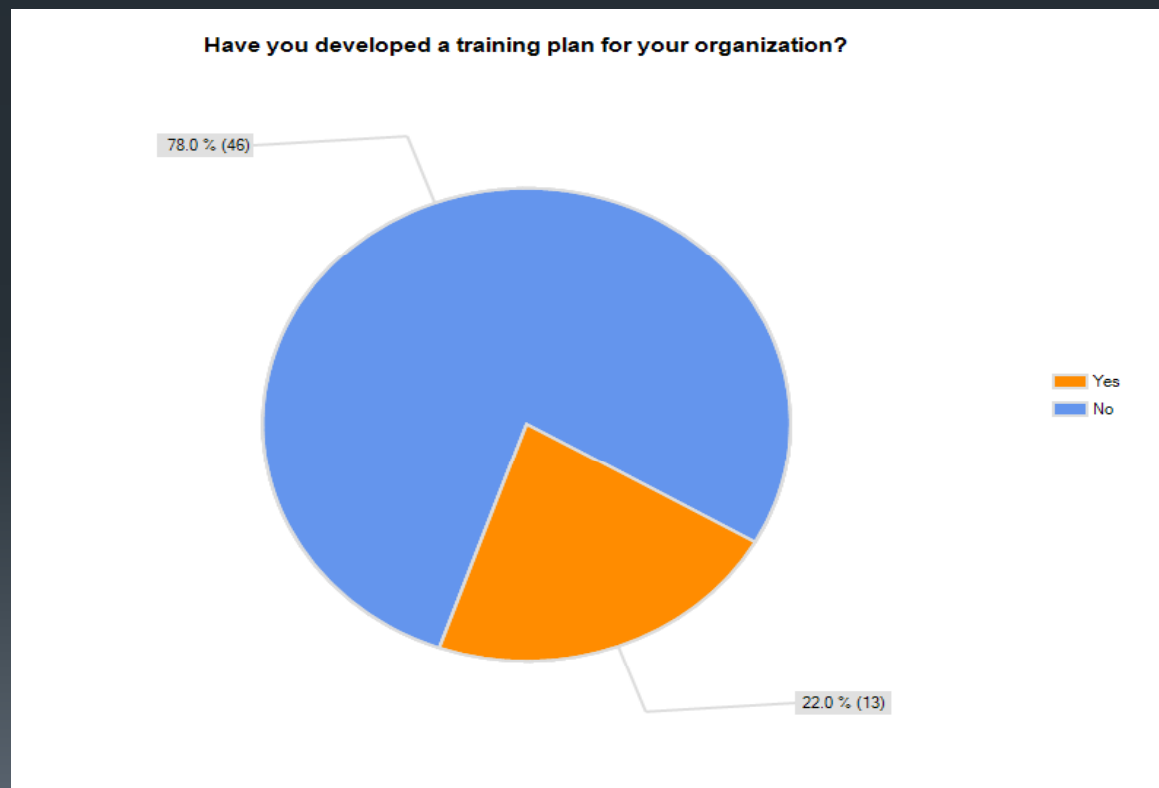
Primary Claims Processing Strategy



Medical Policy Updates

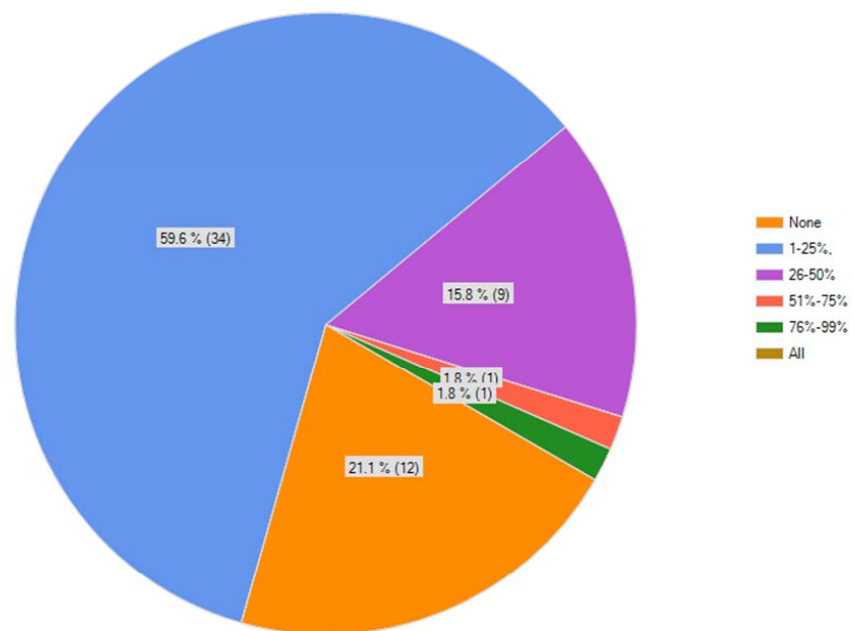


Training Plans

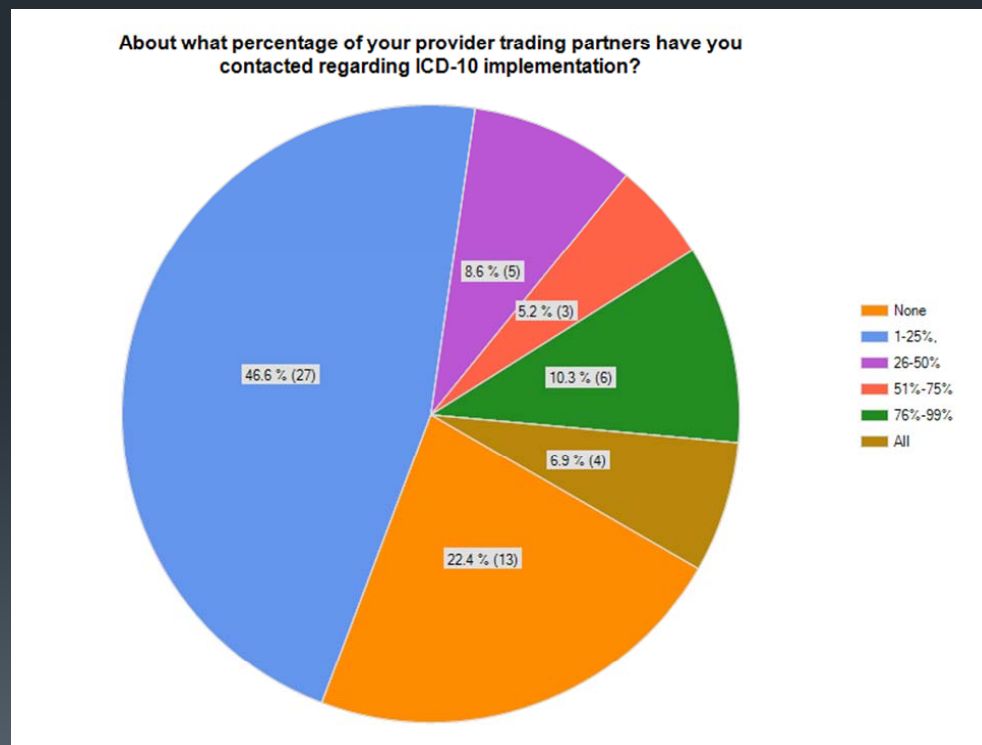


Vendor Communication

About what percentage of your solution and downstream vendors have given you information regarding their ICD-10 implementation strategy?



Provider Communication



Conclusions

- Indications of delay in starting project
- Need to get information from vendors
- Need to start talking to providers
- Need to get project back on track ASAP, or testing times will be severely limited.



Recommendations for Operating Rules

Role of NCVHS

- NCVHS is tasked with recommending the operating rule entities and specific operating rules
- NCVHS will hold hearings and collect information, then make recommendations to CMS.
- CMS will take recommendations, make determinations, and publish them as IFRs
- 60 day comment period.

NCVHS Recommendations to Date – Eligibility and Claims Status

- Adopt CAQH CORE Phase I and Phase II operating rules for non-retail pharmacy eligibility (ASC X12 v5010 270/271) and claim status (ASC X12 v5010 276/277) transactions.
- Strongly encourage CAQH CORE to collaborate with current and new stakeholders such as Medicaid agencies and states to identify priority elements and best practices (those items with best ROI opportunities) to enhance Phase II. The enhanced Phase II should be submitted to NCVHS in time for its December 1, 2010 meeting. If changes to Phase II cannot be made by December, HHS should adopt Phase I and Phase II as they stand.
- Adopt NCPDP for retail pharmacy-related eligibility transactions the operating rules incorporated by NCPDP in the Telecommunication Standard Implementation Guide vD.0.

CORE Phase I and II Rules

- Include connectivity requirements, batch and real time response, data content, system availability, and acknowledgements.
- Available at www.caqh.org
- CORE has a certification process in place.

Additional Recommendations

- Ensure that any changes to the content of a standard's implementation guide
 - included or being considered for inclusion in future versions of operating rules,
 - be evaluated by the DSMO. This evaluation would ensure that the operating rule
 - is not attempting to add, change, or remove requirements defined by the
 - implementation guide.
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- Request, consistent with Recommendations in Section 2 above, that CAQH
 - CORE establish and widely publicize an open process to receive, evaluate, and
 - incorporate into the Phase I and Phase II operating rules to be adopted,
 - additional items received from states and other entities that have adopted
 - standard operating rules, companion guides, implementation specifications, or
 - best practices.
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- Recognize that the content that NCPDP has incorporated into
 - Telecommunications Standard Implementation Guide vD.0 meets the
 - requirements for the operating rules for retail pharmacy eligibility transactions.

Additional Recommendations

- Direct CAQH CORE and NCPDP to enable operating rules to be sufficiently generic that they can be accommodated within any type of covered entity's business operations.
- Direct CAQH CORE and NCPDP to enable operating rules to be sufficiently generic that they can accommodate needs of various types of providers (i.e., hospitals, clinics, nursing homes, etc.) and various forms of health plans (i.e., indemnity, HMOs, PPOs, etc.) as applicable to the scope of the rules.
- Direct CAQH CORE and NCPDP to openly collaborate with health plans and providers to include requirements for use of the Health Plan Identifier (HPID) in each applicable field in the standard transaction in existing operating rules,

Additional Recommendations

- Any companion guides deemed necessary by health plans do not conflict with the standards, implementation specification and operating rules adopted by regulation and follow a standard format and content agreed upon by industry consensus across all sectors. Companion guides should be limited to providing basic trading partner facts, such as contact information, websites, service phone numbers, etc.

Additional Recommendations

- designate any operating rules authoring entity as a DSMO and require its participation in the DSMO.
- incorporate into rulemaking that, as recommended in 3.1, all future changes to operating rules and standards be made through the DSMO, to enable changes to be made to the applicable artifact (standard, implementation guide, or operating rule).
- Require operating rules authoring entities to adopt a standard versioning methodology and phraseology for operating rules similar to standards development organizations.

Additional Recommendations

- Require CMS to develop a certification process for all standards, implementation specifications and operating rules in accordance with the ACA legislation. CMS may designate one or more independent outside entities to provide health plan compliance certification. Until the certification process is developed and such entities are formally designated, any current certification process should be considered voluntary and not required.
- 6.2 enable CMS to work with the industry to identify free or low cost options recognized by CMS for validating compliance with standards, implementation specifications and operating rules.

NCVHS Recommendations for EFT and ERA

- **Define health care EFT transaction** as the electronic message used by health plans to order, instruct or authorize a depository financial institution (DFI) to electronically transfer funds through the ACH network from one account to another.
- **Define health care EFT standard** as the format and content required for health plans to perform an EFT transaction.
- **Adopt as the standard *format*** for the health care EFT standard the NACHA CCD+ format, in conformance with the NACHA Operating Rules.
- **Identify NACHA as the standards development organization** for maintenance of the health care EFT standard.

EFT/ERA

- **Adopt as the implementation specification for the *content*** for the addenda in the CCD+ the content requirements specified in the X12 835 TR3 REPORT (ASC X12N/005010X221) particular to the CCD+.
- Consider the implications of the fact that, as the result of the adoption of the healthcare EFT standard, some banks may become de facto healthcare clearinghouses as defined by HIPAA.

Operating Rules

- No current operating rule entities exist for EFT and ERA, NCVHS asking for organizations to apply.

Questions?

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