

# *Hill Briefing: ICD-10 Preparedness and Impacts*

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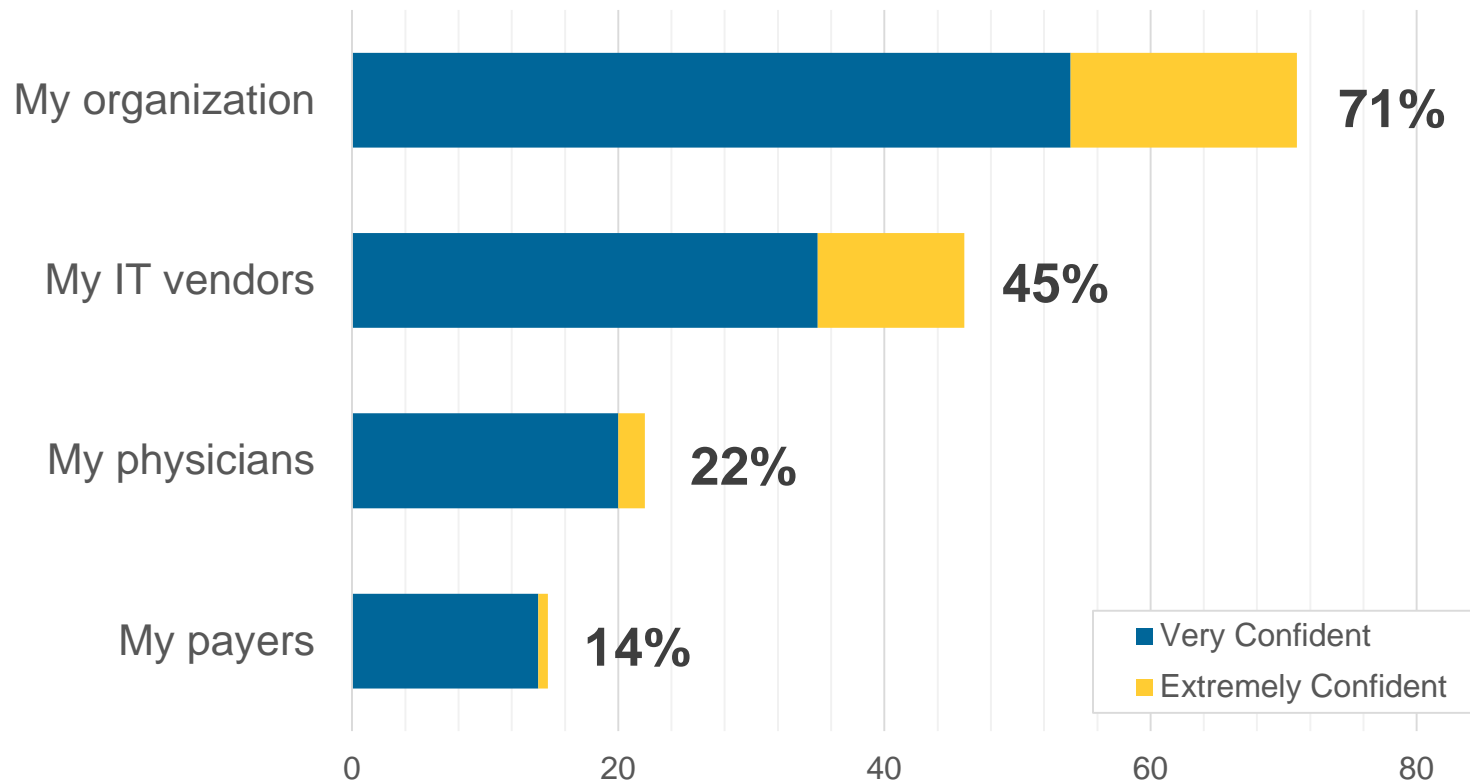
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**hfma**  
healthcare financial management association

# Perspective: Industry Readiness

How confident are you in the following entities' readiness for ICD-10 by fall 2014?\*



5 point scale used.  
Chart shows top 2 points.

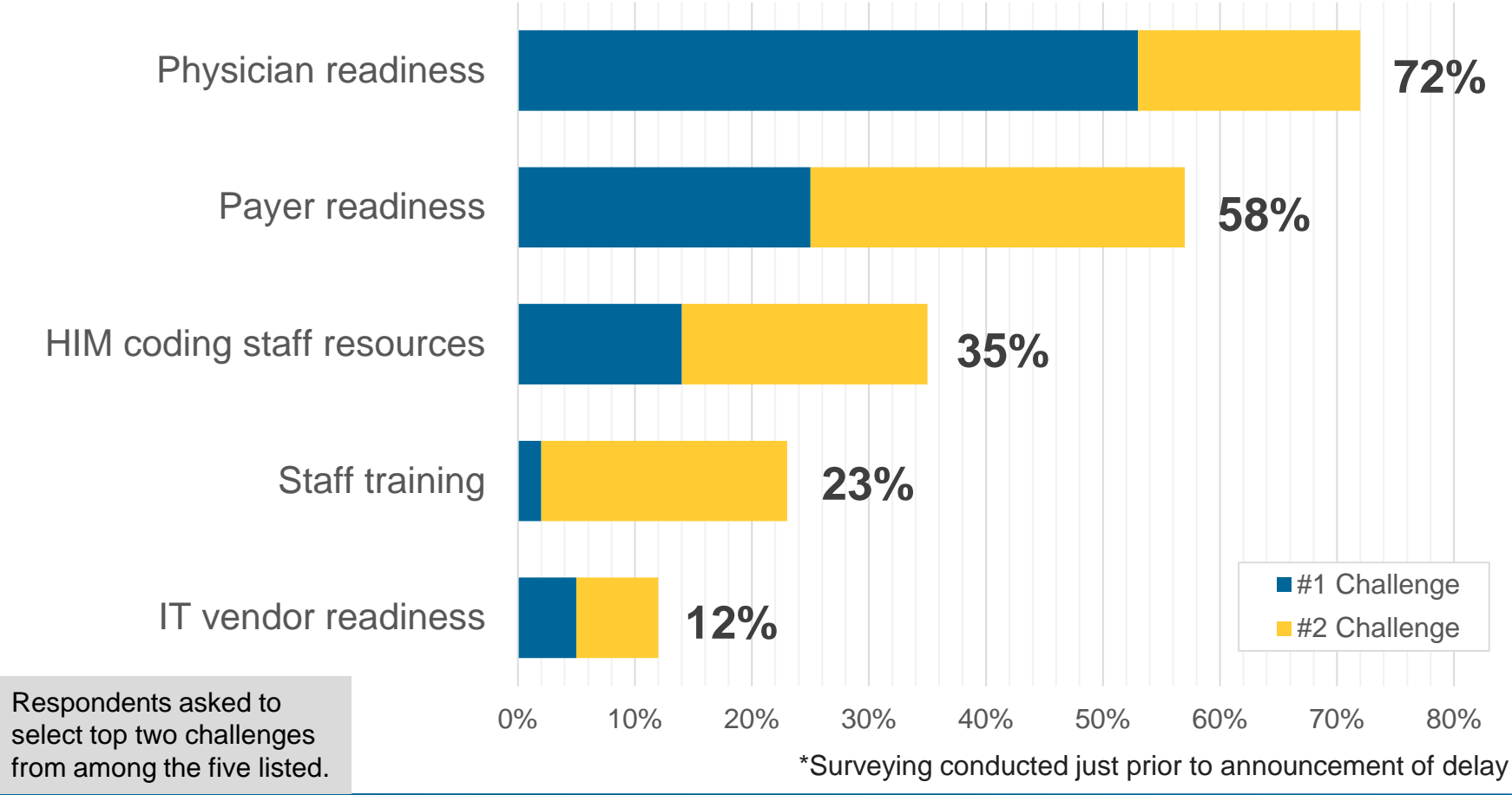
\*Surveying conducted just prior to announcement of delay



Source: HFMA's Revenue Cycle ICD-10 Readiness Survey  
Sponsored by 3M HIS

# Top Challenges Facing Revenue Cycle

**What do you foresee as your biggest challenge in achieving ICD-10 readiness?\***



Source: HFMA's Revenue Cycle ICD-10 Readiness Survey  
Sponsored by 3M HIS

# Progress: Payer Testing

## Which of the following activities have you completed in preparation for ICD-10?

Our CMS ICD-10 testing will include hospital-owned entities (e.g. practices)

77%

We plan to participate in CMS's ICD-10 testing week (March 3 to March 7, 2014) with our Medicare Administrative Contractor

71%

We have a testing plan in place with our top 3-5 commercial payers

59%

We have a testing plan in place with our top 3-5 commercial payers that includes hospital-owned entities (e.g. practices)

50%

0% 20% 40% 60% 80% 100%

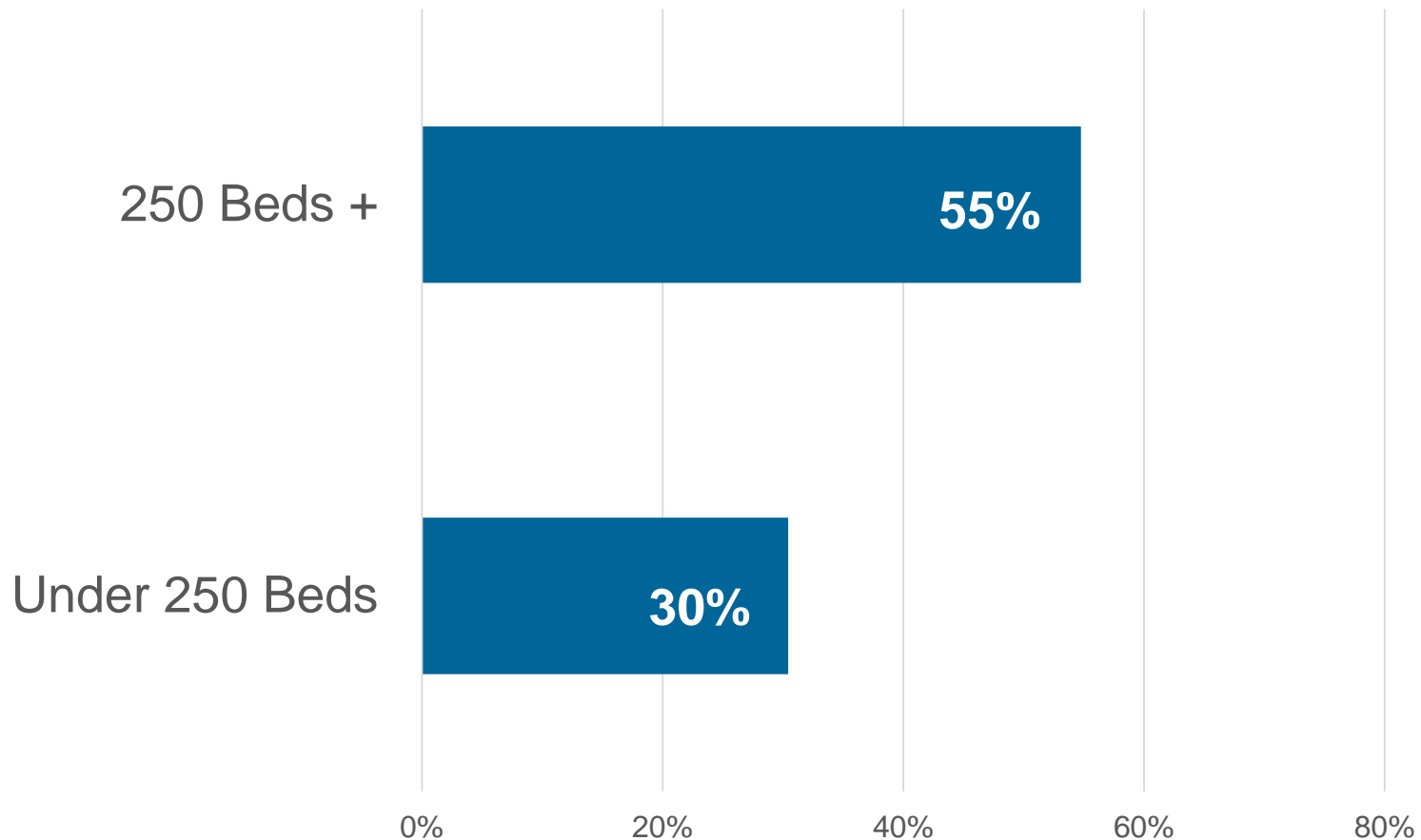
Those responding "Don't Know" excluded from the analysis..  
All organizations surveyed include owned entities.

\*Surveying conducted just prior to announcement of delay



# Progress: Completion of Contract Analysis by Bed Size

Percentage responding “Over half of contracts analyzed”



Positive correlation between size and percentage of contracts analyzed

\*Surveying conducted just prior to announcement of delay



# Value of ICD-10 from the Finance Perspective

- Value of the granular level of data best seen as providing needed insights into the delivery of care at the patient-specific level
    - Asthma example – in ICD9 – no severity measure; in ICD-10, 4 levels of severity, which in a risk model relates to resource utilization and specific population health management programs
  - Increased value achieved for physicians, payers and providers through process improvements
  - Critical information when looking at the future delivery and payment systems
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# Value of ICD-10 from the Finance Perspective

- **Providing high-quality care and getting paid for that care are sometimes two different issues**, according to William Walker, MD, FACP, chief quality and safety officer, Sisters of Mercy Healthcare System. Walker, who spoke at the 2011 American Health Information Management Association (AHIMA) convention, told participants that **when organizations insist on precise clinical documentation and coding from the start, they benefit from clean claims and accurate quality scores.**

<http://www.hfma.org/content.aspx?id=17301>

# Concluding Remarks

- Hospitals and health system have invested millions of dollars is preparing for the ICD-10 change
- CDI initiatives are ongoing in order to be ready for the ICD-10 implementation
- Continued delays will definitely result in increased expenditures in this area as providers continue to the maintain skill sets needed to be successful in the ICD-10 world



# About Us

- HFMA
  - Nation's leading membership organization for healthcare financial management executives and leaders.
  - More than 40,000 members-ranging from CFOs to controllers to accountants can be found in all areas of the healthcare system, including hospitals, managed care organizations, physician practices, accounting firms, and insurance companies.