A
Saviance
Technologies
Whitepaper

ICD-10 Testing

Empowering & Enhancing the ICD 10 Transition

Decoding ICD – 10

ICD-10, the tenth revision of International Classification of Disease (ICD) and a successor of ICD-9 is a system of coding created by the World Health Organization that organizes and codes health information that includes diseases, symptoms, abnormal findings, injuries, external causes of diseases and deaths. This information is used further for health statistics, epidemiology, health care management, allocation of resources, monitoring and evaluation, research, primary care, prevention and treatment.

ICD-10 coding provides the detailed analysis of the general health situation of populations of different countries and monitors the prevalence of diseases and other health problems. This analysis goes through different stages of scrutiny and finally reported, categorized and presented for important decision-making. ICD-10 is divided into two systems:

- **ICD-10-CM** (Clinical Modification) for diagnostic coding
- **ICD-10-PCS** (Procedure Coding System) for inpatient hospital procedure coding

In the US, the initial date of complying ICD-10 system was set on October 1, 2013, which was later changed to October 1, 2015 because of the agitation among providers for adopting ICD-10 system. The US is the only developed nation that is lagging behind as compared to the rest of the world in using this most up-to-date system. Software companies seem to be ready for ICD-10, and insurance companies are next in line. However, providers are still wondering as how to make the transition from ICD-9 to ICD-10.

The purpose of this whitepaper is to bring to view the importance of the ICD-10 transition testing and other components related to ICD-10 testing.

Transition from ICD-9 to ICD-10: An Important Step

ICD coding is important for health organizations and providers around the globe to compare and share health related data in a standardized form. ICD is being revised to better reflect progress in health sciences and medical practice and compels the providers to adopt and implement this advanced coding system.

There are two main reasons that make transition to ICD-10 necessary:

First, payers face difficulty in paying claims using ICD-9 because the system lacks advanced technological requirements and medical treatment. The limitations in ICD-9 directly affect the diagnosis-related groups (DRG), a prospective reimbursement system to determine how much *Medicare* sponsors the hospital for each "product".

Second, the current ICD-9 system does not give a clear picture of quality of care to healthcare industry. It is difficult for healthcare providers to assess the outcomes of latest procedures and existing healthcare conditions in the absence of precise codes.

Consequently, in order to improve the productivity of providers, enhance quality healthcare services to patients, enhance clinical decision-making, track public health issues, conduct medical research, identify fraud & abuse and design payment systems to ensure services are appropriately paid, implementation of ICD-10 system has become mandatory for the providers.

Over 25 countries have already adopted ICD-10 to classify diseases and related health problems because of the many benefits it provides, such as:

- **Reimbursement** – ICD-10 enhances accurate coding & payment for services rendered
- **Quality** – ICD-10 improves the quality of care and documentation
- **Precision** – ICD-10 is specific enough to identify diagnoses & procedures precisely

Testing: The Success Factor for ICD-10 Transition

ICD-10 transition is a very complex and lengthy risk assessment process where the number of **diagnosis codes in ICD-9 is 14,000** while it increases up to **68,000** in **ICD-10**, with procedure codes increasing from about **4,000 in ICD-9** to **87,000 in ICD-10**. In addition to that, ICD-10 introduces alphanumeric category classification, which gives the users more clarity and precision in coded patient data. Hence, to achieve accurate coding and billing, and to reduce the risk of claims and coding errors, the transition requires a significant testing because it is a risk-mitigating program that ensures if the system is working accurately.

Claims and coding errors occur for two general but different reasons:

- Absence of information or inconsistent information about the claim; or
- Indicated diagnosis & procedural codes are inappropriate for the type & level of care

There are **3 key steps to mitigate the claims & coding errors** from inappropriate or incorrect ICD-10 codes:

Step 1: Providers should invest in **training and certification programs** of ICD-10 implementation for medical coding staff, CMOs and other healthcare professionals who will assign or evaluate ICD diagnosis and procedure codes.

Step 2: Providers should **assess the interconnection** between the current ICD-9 codes and the clinically equivalent ICD-10 codes to be implemented.

Step 3: Providers should conduct an **extensive testing to validate** the compatibility of ICD-10 code usage of both payers and providers. It should be in sync with clinical accuracy and medical policy regarding benefits and treatment coverage.

The failure to successfully implement ICD-10 could create coding and billing backlogs, cash flow delays, increase the claims rejections/denials, lead to discrepancies in payment and payer contracts. Inaccuracy in clinical coding creates distorted or misinterpreted information about patient care, which also results in faulty investment decisions.

The Key Areas of ICD-10 Testing

Testing plays a critical role in ICD-10 remediation because of the implication of the codes that are used in both clinical and business processes, and to ensure that the transition does not harm clinical decisions, financial or operational processes. The transition to ICD-10 will affect areas such as clinical documentation and coding, revenue, payments, productivity, claims adjudication, reporting mechanisms, decision and analytical systems, customer service delivery, care quality, provider networks, and government policies. Thus, following areas need a significant testing:

1. DRGs and reimbursements
2. Clinical documentation readiness
3. Coder proficiency
4. Patient access readiness
5. Payer contracts

Challenges involved with ICD-10 Testing

The implementation of ICD-10 system causes a substantial revamping of the complete IT infrastructure of a healthcare setup that supports cross-functional activities. Here, testing plays a crucial role in ICD 10 transition but may prove to be complex for the providers due to the challenges summarized as:

Existing Challenges

- Complexities inherent in system
- Mixed technology across the system
- Configuration and releases
- Requiring testing of a large infrastructure comprising all business processes

Provisional challenges

- Lack of resources to test large volumes of data of different business processes, making a transition from ICD-9 to ICD-10
- Key business scenario to be created and validated across multiple functional areas
- Requirement of a financially focused evaluation of high impact ICD-10 codes

- Most organizations find it infeasible to do end-to end testing with all their business partners in the chain (providers, payers, vendor systems, intermediaries and clearinghouses)

Framework of ICD-10 Testing

ICD 10 testing is a very lengthy and a complex proposition. A comprehensive ICD-10 testing framework requires multiple types of testing at different stages with different complexities. Testing is divided into two broad categories-internal and external testing.

External testing is crucial for providers according to the new regulatory requirement under the Affordable Care Act's Operating Rules that outlines payer-provider testing. This kind of testing occurs on front-end as well as back end system. It requires compatibility between providers and payers usage of ICD-10 codes to make it successful.

Healthcare organizations consider following key points while undergoing external testing:

- Prioritize external partners for testing based on business requirement
- Establish significant testing strategies and approaches
- Develop clear testing scenarios and test cases together
- Develop open communication among all functional areas
- Collaborate on issue resolution process that works for cross functional areas

However, internal testing makes a foundation for a successful ICD 10 transition because when internal systems function effectively, the organization will be able to make a smooth transition. It is divided into two main types:

- Traditional IT system code testing; and
- Business readiness testing

Need for a Collaborative Testing program

The Massachusetts Health Data Consortium has announced the launch of ICD-10 Collaborative Testing Program for many of the state's health plans and provider organizations. It is introduced to reduce the significant time, costs and risks associated with ICD-10 compliance for the state's health care industry. It will help respondents to

address the potential issues and provide a structured, effective, and low-cost ICD-10 testing solution to the state's healthcare payers and providers.

Saviance enables you to meet the Testing Challenge

To achieve neutrality and progress in the ICD-10 transition, Saviance follows the **Six Key Strategies**:

- Adopt a more streamlined and strategic approach to managing test data
- Focus business readiness testing on the highest-risk scenarios
- Ensure business experts are heavily involved
- Represent the organization's actual business ecosystem
- Invest the effort up front to set up the test environment correctly
- Automate test result analysis to accommodate the sheer volume of testing required

The foundation for a successful ICD-10 Testing, however, is based on internal testing. When internal systems are working as expected then only business processes will yield results. This implies that the organization once done with its internal testing should look ahead for external testing. ICD-10 involves two distinct types of internal testing - the traditional *IT System Code Testing* and *Business Readiness Testing*. The latter is crucial for organizations that are looking forward to achieve their neutrality goal.

Team ICD 10 at Saviance works on the identification of relevant ICD codes for optimizing test coverage, including maximum usage, maximum reimbursement, etc. We facilitate ICD-10 QA using dual coded medical records and deliver end-to-end Internal & External Testing. By assuring smooth ICD-10 transition, while maintaining clinical & financial neutrality, we provide comprehensive ICD-10 support services to help ease the transition, including on-site business and technical support and 24x7 Help Desk.

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ABOUT Saviance Technologies:

Saviance is a ***US based Healthcare IT Services provider*** focusing on the newest technology ***SMAC stack –*** Social, Mobility, Analytics & Cloud. We provide innovative solutions & enable ***meaningful use of IT*** by designing ***patient engagement portals,***

collaboration applications & ***actionable analytics*** for wellness & population health. Incorporated in 1999 in the US, with over 14 years of excellent industry track record, Saviance offers services & solutions that enable enterprises to achieve critical objectives.

Saviance is a Gold Category Corporate Member with Healthcare Information Management Systems Society (***HIMSS***), ***mHealth Alliance*** and a ***NJ-HITEC*** Corporate member. We are awarded by ***INC. 5000*** as one of the fastest growing privately held companies in North America. Saviance is also ranked among the ***Fast 50 Asian American Businesses*** in the United States by USPAACC (US Pan Asian American Chamber of Commerce) and selected as a ***2014 "Top Diversity Owned Business***" recipient by DiversityBusiness.com. A certified ***Minority Business Enterprise*** recognized by NMSDC, Saviance is also partner with ***Microsoft***, ***Amazon Web Services, Apple, Samsung*** and ***Red Hat***.

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