



# ICD10:

## Managing Performance on October 1st

With the ICD10 deadline quickly approaching and daily responsibilities not slowing down, final preparations for October 1 require strategic prioritization and laser focus. You have likely moved past IT system readiness and marked that project as complete. Now you are in the middle of or preparing to start your testing initiative. It is critical to note that while testing is a very important part of your ICD10 readiness program, it is only the beginning of go-live preparation and does not guarantee provider or payer readiness. Testing is a due diligence exercise that will highlight more work to be done. Herein lies the key to more complete readiness.

### Testing Perspectives

RelayHealth has received over 88,000 test claims and 14,000+ remits with 100% delivery success rate\* via its customer testing program. In addition, RelayHealth customer claims comprised approximately three percent of the total Medicare testing volume during the Medicare acknowledgement testing periods. Through this extensive testing experience, RelayHealth has gained insights helpful for suggesting actions for more complete ICD10 readiness.

The testing volume itself tells a story. While 88,000 is a large number of test claims, it is a very small percentage of total claims volumes. This indicates that most providers aren't ramping up their testing yet despite industry encouragement to do so. This is a concern. The current mindset of many providers in the market is that completing testing is the last step, so the span of months between now and October 1 gives a false sense of preparation time. In reality, if testing is not completed until close to the deadline, there is no time to correct the process issues that will be uncovered. It is critical to complete testing soon, so you will have time to strategically address known issues while your environment is still relatively calm.

Clear visibility into testing results highlights common problem areas. During Medicare end-to-end testing, the largest issue found was related to days-not-final-billed (DNFB). In other words, providers had trouble producing a clean claim that could be submitted. In fact, there was only a 25% success rate in sending the test claims on the first attempt. In RelayHealth's involvement in Medicare acknowledgement testing, RelayHealth staff spent almost 700 hours helping customers send just over 800 test claims. All of this insight points to problems with documentation and coding.



## “Perfecting” Processes

Even on an average day, you experience some delays in getting claims out. As you consider some of the reasons for slowdowns in your process today, picture an exacerbation of these issues on October 1. Industry sources say providers could experience the following declines in performance\*\*:

- Increase in denials – 100-200%
- Increase in A/R days – 20-40%
- Increase in claim error rates – 6-10% from 3%
- Decrease in coder productivity (impacting DNFB) – 20-50%

There is no reason, however, to sit idly by and wait for the inevitable. You can use payer testing results to show you where you may encounter issues after October. Diving into making improvements now can help you to decrease total impact after October 1. You may want to consider it as deposits into your “success account” so you can better withstand withdrawals later. A few recommended actions to start:

- Identify which physicians are producing insufficient or delayed documentation
- Analyze where coding errors are occurring most frequently
- Highlight procedures or service lines in which coding changes will be the most complex
- Determine how you will send both ICD-9 or ICD-10 coded claims if some of your payers are not ready
- Uncover and address your most common sources of denials now

## Establishing Visibility into Performance

Now and after the ICD10 deadline, you will benefit from near real-time visibility into where and why performance is changing. Waiting for month-end reports and deeper analysis of data to uncover answers does not and will not allow you to act with the speed and focus necessary for an environment potentially fraught with disruptions, both large and small.

If performance declines as much as expected, how will you determine and convince your managers that everyone is struggling? Knowing at any given time how providers like you are faring in the storm can give context to your performance. It can help you to gain understanding from your executive team and also to help you see areas where you are indeed lagging and need to focus improvement efforts. The ability to drill down immediately from a high level metric to the source of an issue without relying on IT or a data analyst is the key to quickly promoting behavior change, identifying process or personnel performance issues, and making strategic changes.

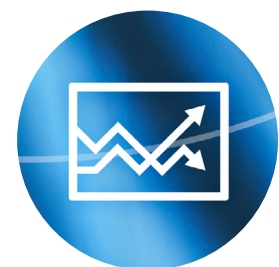
Regardless of how well you are prepared for the ICD10 transition, there may be several different areas that need improvement at any given time. Being able to quickly determine the dollar impact of making progress in these various areas can help you prioritize where to focus your time.

Finally, setting measurable and reasonable goals and being able to quickly and easily monitor progress can help you to get back on track, stay on track, and even makes strides that may help you take revenue cycle performance to the next level.

To learn more, [view a recorded session](#) featuring RelayHealth ICD10 and Analytics experts as they discuss testing insights, best practice ICD10 readiness, and RelayHealth analytics solutions to help manage the revenue cycle now, during ICD10 and beyond.



Now and after the ICD10 deadline, you will benefit from near real-time visibility into where and why performance is changing.



\*RelayHealth Payer Testing Data: Statistics current at time of publication; testing numbers increase daily.

\*\*HIMSS G7 Advisory Report, *ICD-10 Transformation: Five Critical Risk-Mitigation Strategies, 2011*.  
McMillan, M. (October 1, 2012). *Practice Makes Perfect When It Comes to ICD-10*. Journal of AHIMA,  
<http://journal.ahima.org/2012/10/01/practice-makes-perfect-when-it-comes-to-icd-10/>