



# ICD-10 Conversion: What You Need to Know for a Successful Transition to ICD-10

This change will impact every paper-based system and software application, information system, and functional department that currently uses or generates ICD-9 codes.

## Preparation Is Key

You have an opportunity on the horizon with the implementation of ICD-10 on October 1, 2013. That's the day ICD-10 CM (International Classification of Diseases, Tenth Revision, Clinical Modification) and ICD-10 PCS (Procedure Coding System) will take effect, replacing the 30-year-old ICD-9 system. Will you be ready?

Preparation for changes to any medical record documentation, information system and operations process—whether major or minor—is vital to a successful transition. Spending time planning and coordinating with your key people now can help ensure that you have the budget, talent, and strategy in place in the years and months leading up to October 1, 2013.

For example, prepping your CFO and budget directors now can help you secure the capital and operational funding you will need over the next few years to switch to ICD-10. And your CIO, clinical executives, COO, IT director, and HIM director should also be building support now to have the right personnel, consultants, and other resources in place for the transition.

Leaders tasked with preparing a hospital for ICD-10 should begin by creating a cross-functional steering committee that can address and prepare to meet the needs of clinical, quality, financial, operations, information, and HIM systems. (See the “Preparation Details” section within this document.) End-to-end seamless integration across the revenue cycle—from care delivery to payment to operational management—is critical to this team's success. Coding expertise will be essential as the team comes together with personnel from various hospital disciplines.



## Focus on Documentation

Complete documentation is a key to ICD-10 success for hospitals. You must have the tools and knowledge to optimize complete and accurate ICD-10 documentation and coding to support:

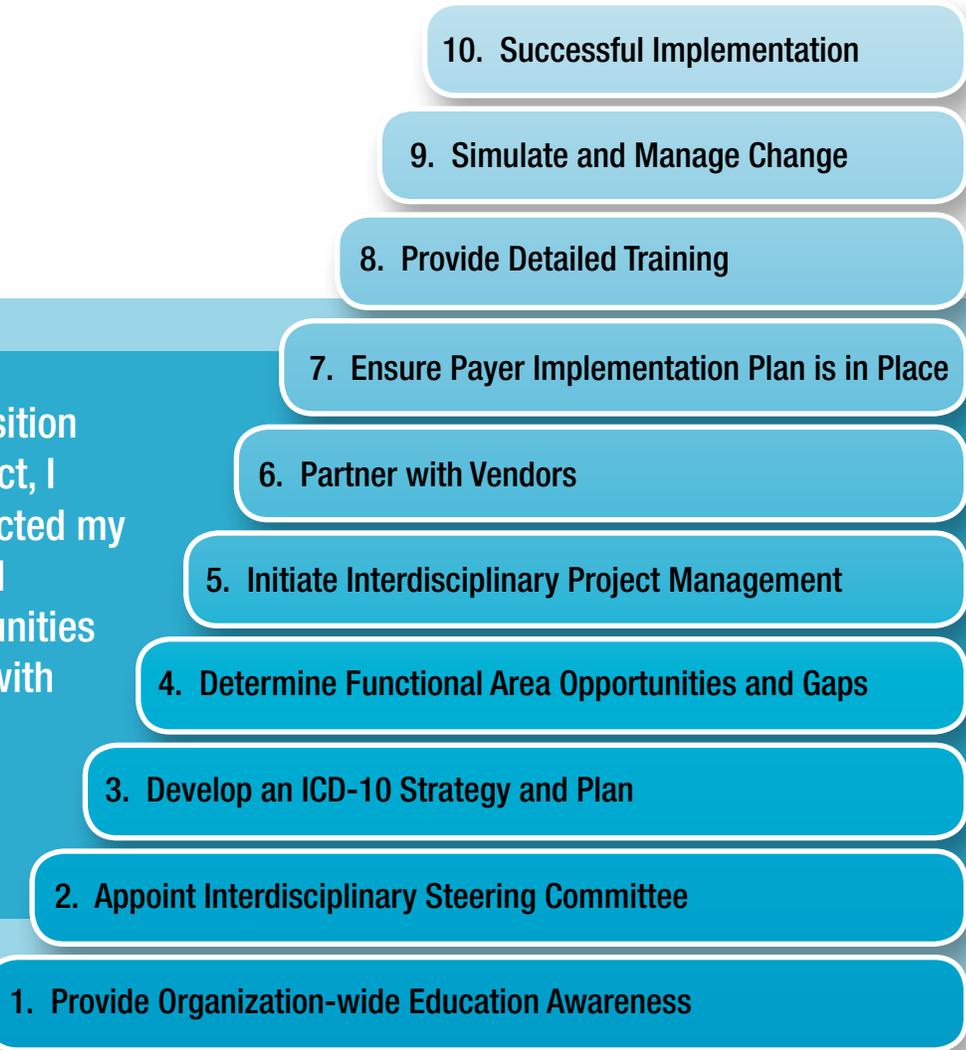
- Clinical care
- Enhancing quality outcomes
- Measuring and improving operations
- Financial reporting and management

Many different aspects of managing a hospital are strongly influenced by data that was ostensibly produced just to obtain accurate reimbursement.

In order to take advantage of opportunities from ICD-10 and lay the groundwork for a successful transition, healthcare organizations should already have preparations underway. 3M recommends taking the steps shown below (for a more detailed explanation, see the “Preparation Details” section within this document).

“I wish I had taken the transition more seriously. In retrospect, I could have positively impacted my organization if we had paid attention to ICD-10 opportunities rather than be consumed with day-to-day operations.”

—Coding Services Manager,  
Canadian Hospital



## ICD-10 Overview

The ICD-10 classification system provides more detail about a patient's clinical course and facilitates both accurate payment for services rendered and evaluation of medical processes and clinical outcomes. Greater specificity is one of the most significant improvements that ICD-10 provides. It's a nearly nine-fold increase in the number of codes, which will allow personnel to capture additional detail about diagnoses and procedures and also provide new clinical precision.

What does the change mean for you? On one level, the switch to ICD-10 means hospitals, providers, payers and data users will be equipped with detailed patient information, supporting the growing information demands of today's complex patient care environment. According to the Centers for Medicare and Medicaid Services (CMS), ICD-10 will drive health care improvement through accurate identification and payment of new procedures and better understanding of health conditions and outcomes. This can lead to more accurate quality measures, patient safety, disease management and more effective disease monitoring and reporting worldwide.

On the other hand, transitioning your entire facility to ICD-10 will require a significant planning effort with appropriate resourcing of people, processes and technology. This change will impact every paper-based system and software application, information system, and functional department that currently uses or generates ICD-9 codes.

Employees across functional areas will be affected, too, requiring varying levels of education and training, ranging from clinical care to revenue cycle to

operations. ICD-10 will impact nearly everyone, including physicians, coders, nurse case managers, IT staff, financial services, billing staff, and administrators, to name a few. A sufficient level of understanding is critical for project planning across the organization and for the management of cross-functional departments, payers, vendors, and other interdependencies.

### Why Do We Need ICD-10?

Why is it necessary to adopt an improved coding system? The following excerpt, taken from the CMS final ruling, offers a possible explanation.

*"The ICD-10 code sets provide a standard coding convention that is flexible, providing unique codes for all substantially different health conditions. It also allows new procedures and diagnoses to be easily incorporated as new codes for both existing and future clinical protocols. ICD-10-CM and ICD-10-PCS provide specific diagnosis and treatment information that can improve quality measurements and patient safety, and the evaluation of medical processes and outcomes. ICD-10-PCS has the capability to readily expand and capture new procedures and technologies."\**

Essentially, ICD-10 is more flexible and detailed, allowing new codes to be added easily. ICD-9 is nearly 30 years old and does not provide enough detail to describe clinical advances or the procedures and services performed on hospitalized patients. As a result, limited and sometimes inaccurate information becomes the foundation for clinical quality improvement, public reporting, and payment.

Those involved in the U.S. health care system—from providers and payers to vendors, clearinghouses, and researchers—stand to benefit from the transition to ICD-10. Codes are the language of health care. While this transition will impact and challenge all areas of the system, a richer, more robust language is one of the clear benefits of ICD-10.

\*Federal Register: January 16, 2009 (Volume 74, Number 11)

Is your clinical documentation adequate and appropriate to support ICD-9 today, as well as the more specific ICD-10 coding language tomorrow?

## Setting the Milestones

Your newly assembled ICD-10 team's first milestone should focus on locating all the ICD-9 codes in your information systems and paper documentation throughout your processes and workflow. The effort of searching for and finding these codes, and then determining what the transition milestones will be, is vast and intense. It will be essential for the team to determine when and if vendor systems will be ready. Will you continue to use internally created paper and computer applications? If so, how will you translate them to be ICD-10-ready? Performing a thorough impact and gap analysis will provide the basis for a system-wide plan for both readiness and strategic advantage related to ICD-10.

Once you complete an initial project plan, you should establish tasks and secure the proper resources to ensure an effective implementation process. Some examples include:

- **Training:** Recognize that all employees will need differing levels of education on ICD-10 and begin the phase-in as soon as possible. For example, clinicians will need to be trained to provide the detailed documentation ICD-10 requires. Physicians in private practice will also need to understand how ICD-10 impacts their office billing.
- **Resources:** The timing of ICD-10, along with the intensity and requisite expertise related to its implementation, will only add to employees' responsibilities. Additional FTEs, consulting help, or outsourcing may be needed to bridge current operations, preparedness, and opportunity management.
- **Budgeting for capital and projected operational expenses:** Plan for the potential costs of new software, adding new employees, consulting, training, etc.



## ICD-10 Experts

Why do we call ourselves the “experienced ICD-10 experts”? Over the past decade, 3M has worked with numerous clients in Canada, Australia, New Zealand, the United Kingdom, Germany and other countries during their ICD-10 transitions. All of these accomplishments have given 3M years of practical experience and the reputation as a prominent leader in the field of ICD-10 classification.

Also under contract with CMS, 3M designed and developed ICD-10 PCS and the **General Equivalence Mappings (GEMs)** tool. 3M also recently completed the initial conversion of the **Medicare-Severity DRGs (MS-DRGs)** to ICD-10 for public comment.

3M offers software, education, guidance and training tools specific to the ICD-10 transition. Here are a few questions to help you determine how we can support you through this implementation:

- What first steps have you taken to prepare for ICD-10? For instance, have you created an inventory of each system that holds an ICD-9 code?
- Is your clinical documentation adequate and appropriate to support ICD-9 today, as well as the more specific ICD-10 coding language?
- Do you know which areas within your organization will be impacted by the new codes?
- Do you know which areas within your organization (e.g., clinical care pathways/protocols, payer contracts, billing, etc.) have an opportunity for optimization?
- Do you know who in each department or group will lead the transition for those respective areas? What type of education do they need?





## Solutions for Success

All 3M products will be delivered “ICD-10 ready” in October 2012, so you have the necessary time for planning, implementing, and testing your systems and processes, as well as training your personnel. You may consider the following 3M solutions to support your facility while successfully managing the ICD-10 transition.

### 3M Consulting Services

3M consultants are ready to help with ICD-10 services for modeling and code translation, documentation improvement, and workflow analysis.

### 3M™ Coding and Reimbursement System

3M is on schedule to deliver “ICD-10 Ready” coding products and services well before the implementation deadline. The 3M coding system includes:

- **3M™ Codefinder™ Software** helps you manage the complex rules and terminology of ICD coding. The 3M Codefinder Software already has an integrated ICD-10 comparison tool in place.
- **3M™ Advanced Analyzer Software** helps verify that the most accurate codes and DRG assignments have been selected, prompting for additional, often overlooked, secondary diagnoses or treatments.
- **3M™ Reimbursement Calculation Software** instantly calculates reimbursement based on formulas that use the appropriate national and hospital-specific variables. It includes Medicare inpatient and outpatient formulas and also accommodates other payer groupers using the same codes.

### 3M™ ICD-10 Code Translation Tool

The 3M ICD-10 Code Translation Tool is a web-based ASP designed to guide healthcare organizations through the process of converting applications that rely on ICD-9 codes to the equivalent ICD-10 code set. It offers the flexibility that translation teams need to convert existing systems and applications to ICD-10.

## Preparation Details

In order for you to take full advantage of the opportunities afforded by ICD-10 and help lay the groundwork for a successful transition, 3M recommends the following steps:

### 1. Provide Organization-wide Awareness

It will be important to raise ICD-10 awareness across the organization early on—especially to the C-level and management—so they can support transition plans. HIM professionals and HIS content experts will champion and educate with their expertise.

### 2. Form an Interdisciplinary Steering Committee

A team will be needed to drive the necessary changes and preparations for ICD-10 in your organization. This team should include members from every clinical and business department in your facility. Additional members may include vendor and payer representatives, as appropriate. Team leaders must be change agents with interdisciplinary project management experience.

### 3. Form an ICD-10 Strategy and Plan

The committee will then need to create an organization-wide strategy and plan for ICD-10. This plan should define transition objectives and address compliance and data integrity issues integral to managing clinical, quality, financial, and operational outcomes. Many hospitals will also plan to leverage the increased specificity of ICD-10.

### 4. Determine Functional Area Gaps and Opportunities

It will be crucial for each functional area within your facility to perform a detailed analysis of needs, challenges, and opportunities regarding ICD-10. Look at your current processes to see what is functioning well today. For example, hospitals with high coding accuracy rates, detailed physician documentation, and excellent industry benchmarks should plan to maintain them under ICD-10.

### 5. Initiate Interdisciplinary Project Management

Once a plan is in place, you will need a project management team to oversee the integrated implementation for each functional area. Detailed interdependency management is critical to your internal and external end-to-end processes. Include medical staff, payers, and vendors. An executive leader must have accountability to establish and enforce deadlines. An experienced project manager is critical, whether you use an internal or external resource.

### 6. Partner with Vendors

Work with your vendors to ensure that they will meet your needs and have ICD-10 changes ready on a pre-established timeline. Timelines must allow for testing and coordination between multiple systems for data compatibility, training, and process improvements.

3M is committed to assisting clients through this transition. You can expect regular communications from now to beyond the October 2013 date regarding any changes and information on ICD-10. Updates to services and software will be provided well in advance of October 2013 and will be done via our normal software update process.

[Continued on page 8 >](#)

> Continued from page 7

## 7. Ensure Payer Implementation Plans Are in Place

Payers and providers must partner for three reasons:

- To ensure claims are submitted and processed in a timely and accurate manner
- To update contracts from ICD-9 to ICD-10
- To continually adjust as needed

It is critical to your bottom line that claims continue to be processed in a timely manner. Regular communication with payers will be important in making sure that you are aware of their readiness and policy changes.

## 8. Raise Awareness and Provide Implementation Assistance

HIM directors have a wealth of knowledge about ICD-10 and should be able to educate hospital employees. Other health information professionals, however, may need a higher level of training. The American Health Information Management Association (AHIMA) will provide critical, in-depth education to coding professionals via a number of mediums.

3M also can assist you with services throughout the transition to the ICD-10 “go live” date and beyond.

- 3M webinars will continue to provide training regarding ICD-10 implementation, issues, and opportunities at no additional charge.
- 3M software and services will be updated and delivered more than a year in advance of October 2013.
- 3M Consulting Services can help you:
  - Assess your documentation readiness for ICD-10
  - Identify and recommend documentation improvements to support correct coding
  - Manage ICD-9 to ICD-10 translation
  - Execute modeling and implementation across multiple systems

## 9. Simulate and Manage Changes Each Step of the Way

Once plans have been put into action, monitor and manage the success of those changes.





## How Will ICD-10 Conversion Affect You?

The following sections identify how major systems and work processes in your hospital or health system will be impacted by ICD-10.

### Scheduling, Admission and Case/Utilization Management for Inpatient Care

#### WHAT'S HAPPENING?

The preauthorization and medical necessity process will be significantly affected by ICD-10. Beginning October 1, 2013, staff must collect the proper diagnosis and planned procedure codes in ICD-10.

#### WHO'S IMPACTED?

- Scheduling
- Admissions
- Utilization Review
- Case Management
- Revenue Cycle Management
- Registration
- Payers

#### WHAT'S CRITICAL FOR SUCCESS?

- Reassess current processes and educate staff on ICD-10 documentation requirements from payers.
- Create a new process to adapt to the requirements.
- Assess payer contracts updated with ICD-10 specificity.
- Provide education and policies related to the entire process.

SCHEDULING / ADMISSION / CASE MANAGEMENT			
PROCESS	WHO'S IMPACTED	CRITICAL TO SUCCESS	BOTTOM LINE
<ul style="list-style-type: none"> <li>• Pre-authorization</li> <li>• Collection of diagnoses &amp; planned procedures</li> <li>• Payer interaction</li> </ul>	<ul style="list-style-type: none"> <li>• Admissions</li> <li>• Utilization Review</li> <li>• Case Management</li> <li>• Revenue Cycle</li> <li>• Registration</li> </ul>	<ul style="list-style-type: none"> <li>• Reassess current processes</li> <li>• <b>Create improved processes</b></li> <li>• Assess payer contracts</li> <li>• <b>Identify new pre-certification policies</b></li> </ul>	<p>Hospitals and payers who proactively create complete, accurate documentation/ pre-authorization will get accurate payment</p>

#### WHAT'S THE BOTTOM LINE?

Hospitals who correctly pre-authorize and verify medical necessity using ICD-10 will continue to be reimbursed per their existing contracts.



## Physician Documentation and Impact on Quality Improvement

### WHAT'S HAPPENING?

Incomplete documentation may impede your ability to perform accurate coding today with ICD-9. The same documentation struggles will likely continue to impact hospital performance under ICD-10, with its increased specificity for required documentation.

### WHO'S IMPACTED?

- Physicians
- Documentation Specialists
- Case Management
- Revenue Cycle Management
- Quality Improvement
- Ancillary Departments
- Coding
- Patient Financial Services
- Public Data Profiles
- Payer Integration
- Finance and Budgeting

### WHAT'S CRITICAL FOR SUCCESS?

- Physician documentation is the foundation of ICD-10 specificity; therefore, early physician engagement is crucial to success. Seeking input and direction from the physician leadership group about how to assist the medical staff in obtaining specificity will create a partnership between the physicians and staff.
- ICD-10 provides the granularity to enable clinical quality improvement. It captures more accurate documentation for developing clinical pathways that can help improve patient care.

### WHAT'S THE BOTTOM LINE?

- Revenue losses are imminent without accurate documentation and coding.
- The financial health of the organization depends on its documentation. The patient record must capture complete reporting and billing of appropriate ICD-9 codes today, and ICD-10 codes in the future.
- Hospitals that have concurrent processes to secure complete physician documentation can reduce the incidence of inaccurate claims submitted, facilitating accurate payment.

## Case Management and Patient Safety

### WHAT'S HAPPENING?

Case management personnel must interact with insurance companies using the ICD language throughout a patient's entire hospital stay. They seek clear and complete documentation to support site-of-service assignment, intensity of service and severity of illness. As a result, they regularly reference ICD-10 and supplement critical patient care records.

Hospitals also need to update internal reporting systems that identify, track, and analyze reportable adverse events, non-reportable adverse events, and near misses.

### WHO'S IMPACTED?

- Physicians
- Documentation Specialists
- Case Managers
- Patients
- Patient Safety Employees
- Revenue Cycle Management
- Quality Improvement

- Coding
- Patient Financial Services
- Public Data Profiles
- Payer/Contracting Liaisons

### WHAT'S CRITICAL FOR SUCCESS?

- Hospitals must train case management professionals in the fundamentals of ICD-10 coding and the documentation that correlates with it.
- Case management staff must ensure proper documentation to support site/intensity of service assignment, severity of illness, and medical necessity processes.
- Improvement of clinical episode management can help mitigate hospital-acquired conditions (HACs), complications, and unnecessary readmissions

### WHAT'S THE BOTTOM LINE?

Hospitals that will succeed in the ICD-10 environment are those that accurately document their level of care for complete and appropriate reimbursement.

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## Labs, Radiology, and Other Ancillary Services

### WHAT'S HAPPENING?

Labs and radiology, along with other ancillary services, will have new ICD-10 codes and will need their systems updated to use them. Ancillaries are often a second line of defense for pre-authorization processes. The services they provide in an ambulatory setting require medical necessity documentation for support.

### WHO'S IMPACTED?

- Physicians
- Patients
- Ancillary Services Professionals

- IT
- Revenue Cycle Management
- Patient Financial Services
- Coding

### WHAT'S CRITICAL FOR SUCCESS?

- Staff must ensure the appropriate medical necessity information is provided with the physician order for the test or procedure.
- Having appropriate documentation specificity and accurate ICD-10 codes to support medical necessity will make the difference in what is a covered service vs. a non-covered service.

### WHAT'S THE BOTTOM LINE?

Physicians who provide more specific diagnoses to meet pre-authorization and medical necessity requirements can help reduce the number of inaccurate claims. Accurate claims can help increase both revenues and patient satisfaction.

## Transcription

### WHAT'S HAPPENING?

First, the volume of transcription is likely to increase as a consequence of capturing more specificity. Second, transcription department personnel will have to rewrite their database queries to handle the new ICD-10 codes.

### WHO'S IMPACTED?

- Transcriptionists
- Physicians
- Documentation Specialists
- Case Managers
- Revenue Cycle Management

- Quality Improvement
- Coding
- Patient Financial Services
- Public Data Profiles
- Payer/Contracting Liaisons

### WHAT'S CRITICAL FOR SUCCESS?

- Employees who query databases will need additional training.
- The transcription department will need to have the capacity to accommodate the complete and accurate documentation by the healthcare providers.

### WHAT'S THE BOTTOM LINE?

Under ICD-10, transcription will be more challenging in the short term, and more complex over the long term, compared to ICD-9. The volume of documentation will increase. HIM staff will need to work proactively with physicians during the transition to extract more specific information from physicians.

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## Performance Management/Quality Management

### WHAT'S HAPPENING?

Performance and quality management (often called “Decision Support”) staff use information derived from the ICD-9 coding data to look at cases on an individual as well as aggregate basis, measuring many care, quality, and public reporting issues. (This team’s responsibilities often align very closely with case management personnel.)

The applications that quality management employees use must be updated to include ICD-10 codes. Furthermore, quality and performance management department personnel may need to rewrite their ICD-9-based queries to handle the new ICD-10 codes. Therefore, those report authors will need a reasonable amount of knowledge about the new system, too. Tools such as HIM coding training and references, or code translation software will be extremely helpful for completing tasks.

### WHO'S IMPACTED?

- Patients
- Physicians
- Documentation Specialists
- Case Managers
- Revenue Cycle Management
- Quality Improvement Professionals
- Coding
- Patient Financial Services
- Payer/Contracting Liaisons
- State Agencies

### WHAT'S CRITICAL FOR SUCCESS?

- Staff must rewrite queries to replicate their current reports and enhance them with ICD-10 specificity.
- They will need accurate code translations and maps to ensure a seamless transition.

### WHAT'S THE BOTTOM LINE?

Performance and quality managers will generally be pleased that ICD-10 is coming, because they can appreciate its specificity and granularity. ICD-10 will help them further refine the data for monitoring performance, quality and public reporting.



## HIM Department

### WHAT'S HAPPENING?

The HIM department must code patient records with ICD-10 and will be a major nexus of activity before, during and after the ICD-10 conversion. Many software products, interfaces and paper systems will need to be upgraded.

Training HIM professionals will be fairly straightforward and supported by key national organizations such as AHIMA and AHA, with detailed courses and “train the trainer” programs.

Perhaps the greatest challenge to the HIM department will be collaborating with and enabling physicians and other healthcare professionals to provide the precise and accurate documentation the hospital will need.

### WHO'S IMPACTED?

- Physicians
- Documentation Specialists
- Case Managers
- Revenue Cycle Management
- Quality Improvement
- Coding
- Patient Financial Services
- Payer/Contracting Liaisons
- State Agencies

## HEALTH INFORMATION MANAGEMENT (HIM)

PROCESS	WHO'S IMPACTED	CRITICAL TO SUCCESS	BOTTOM LINE
HIM professionals review medical record documentation and transform it to coded data based upon regulatory guidelines	<ul style="list-style-type: none"> <li>• Physician</li> <li>• Documentation Specialist/ Coders</li> <li>• Case Manager</li> <li>• Revenue Cycle</li> <li>• Quality Improvement</li> <li>• Patient Financial Services</li> <li>• Public Data</li> <li>• Payer Integration</li> <li>• State Agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Lead physician documentation efforts and become fully proficient in ICD-10 coding</li> <li>• <b>Implement a concurrent documentation improvement process to capture “real time” critical information</b></li> </ul>	Hospitals that invest in education, documentation improvement, and the development of proficient coders will create accurate information to link quality and payment

### WHAT'S CRITICAL FOR SUCCESS?

- Staff must lead physician documentation efforts and become fully proficient in ICD-10 coding.
- They must also implement a concurrent documentation improvement process to capture critical information in “real time.”

### WHAT'S THE BOTTOM LINE?

Incomplete documentation currently impedes the HIM department’s ability to accurately code within the ICD-9 system. It will impact HIM’s performance under ICD-10 with the increased documentation specificity required. Under ICD-10, the HIM department’s job will be harder in the short term, and more complex over the long run, compared to ICD-9. HIM professionals will have to request more specific information from physicians or will need to consider a concurrent documentation improvement process to capture this necessary information.



## HIM Systems and Processes

### WHAT'S HAPPENING?

HIM departments depend on software, hardware, and paper processes to manage their functions. They will all need to be ICD-10 compliant. These processes begin almost immediately, from the patient preregistration and admission interactions, and remain dynamic through patient accounting and creation of the final bill.

Under ICD-10, HIM coded data will be more valuable to use, well beyond the patient's discharge, in trending and clinical research. It will also be imperative for HIM staff to determine how to correlate the translation of ICD-9 data to ICD-10.

### WHO'S IMPACTED?

- HIM Coding Staff
- Quality Management/  
Performance Management
- Patient Financial Services

### WHAT'S CRITICAL FOR SUCCESS?

- HIM staff must lead physician documentation efforts and become fully proficient in ICD-10 coding.
- They must also implement a concurrent documentation improvement process to capture critical information in "real time."

### WHAT'S THE BOTTOM LINE?

Of all the updated systems, the HIM and patient financial systems will be the most challenging to update for ICD-10 conversion. Vendors are principally responsible for updating these systems, and the hospital IT staff will facilitate the updates.



## Patient Accounting/Billing

### WHAT'S HAPPENING?

ICD-9 codes are a prime source of information for creating bills. On October 1, 2013, the people and software that create those bills need to be ready to use ICD-10 codes instead. Getting the HIM data flowing to patient accounting in ICD-10 format is just the beginning. Medical necessity and case management and other interfaces will also need to send data to patient accounting using ICD-10.

Patient accounting is a critical ICD-10 link to payers. The myriad of claims clearinghouses and other intermediaries must be connected with ICD-10 compliant interfaces to exchange claim and remittance advice.

### WHO'S IMPACTED?

- Scheduling
- Admissions
- Utilization Review

- Case Management
- Revenue Cycle Management
- Registration
- Quality Management/  
Performance Management
- Patient Financial Services
- Payers

### WHAT'S CRITICAL FOR SUCCESS?

- Patient accounting must work with other hospital teams to best update internal systems and integrate payer process.
- The team must also locate ICD-10 codes within current payer contracts and develop strategic contracting initiatives in conjunction with payers. Accurate translations of ICD-9 and ICD-10 codes can help facilitate these negotiations.
- Patient accounting employees must have a sound understanding of ICD-10 coding.

### WHAT'S THE BOTTOM LINE?

Under ICD-10, accounting and billing will be challenging in the short term. To generate clean claims, the patient accounting staff must rely on accurate grouping information, based on compliant documentation and coding. Hospitals that invest early in process improvement, modeling, and payer contract renegotiation will be prepared for compliance and potential strategic opportunities.

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## Payer Integration

### WHAT'S HAPPENING?

If one or more of your payers is not ready for ICD-10, it could upset your cash flow. Your influence now may help curtail that risk. The payer is completely dependent upon the coding information it receives from hospitals and other medical facilities. Payers must be ready to preauthorize, receive bills, and pay claims using ICD-10 on October 1, 2013.

### WHO'S IMPACTED?

- Patients
- Hospitals and Related Facilities
- Payers
- Vendors
- State Agencies

### WHAT'S CRITICAL FOR SUCCESS?

- Examine and determine gaps in contracts, policies, and claims systems to comply with ICD-10.
- Determine how translations/maps may serve as an interim solution for clinical quality improvement within pay-for-performance models.
- Contact payers early in the planning process to create urgency and clarify changes to information systems and policies.

### WHAT'S THE BOTTOM LINE?

The conversion to ICD-10 will create a new set of challenges for payer and provider integration. However, ICD-10 will provide the payer with greater specificity to conduct claims analysis, refine the cost of care provided, and make adjustments to their contractual plan with the hospital. Also, ICD-10 will provide hospitals with the same opportunity to renegotiate their contracts with payers using more precise data.

## Finance

### WHAT'S HAPPENING?

Finance derives revenue and collections information, accounts receivable, bad debt, and contractual adjustment figures from patient accounting/billing.

### WHO'S IMPACTED?

- IT
- Patient Financial Services
- Hospital Administration

### WHAT'S CRITICAL FOR SUCCESS?

- Need appropriate code identification to support services performed so compliant claims can be filed.

### WHAT'S THE BOTTOM LINE?

Finance will have to rely on HIM and IT to help upgrade all of its systems to ICD-10. Many financial reports will have to be adjusted so that systems query ICD-10 instead of ICD-9 codes. Over the long run, however, finance personnel will appreciate the specificity and granularity of ICD-10.

## Data Warehousing

### WHAT'S HAPPENING?

The data warehouse (also called the “enterprise data warehouse”) is a large repository that receives data from and can be queried by any department, including finance, administration, quality management, quality improvement, decision support, etc. Personnel from most departments rely on the data to run reports and review hospital operations to make business, financial and patient care decisions.

### WHO'S IMPACTED?

- Case Management
- Performance Management/Quality Management
- Finance
- Managers and Administrators
- Patient Safety
- IT
- Strategic Planning

### WHAT'S CRITICAL FOR SUCCESS?

- Having the data in appropriate format to allow apples-to-apples comparison.
- Having applications translated well in advance of implementation.
- Determining an analysis strategy to compare ICD-9 information created prior to October 2013, and ICD-10 data generated thereafter.

### WHAT'S THE BOTTOM LINE?

Determining the overall strategy and needs of an organization are key considerations, particularly when establishing policies about multi-year trending, tracking and analysis. Translations and maps may be considered as interim solutions.





## Information Technology (IT)

### WHAT'S HAPPENING?

The main role of the IT staff is to establish the ICD-10 infrastructure to support the overall strategy. IT professionals will be heavily involved in making sure all systems that currently use ICD-9 will be able to process ICD-10 codes and incorporate identified translations/maps. IT will update vendor software as ICD-10 versions become available and will also upgrade interfaces. However, some systems—especially internally created ones—will have to be converted separately and may require more effort. Home-grown systems will particularly benefit from translations and maps.

### WHO'S IMPACTED?

- Nearly all departments, especially everyone involved with the internal/external integration between hospitals, physicians, payers, vendors, and data users.

### WHAT'S CRITICAL FOR SUCCESS?

- Staff must ensure end-to-end ICD-10 conversion to minimally replicate the current environment.
- Staff must optimize the integration of ICD-10 detail into clinical, financial and operational systems across the enterprise.

## INFORMATION TECHNOLOGY MANAGEMENT

PROCESS	WHO'S IMPACTED	CRITICAL TO SUCCESS	BOTTOM LINE
Create and maintain an infrastructure to integrate IT systems across the enterprise and transition to ICD-10 in a seamless manner	Nearly all functions and internal/external integration between hospitals, physicians, payers, vendors and data users	Ensure end-to-end preparation to minimally replicate the current environment and optimize with ICD-10 detail integrated into systems across the enterprise	Hospitals that invest early in process improvement, modeling and payer contract renegotiation will be prepared for compliance and potential strategic opportunities

### WHAT'S THE BOTTOM LINE?

Conversion to ICD-10 will be a time-consuming and challenging process for IT professionals. However, the sooner this group can prepare for ICD-10 conversion, by testing and troubleshooting IT systems, the smoother the transition will be on October 1, 2013.



## Take Advantage of the Opportunity

It may not seem like it, but the conversion to ICD-10 is an opportunity for you to improve the way systems function, how staffs communicate and interact, and ultimately how well healthcare professionals provide care to patients in your hospital. As with any endeavor, success may be determined by your state of mind. In other words, you can approach creating the strategy for ICD-10 in two ways:

**Comply:** Transition your organization to meet regulatory requirements. It may be enough to follow this approach.

**Optimize:** Take advantage of the benefits of ICD-10. Incorporate the added detail in ICD-10 data to improve quality, disease management, contracting, financials, etc.

Although 2013 may seem like a long way off, it's advantageous to start your ICD-10 conversion preparation. Take advantage of the time you have now. Here are a few additional steps that 3M suggests you take now to make the most of the conversion time:

- Improve physician documentation to realize the benefit of the increased specificity in ICD-10. If you do not feel you have complete documentation for coding/billing under ICD-9 today, you will have further difficulty under ICD-10.
- Capture concurrent coding information rather than taking a retrospective approach.
- Schedule training at the right time for the right audiences.
- Identify opportunities for process improvement and revenue generation.
- Begin IT planning and testing early by:
  - Working with vendors to convert systems
  - Converting “home-grown” systems
  - Making sure information flows from pre-admission to dropping the claim

## Measure Your Progress

This check list of critical success factors can help you evaluate your organization's ICD-10 readiness.

- We have comprehensive internal and external ICD-10 communication and project plans.
- We are providing education to key leaders and teams, staged according to fully integrated program plan development and execution.
- We have completed an enterprise-wide gap and impact analysis.
- We have developed detailed ICD-10 transition contracts with providers, payers, and vendors with clear identification of timing, integration and conversion/translation applications.
- We have a comprehensive modeling and integrated functional testing plan in place across the continuum of care.
- Our IT and other systems are fully integrated with ICD-10-ready vendor and payer systems.
- We have accurate and complete ICD-9 and ICD-10 codified data, regardless if native or translated/converted.

## Conclusion: A Common Interest

Everyone involved in healthcare—from hospitals and providers to vendors, payers, and patients—has a common interest in determining best practices for working through the ICD-10 conversion process across coding, revenue cycle, quality and reporting functions.

ICD-10 is coming, and the time to prepare is now. The healthcare industry still has the time and the tools to make productive use of the years prior to October 1, 2013. Organizations whose leaders plan carefully and strategically will not only minimize the financial impact of the transition, but will be able to realize important benefits from the new coding system. With careful planning, hospitals and providers can come through this transition ready to manage challenges in the ICD-10 world.

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## Additional Resources and Tools

Here are some additional resources that may be useful for you in making the transition to ICD-10:

- 3M Health Information Systems ICD-10 Information  
<http://www.3mhis.com/icd10>
- CMS ICD-10 webpage  
<http://www.cms.hhs.gov/ICD10/>
- AHIMA ICD-10 webpage  
<http://www.ahima.org/icd10/>
- Development of the ICD-10-Procedure Coding System  
<http://www.cms.hhs.gov/ICD9ProviderDiagnosticCodes/Downloads/pcs2007.introduction.pdf>
- ICD-10-PCS Reference Manual  
<http://www.cms.hhs.gov/ICD9ProviderDiagnosticCodes/Downloads/pcs2007.refman.pdf>
- “The ICD-10 General Equivalence Mappings: Bridging the Translation Gap from ICD-9.” Journal of AHIMA 78, no.9 (October 2007): 84-86.  
[http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1\\_035523.hcsp?dDocName=bok1\\_035523](http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_035523.hcsp?dDocName=bok1_035523)
- National Center for Health Statistics – ICD-10-CM  
<http://www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm>
- ICD-10 and HIPAA Federal Register Notices  
[http://www.access.gpo.gov/su\\_docs/fedreg/a080822c.html](http://www.access.gpo.gov/su_docs/fedreg/a080822c.html)
- CMS HIPAA Website  
<http://www.cms.hhs.gov/hipaaGenInfo/>
- AHA Central Office ICD-10 Resource Center  
<http://www.ahacentraloffice.org/ICD-10>
- AHA Adoption of ICD-10-CM and ICD-10-PCS Regulatory Advisory  
[http://www.ahacentraloffice.com/ahacentraloffice/ICD-10/files/Reg-Adv\\_ICD-10\\_9.pdf](http://www.ahacentraloffice.com/ahacentraloffice/ICD-10/files/Reg-Adv_ICD-10_9.pdf)
- CMS Educational Resources  
[http://www.cms.hhs.gov/ICD10/05\\_Educational\\_Resources.asp#TopOfPage](http://www.cms.hhs.gov/ICD10/05_Educational_Resources.asp#TopOfPage)



## 3M Health Information Systems

Built on more than 25 years of experience delivering superior coding, grouping and abstracting products, 3M Health Information Systems delivers comprehensive software and consulting services to help organizations improve performance across the healthcare continuum. We offer integrated solutions for transcription, speech recognition, clinical documentation improvement, document management, computer-assisted coding, quality, and revenue cycle management, effectively meeting the healthcare industry's changing needs.

3M Health Information Systems is a division of the 3M Company and aligned with 3M Health Care, one of the company's six major businesses. 3M Health Care provides world-class innovative products and services to help healthcare professionals improve the practice, delivery and outcomes of patient care in medical, oral care, drug delivery, and health information markets.

For more information on how our solutions can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at **[www.3Mhis.com](http://www.3Mhis.com)**.



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