

## Care Providers

Revenue Cycle

# *Understanding the ICD-10 Transition*

## McKesson's customized, comprehensive services can help you execute a successful ICD-10 transition

Among the many changes facing healthcare, the expansion of the ICD diagnosis and procedure code set is perhaps the most daunting. The significance of the change is the magnitude of the increase of codes – from 20,000 codes under ICD-9 to 155,000 under ICD-10 – an almost eight-fold expansion. The reason for such great expansion is to uniquely identify previously unspecified conditions. The new code set will also better reflect current knowledge of disease processes, contemporary medical terminology, medical devices and medical practice.

Since ICD codes are used in many different parts of the healthcare system, the transition from ICD-9 to ICD-10 will be a major undertaking for all.

And while several compliance dates have come and gone over the years, the final compliance date is October 1, 2014. So, redirect your attention to your migration plan, refocus and stay on course:

- Maintain momentum by recalibrating ICD-10 work plans to include a more thorough assessment, revenue cycle optimization and productivity improvements
- Communicate with vendors and payers to coordinate and extend testing

### Key concerns

McKesson can help you prioritize the major concerns your organization will face as you transition:

- Changes in IT and processes across the healthcare enterprise
- Staff education needs — both for billing office staff and clinicians
- Change management for a successful transition
- The financial impact
- Competing projects and other industry and regulatory changes
- Impact on productivity
- Dual support requirements
- Limited resources
- Extended IT department due to a focus on ARRA



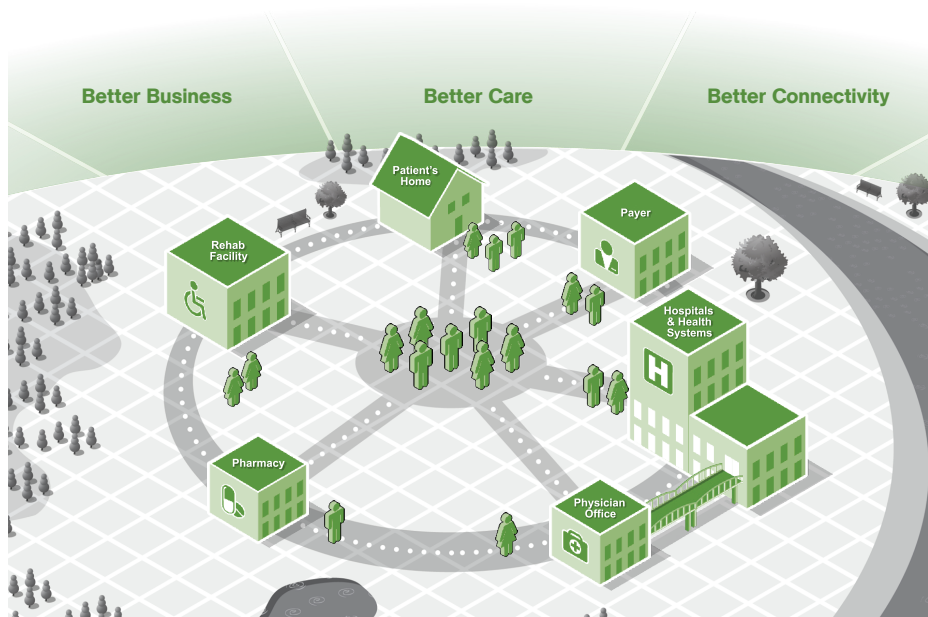
**BUSINESS  
CARE  
CONNECTIVITY**

- Strengthen clinical documentation by engaging and connecting with physicians and clinicians

The expansion of the ICD-10 codes will be disruptive in the short term, but positive over the longer term. The expansion will benefit your delivery of care by indicating more precisely the diagnosis and will better match the payment for care to the care delivered. In time, the expanded codes will promote greater efficiencies in care documentation and claims processing. The greater detail will provide you with improved business intelligence of care delivery and operations.

### The impact of ICD-10 on the industry

The transition to ICD-10 affects everyone related to the healthcare industry: providers (hospitals, practices and homecare), payers, medical billing and coding companies, clearinghouses, and IT vendors.



The ICD-10 transition is just one of several regulatory pressures that will transform our industry. But with the Better Health 2020™ strategy, McKesson empowers you to more strategically use IT solutions — for better business, care and connectivity throughout the healthcare ecosystem.

### Provider organizations

As a provider organization, you can expect that the change to ICD-10 is going to affect operations, compliance regulations and finances. The changes will require:

- Project planning
- Education for coders and physicians
- Resource management and assessment
- Support for dual coding requirements
- Aggressive management of the revenue cycle
- Information system management

### Payer organizations

The ICD-10 changes come at a time that you also need to be concerned about the extensive changes emanating from the Patient Protection and Affordable Care Act.

As a payer, mapping of code sets is merely your first step in the transition process from ICD-9 to ICD-10. Your long-term success is reliant upon having a robust and clinically sound medical policy to handle the expanded clinical detail inherent in ICD-10. The changes will drive updates to the information systems related to contracting, eligibility and benefit determination, reimbursement policy, notifications such as Explanation of Benefit/Evidence of Coverage (EOBs/EOCs), utilization reviews, fraud and abuse detection, claim adjudication and claim code edits, statistical analysis, and pricing and data abstracts.

The changes will require:

- Reviewing all systems that use an ICD-9 code
- Reviewing and addressing medical policy
- Having the ability to support both ICD-9 and ICD-10 codes for a transition period
- Evaluating the need for additional staff to handle customer service demands and increased denials during code set cut over

### Claims clearinghouses

Since the implementation of the ANSI X.12 Version 5010 standard, claims clearinghouses must update their systems to accept and transmit the new transactions with the ICD-10 codes. They must also update their edit criteria used for the pre-processing of claims.

## Health IT vendors

Vendors must design, develop and test system changes, and they will need to establish a plan to roll out those changes to their customers. These changes may require you to upgrade your software to the latest version. You will need to modify and test third-party interfaces that communicate code data.

Moreover, you may feel it is necessary to provide dual support for ICD-9 and ICD-10 code sets for a period of time. If you provide temporary and outsourced coding services, you must employ coders who have received training on the new code sets. In addition, with the greater clinical specificity of the new code sets, your coders will need deeper clinical and anatomical knowledge to select the appropriate codes. They will also need to address clinician documentation requirements for those practices and hospitals that they support.

## A three-phase solution customized to your needs

At McKesson, we understand that each organization is a little different. We have 30 years experience helping healthcare organizations through system and regulatory transitions. We can help you assess, plan and execute.

Our comprehensive offering for hospitals and health systems spans the three phases of your ICD-10 transition:

1. Readiness assessment — Assess readiness of technology systems, processes and operations
  - Applications/Systems compliance
  - Documentation and coding review and analysis
  - Interface/Integration
  - Operational process and workflow analysis
  - Financial implications
  - Training implications
2. Roadmap development — Develop and document a custom comprehensive roadmap that balances enterprise roadmap and strategy, industry changes, and regulatory requirements
  - Scope, size, effort and time line for:
    - Application/Systems uplifts
    - Interface/Integration modifications
    - Operational/Workflow optimization guidance
    - Training/Education recommendations
    - Implementation and efficiency tools
    - Communication approach
3. Implementation and risk mitigation — Implementation of systems, technology, workflows, process, risk mitigation tools and support
  - Systems implementation
  - Optimization of applications with third-party coordination
  - Process and workflow change/ Risk management
  - Extensive enterprisewide testing
  - Ongoing retraining and education

## Benefits

McKesson's ICD-10 Transition Services can help you:

- Leverage revenue cycle and clinical domain expertise resources with deep industry and system knowledge
- Optimize affected systems, applications, business processes and operations
- Align your project team, steering committee, and executives with the implement transition plan
- Reduce the burden of the transition on hospital staff

## Features

McKesson's ICD-10 Transition Services include:

- Claims and documentation analysis and review
- Dual coding workflow plan
- Project management including detailed project plan
- Custom training program

- Performance dashboards
- Implementation business systems and processes (new or modified)

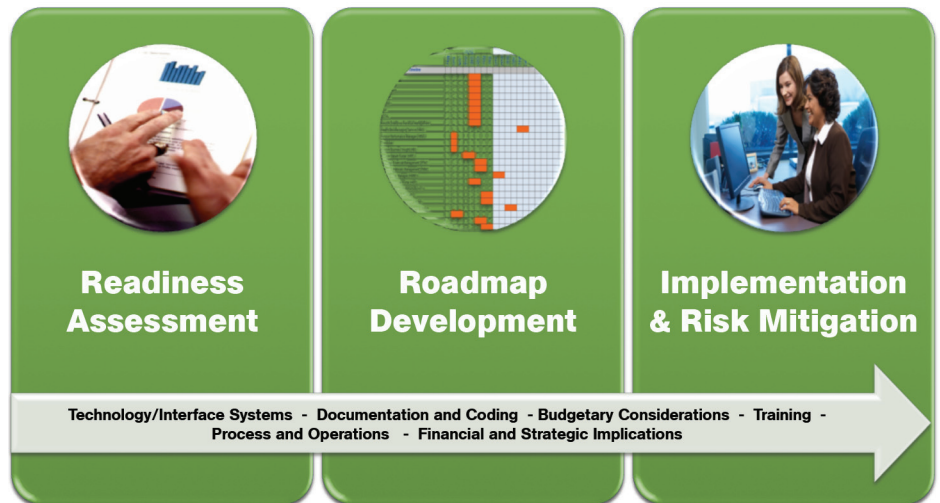
### Why McKesson

McKesson can help you succeed. With our assets – our people, products, solutions and healthcare experience (both clinical and technology) – we are positioned to provide the broad consulting partnership and expertise to get you through ICD-10 and beyond.

With McKesson, our only business is healthcare so you get a team that can jump into the project and accelerate your readiness. We not only understand the challenge but share the task of complying with this regulatory requirement that will ultimately help improve quality and outcomes of care delivery and better match the payment for care.

We add value and measure success by helping you:

1. Enable your organization with education and accountability
2. Leverage interdisciplinary steering committee presence and empowerment
3. Develop an enterprisewide ICD-10 strategy and plan



McKesson's ICD-10 Transition Service is comprehensive, accounting for all affected areas of your business.

4. Determine enterprise optimization opportunities and process gaps
5. Execute interdisciplinary project management
6. Drive McKesson and third-party vendor accountability
7. Document and communicate payer implementation plan
8. Adequately assess and document detailed training plan
9. Manage change and provide ongoing risk assessment
10. Execute a successful implementation

We want to help you make the migration to ICD-10 as smooth as possible so that your organization can run “business as usual” following the October 2014 transition deadline.

### Contact us

To successfully complete the move to ICD-10 on time, while simultaneously enhancing revenue cycle performance, contact your McKesson account representative or email [ICD-10Prep@mckesson.com](mailto:ICD-10Prep@mckesson.com).

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