ICD-10 Internal Testing

A Health Plan Case Study from the Trenches

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ICD-10 migration is one of the largest healthcare undertakings in decades with **significant business impacts**. Testing your readiness for ICD-10 is a critical step to **mitigate risk** inherent in a large scale enterprise program. Based on the **real-world experience** of a large healthcare payer, you’ll learn the trials and tribulations of internal testing, and walk away with a **framework for a testing strategy**.
Pilot Objectives & Success Criteria

- Implement and execute end-to-end pilot to assess ICD-10 testing and infrastructure readiness leveraging Edifice's testing solutions.

- Take 30 high-risk business claim scenarios in both ICD-9 and ICD-10 and process end-to-end to compare financial, benefit, clinical and revenue neutrality results.
Findings
Training on Testing Tools and ICD-10

- Extensive training on ICD-10 was required to provide the foundation and background necessary to leverage testing tools and understand how to create and execute test scenarios

- **Key Take-Away:** Early training on ICD-10 is required for internal technical and business resources
Limited Technical and Business Resources

- Very few resources had understanding of the ICD-10 remediation strategy for their processing systems
- Few project resources had experience/exposure to process claims end-to-end
- Limited technical skill sets to create, execute, monitor and report issues on claim scenarios
- Limited business skill sets to define high-risk scenarios for execution and validate results

Key Take-Away: Plan in advance for appropriate skill sets and start coordination and collaboration meetings as early as possible
Gaps in Approach and Remediation

- When leveraging their custom crosswalks and historic data, we found that nearly 20% of historic claims, when run against their ICD-9 to ICD-10 maps, led to ICD-10 claim scenario proliferation in the millions per claim
  - One claim in ICD-9, when all unique mapping options applied, led to more than one million ICD-10 claim scenarios for 20% of their institutional claims against their crosswalk mappings

➤ **Key Take-Away:** Data pruning are approaches required
Data Setup in Internal Systems

- Multiple data planning and setup issues arose in the coordination and setup of data in adjudication and peripheral systems
  - Identification of data dependencies (provider, benefits, membership, etc.)
  - Coordination of data across up/downstream systems
  - Data refresh strategies

➢ Key Take-Away: Data management plan is required to scale test efforts end-to-end
Re-Baseline Test Scenarios

• Review of test scenarios resulted in finding major gaps in scenarios being aligned to execution objectives
  o Test scenarios planned were incomplete, inaccurate and missing critical components and conditions necessary to get meaningful results in ICD-9 and ICD-10

• Test scenarios needed to be re-written to align with high-priority business objectives needing to be tested

➢ Key Take-Away: Deep-dive review and sign-off of test scenarios are critical to ensure technical and business objectives will be met
Unknown Downstream Dependencies

• End-to-end process flow was highly complex and involved more than 20 processes with multiple inputs/outputs between systems
• Despite a detailed process flow, up and downstream gaps were uncovered during execution where outputs were not generated, causing delays
  o Escalation required to manually process, monitor and report issues

➢ Key Take-Away: Early pilot end-to-end process flow testing is necessary to discover unknown up and downstream processes and identify additional project resources required for successful execution
70% of Test Scenarios Not Tested

- Schedule slip due to underestimating effort and not having control over processes and resources necessary to execute
- Iterative process and complexity of testing both ICD-9 and ICD-10 claims end-to-end for the first time was not accounted for
- Determine areas of business at most risk in migration to ICD-10
  - Risk-based test strategies and prioritization of test scenarios will be critical

**Key Take-Away:** Plan early and be realistic on timelines needed for testing based on your organizational dynamics and readiness for ICD-10
Key Take-Aways

• Early training on ICD-10 is required
• Plan in advance the required skills needed, and start meeting as early as possible
• Data pruning approaches are required
• Data management plan is required to scale test efforts
• Deep-dive review and sign-off of test scenarios are critical
• Early pilot end-to-end process flow testing is necessary
• Plan early and be realistic on timelines needed for testing
Looking One Step Ahead

• Healthcare organizations need to consider how to shield legacy systems from the impact of ICD-10
  o **Payment Neutrality:** If forced to convert transactions between code sets, is it possible to validate pricing and compare outcomes in ICD-9 vs. ICD-10?
  o **Benefit Impacts:** How will member accumulators and YTD progress be handled if claim history is read to calculate progress across code sets?
  o **Clinical Impacts:** Will policies still be upheld and cost controls maintained or impacted if clinical intent is changed when converting claims?
  o **Revenue Impacts:** Specifically around CMS-HCC Risk Adjustment model
Looking One Step Ahead

• Healthcare organizations have not begun testing externally and most will not be ready until the end of the year or 2014
  o Providers are focused on training and many are relying on vendors and payers to get them through ICD-10

• Start training business units and testing organizations early on ICD-10 and the remediation strategy
  o Additional time will be needed to prepare environments and infrastructure required to support the test effort

• Determine the areas of your business at most risk in migration to ICD-10
  o Include business units and testing organization in risk analysis so risk based testing strategies can be put into place
Looking One Step Ahead

- Plan early for Trading Partner Testing – operational and financial risks are significant and unpredictable
  - Identify key providers that represent highest risk in migration to ICD-10
  - Early testing pilots with trading partners have revealed a greater than expected variance in claim scenarios independently coded in ICD-10

- Healthcare organizations need to be ready to support trading partners and providers that don’t migrate to ICD-10 in order to provide business continuity (will result in the need for dual processing or transaction conversion strategy)

- Healthcare organizations may want to look at approaches for converting historical data or inbound ICD-10 data for effective post-claim analytics and actuary projections/trending