

National HIPAA Audioconference Sept. 3, 2008



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Proposed Rules Regarding TCS and ICD-10

Health Plan Perspective

Jim Daley, HIPAA Program Director
BlueCross BlueShield of South Carolina

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Overall Implications



- ◆ Transaction Upgrade is Major Effort
- ◆ Code Set Upgrade Even Bigger
- ◆ General Implementation Concerns
- ◆ Transition Concerns
- ◆ Data Correlation Concerns
- ◆ IT and Business Impacted
- ◆ Customer and Provider Implications
- ◆ Workers' Compensation

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Cost Estimates Historically Low

◆ HIPAA TCS v4010 experience

- HHS Impact Analysis: \$/Large Payer approximately \$1 m
- HIPAA TCS Actual (survey of small to mid-sized plans): \$21 m avg (ranging from \$6 m to \$34 m)

◆ NPI cautionary experience

- A 4 m member Plan reports >\$20 m
- Compare NPI complexity to ICD-10

◆ Benefits from 5010 mostly dependent on increased use of auxiliary transactions

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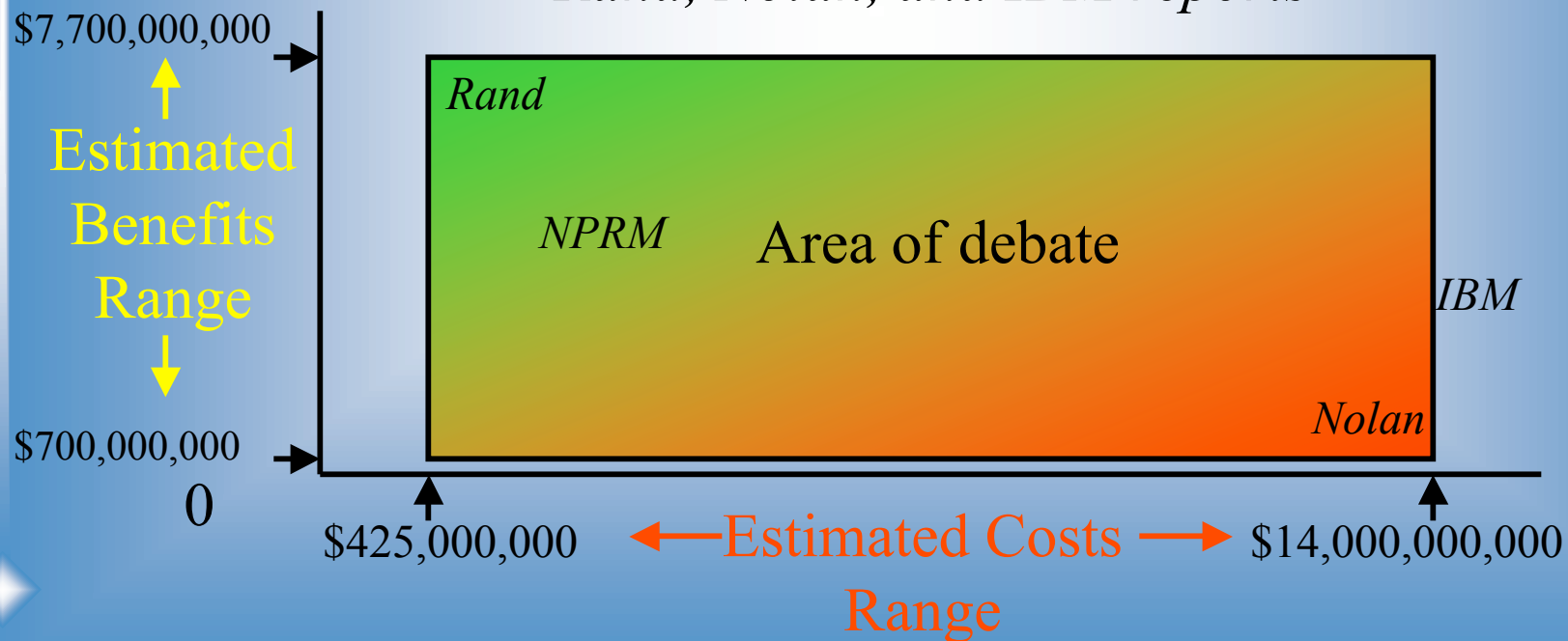


Cost vs. Benefit of ICD-10-CM and ICD-10-PCS

Wide variability of cost range and benefit range.

Projected benefits would be long term and reliant on increased use of specificity.

Rand, Nolan, and IBM reports



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Breadth of Impacts

- ◆ Providers
- ◆ Employers
- ◆ Members
- ◆ Agents
- ◆ Trading Partners
- ◆ Business Associates
- ◆ Vendors

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Applications Impacts



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- ◆ Automated letters
- ◆ Authorizations
- ◆ Actuarial
- ◆ Underwriting
- ◆ Proposals
- ◆ Business Intelligence
- ◆ Groupers, bundling, medical necessity
- ◆ Claims History DBs
- ◆ Claims Entry
- ◆ Claims Adjudication
- ◆ Pricing
- ◆ Utilization Review
- ◆ Crosswalk Implementation
- ◆ Customized Desktops
- ◆ DRG Pricing
- ◆ Duplicate Checking
- ◆ EDI Gateway
- ◆ EOB reformats
- ◆ Edits
- ◆ Web
- ◆ VRU
- ◆ OCR
- ◆ Provider DBs
- ◆ Remittance
- ◆ Reporting
- ◆ Settlement
- ◆ Membership
- ◆ Care Management
- ◆ Training
- ◆ Transitions, with mixture of old and new codes

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Applications Changes



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◆ Changes to

- Field size / format
- Logic (edits, adjudication rules, etc)
- Screen Maps
- Tables / Files
- Databases
- Reports / Queries
- COTS applications (translators, groupers)

◆ Extensive Testing, Testing, and Testing

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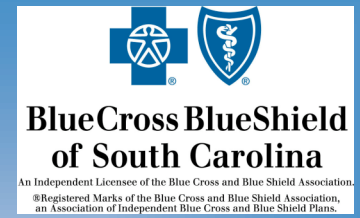


Business Impacts

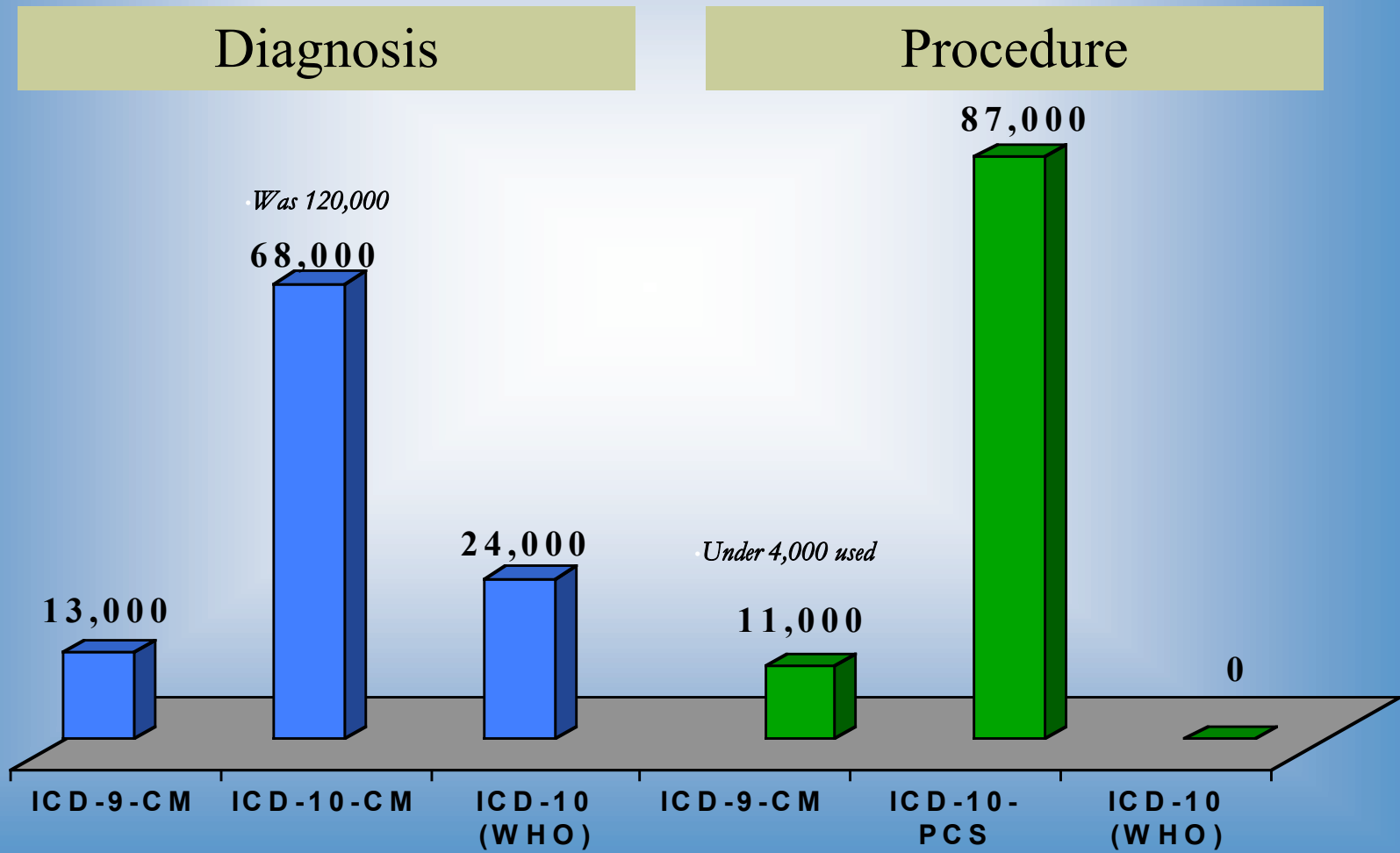
- ◆ Updates to data in Benefit Files, Provider Repository, Medical Management Repository, and Claims Repository
- ◆ Product Development
- ◆ Provider Contracting
- ◆ Provider Relations
- ◆ Communications
- ◆ Customer Service
- ◆ Medical Management
- ◆ Utilization Review
- ◆ P4P
- ◆ Actuarial
- ◆ Underwriting
- ◆ Finance
- ◆ Reporting
- ◆ Enrollment
- ◆ Claims Processing
- ◆ Group Contracts
- ◆ Individual Contracts
- ◆ Internal Audit/Fraud & Abuse
- ◆ Training
- ◆ Vendor Oversight/Contracting
- ◆ Budgeting and Planning Cycle
- ◆ Government Programs
- ◆ Legal
- ◆ Government Relations
- ◆ Compliance

◆ Testing

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Code Set Counts



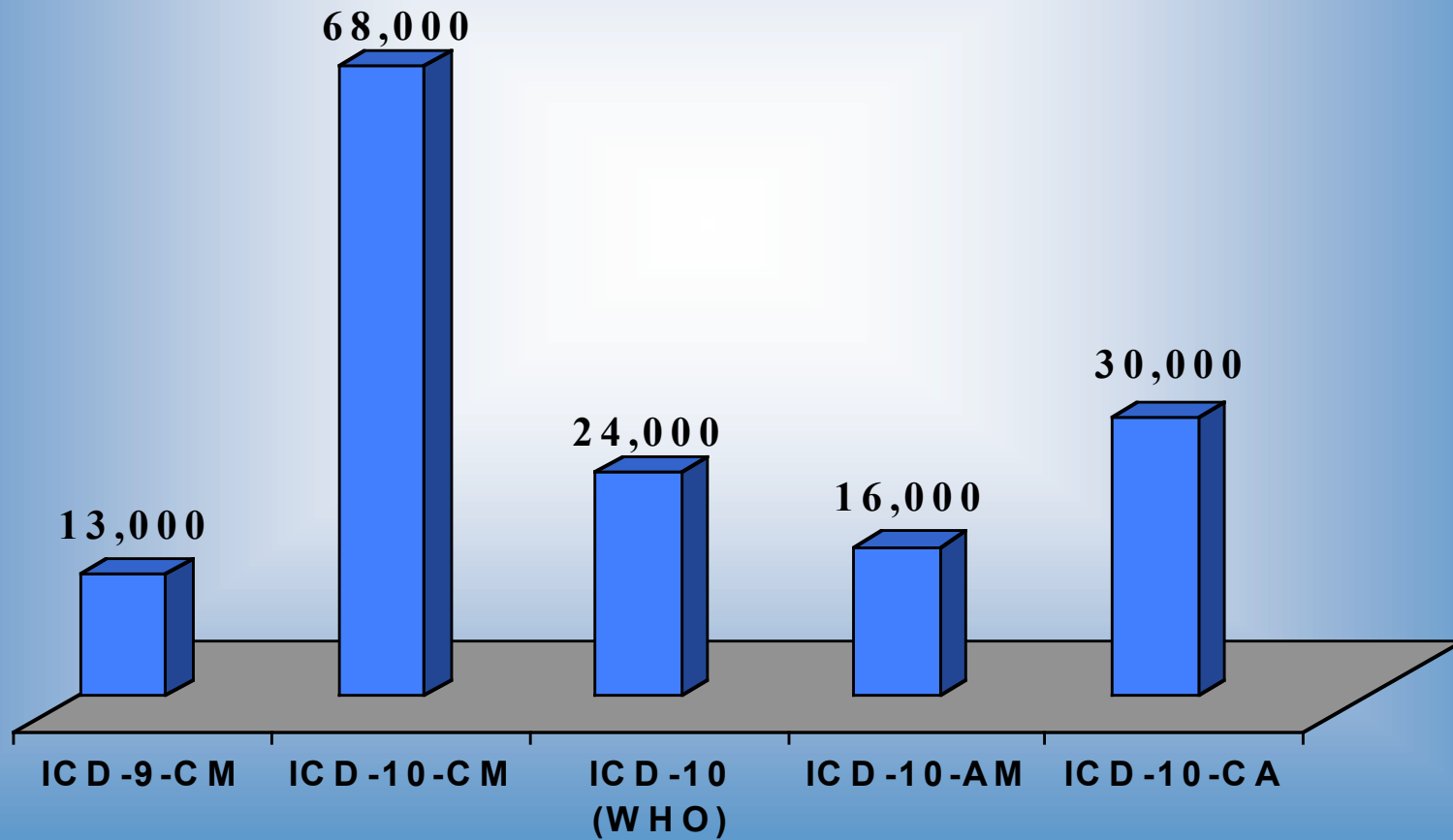
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Code Set Counts - Diagnosis



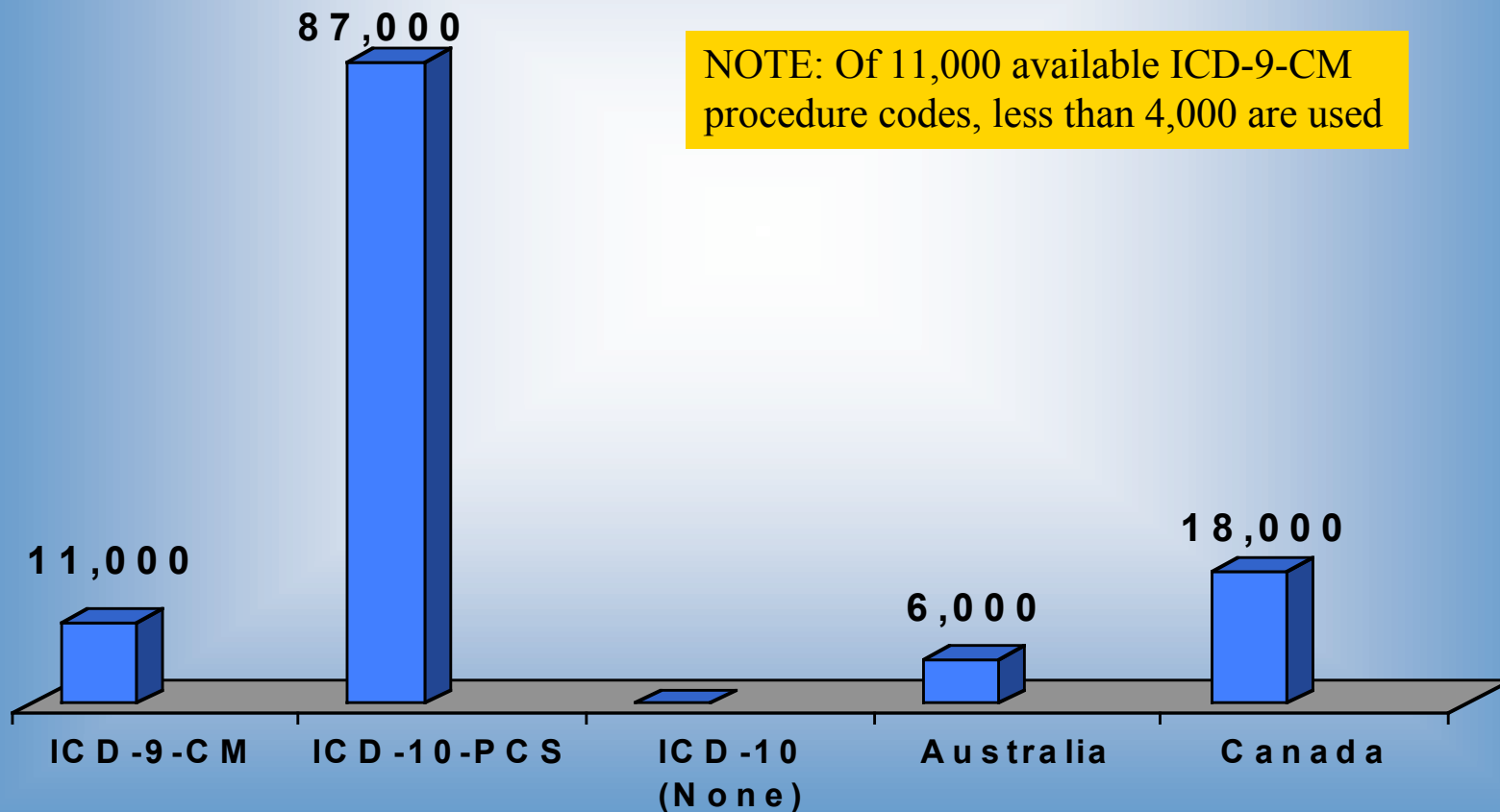
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Code Set Counts - Procedure



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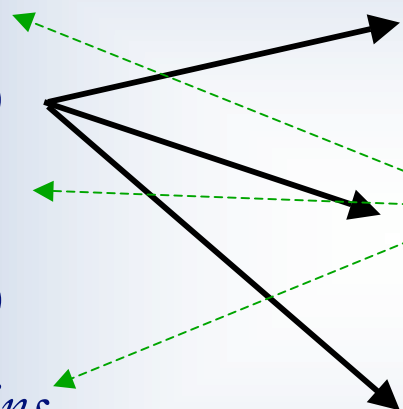


ICD-9-CM: By *type*

- ◆ *Fractures*
800-829
- ◆ *Dislocations*
830-839
- ◆ *Sprains/ Strains*
840-848

ICD-10-CM: By *location*

- ◆ Injuries to *head*
S00-S09
- ◆ Injuries to *neck*
S10-S19
- ◆ Injuries to *thorax*
S20-S29



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Diagnosis Codes For Sports Injury Caused By Striking Against Or Being Struck



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24 ICD-10-CM Detail Codes +8 Higher Level

1 ICD-9 Code

**Striking against
or struck
accidentally in
sports without
subsequent fall
(E917.0)**

**Includes kicked
or stepped on
during game
(football)
(rugby), struck
by hit or thrown
ball, struck by
hockey stick or
puck**

W21.00 Struck by hit or thrown ball, unspecified type	W21.11 Struck by baseball bat
W21.01 Struck by football	W21.12 Struck by tennis racquet
W21.02 Struck by soccer ball	W21.13 Struck by golf club
W21.03 Struck by baseball	W21.19 Struck by other bat, racquet or club
W21.04 Struck by golf ball	W21.210 Struck by ice hockey stick
W21.05 Struck by basketball	W21.211 Struck by field hockey stick
W21.06 Struck by volleyball	W21.220 Struck by ice hockey puck
W21.07 Struck by softball	W21.221 Struck by field hockey puck
W21.09 Struck by other hit or thrown ball	W21.81 Striking against or struck by football helmet
W21.31 Struck by shoe cleats Stepped on by shoe cleats	W21.89 Striking against or struck by other sports equipment
W21.32 Struck by skate blades Skated over by skate blades	W21.9 Striking against or struck by unspecified sports equipment
W21.39 Struck by other sports foot wear	
W21.4 Striking against diving board	

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Sticky Points During Transition



- ◆ Dual Standards (Triple processing?)
- ◆ Archived Data, Medical Records
- ◆ Distorted / Lost Statistics
- ◆ Rating / Fees
- ◆ Hard Copy
- ◆ NCQA, HEDIS, Employer Reporting
- ◆ Cross Year Functions and Episodes of Care
- ◆ Business Associates / Vendor Products
- ◆ Trading partner testing and migration
- ◆ Etc.

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Crosswalks Are Essential

- ◆ Crosswalk tables between ICD-9-CM and ICD-10-CM/PCS are available
- ◆ Backward and forward not complete
- ◆ Decisions would require manual intervention
- ◆ Agreement to add code for payment purposes.
- ◆ Map to SNOMED-CT will be needed

Crosswalks are essential to avoid manual processing, assure consistency and prevent:

- **Loss of historical data**
- **Inability to run incentive programs**
- **Improper payments, fraud and abuse**

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Steps to Ease Implementation



- ◆ Learn all you can
- ◆ Dust off old HIPAA project plans
- ◆ Develop migration strategy for 5010 and ICD-10 (including critical business decisions and “what if’s”)
- ◆ Prepare realistic estimate (don’t be overly optimistic)
- ◆ Inventory all potential impacts
- ◆ Identify a series of interim steps each with a timeline leading up to the overall target date.
- ◆ Budget for cost and effort and staff accordingly
- ◆ Conduct internal awareness initiatives
- ◆ Conduct extensive outreach to providers, employer groups, members
- ◆ **START IMMEDIATELY**

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Industry Variables



- ◆ CMS ICD-10 impact assessment
- ◆ NPRM comments
- ◆ Elections potentially impacting timeline
- ◆ Final regulation issue date
- ◆ Crosswalk development
- ◆ Claim Attachments

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Summary

- ◆ Very Big Change
- ◆ High Impact / Risk
- ◆ High Costs
- ◆ Implications not fully defined
- ◆ Approach with caution and knowledge
- ◆ 2010/2011 is too soon

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