



IBM's position regarding the delay in ICD-10 implementation

*Staying the course on remediation and
reconsidering strategic positioning*

The department of Health and Human Services has issued a ruling, CMS-0040-F, which outlines several regulations and clarifications related to HIPAA and PPACA. Embedded in this ruling is a new compliance date for ICD-10 of 10/1/2014, along with a new requirement that all health plans adopt a standard, unique identifier (or HPID). The ruling takes effect 11/5/2012, which means that most health plans must obtain the new HPID by 11/5/2014.

Initial reaction to the postponement may be to stop working on ICD-10 implementation – such a response may miss the intent of the ruling. This delay is intended to provide additional time for readiness, mainly for the provider community who lobbied heavily for the delay. IBM is committed to supporting the ICD-10 programs of our clients and will continue to provide solutions and resources needed to scale ICD-10 initiatives and prevent re-work, re-starts and re-engagements. However, the new remediation timeline, for most impacted parties, provides just enough time to take the necessary steps for compliance and therefore progress should continue as planned. If your planning horizon allows, carve out time for additional end-to-end testing and partner (provider and vendor) testing to ensure smooth transition and no interruption to the claims-revenue cycle. It is true that some of your vendors may use the new deadline as an absolute delay, work these relationships into your plans and use the additional time to double back and test when they are ready.





Strategic Compliance

Typified by:

- Corporate culture balances IT led and business led spend.
- Budget is apportioned correctly for major and minor process improvement initiatives (such as innovative product design to capitalize on emerging trends such as ICD-10 or EMR)
- Was on target to make October 2014 date; leader in marketplace already assisting providers in their compliance awareness.
- We want to make sure that we are able to accept ICD-10 codes, but we want to gain market advantage by capitalizing on the emerging market trends."

Opportunistic Compliance

Typified by:

- Corporate culture balances IT led and business led spend.
- Budget is limited, but there is an open process for major improvements identified in business process analysis and minor improvements can be included in compliance budget.
- Was most likely on target to make October 2014 date; may be engaging provides in awareness campaigns.
- "We want to make sure that we are able to accept ICD-10 codes, but let's look for opportunities to improve our processes along the way."

Basic Compliance

Typified by:

- Corporate culture leans heavily toward IT led investment or compliance initiatives.
- Severely limited budget for opportunistic compliance efforts.
- May have been ready for October 2013, but compliance was mainly an IT initiative.
- May choose to insulate core systems rather than remediate them.
- "Just make sure we can accept ICD-10 codes on October 1, 2014"

If you planned to be remediated on time or ahead of schedule under the current timeframe, take this time to reflect on the strategic positioning of ICD-10 for your organization. The industry has reached an inflection point in adopting patient-centered coordinated care as the base delivery model which enhances the ICD-10 code set to optimize collective care per the patient's condition. As an industry partner and leader in your geographies, you are best positioned to drive your industry space through this transformation. Without new policies, products and reimbursement models afforded by ICD-10, collaboration with your network providers will not fully optimize outcomes of the new market demands. Use this time to expand your provider testing, establish new products and policies, ensure that your claims and reimbursement cycles are not negatively impacted by this transition. The cost saved by suspending your program will most likely be spent (or overspent) by resuming the program later due to lost knowledge from SMEs that have been reallocated, reengaging your vendors, IT support partners, the cost of project re-launch and ultimately lost time in engaging your providers in their overall preparedness.

Therefore, evaluate where you want to be in your marketplace.



© Copyright IBM Corporation 2012

IBM Global Services
Route 100
Somers, NY 10589
U.S.A.

October 2012
All Rights Reserved

IBM, the IBM logo, ibm.com and Cognos are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol (® or ™), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at: ibm.com/legal/copytrade.shtml.

Other product, company or service names may be trademarks or service marks of others.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.



Please Recycle

GBS03130-USEN-01