Insight Driven Health

ICD-10 delay offers opportunities to review readiness and better prepare EMR and other healthcare IT systems.

Organizations have four potential courses of action in response to continued ICD-10 hold-ups.

There’s a new deadline for complying with the ICD-10 healthcare coding system: while the implementation deadline was originally October 1, 2014, it has been delayed now by the Centers for Medicare & Medicaid Services (CMS) until at least October 1, 2015.

For some organizations, the delay may be welcome. Moving from ICD-9, the current system, to ICD-10, requires them to replace some 14,000 codes with around 68,000 new ones. Although the shift has been in the pipeline for many years, some providers and payers are closer to preparedness than others.

Whatever their state of readiness, however, all healthcare organizations now need to consider how to respond to the new deadline.

The shift isn’t only a question of coding work — organizations’ workflows and processes must also be re-engineered. A database using the language of ICD-10, say, will not work properly with models that still speak ICD-9.

Moreover, many organizations working on ICD-10 have been simultaneously implementing electronic medical record systems that take account of the new codes. While ICD-10 wasn’t developed for payment systems, these EMRs lead to reimbursement and revenue cycle systems. The two go together — unless both function effectively, providers risk not getting paid.

Figure 1. Moving from ICD-9 to ICD-10 requires the replacement of some 14,000 codes with around 68,000 new ones.
Those organizations ready for ICD-10 may see this delay as an inconvenience. Providers still completing remediation and testing may intend to stick with their original timelines, but will now know there is room for slippage. Any that are significantly behind will definitely see the delay as giving them as an extra year to prepare. There are also organizations that predict additional delays – a new compliance date has yet to be announced – or even the potential that CMS may now leapfrog straight to ICD-11.

All organizations will at least want to treat the delay as a trigger for a review of their current readiness – the results of such reviews will in large part determine their response.

The delay does give extra time for remediation and testing, including external testing, as well as giving providers longer to comply with the meaningful use directive (and package vendors to obtain meaningful use certification). It also does not introduce additional risks, unless CMS opts to go straight to ICD-11.

On the other hand, the delay will increase the cost of the ICD-10 program and may cause difficulties with resource allocation, particularly since this is the second postponement in two years. Those organizations that have completed date-sensitive remediation may now face additional work. There will be a need for additional general equivalence mapping (GEM) between the two standards, and organizations will need to consider issues such as integrated electronic medical records work.

So where does that leave health organizations? The onus is on individual providers and payers to determine a tailored plan that meets their business needs and timeline. But that plan is likely to fall within one of four possible contingency options (See Figure 2.):

- **Stay the course**
  This is likely to be the preferred option of providers and payers that have completed remediation and are now in testing, and will allow that work to be finalized. Potential disadvantages include the possibility that the readiness of providers and payers is out of step. It’s also possible that organizations will require additional funding to support the extension, or that staffing levels may have to be reduced in the hiatus period preceding the compliance date.

- **Slow down**
  By stretching the work still to be done over the course of the extension, there may be less need to increase budgets and resources. However, retaining staff over the extended timeline may prove difficult.

- **Be pragmatic**
  Some organizations may choose to stick to their original timelines where possible, accomplishing what is feasible and realistic this year while reserving a small budget to complete deferred work next year. This will enable them to focus resources on areas according to current readiness levels.

- **Stop**
  One option is to stop work completely for now, maintaining the budget until CMS sets a compliance date. This presents organizations not ready for ICD-10 with potential problems such as having to relocate skilled resources once work begins again – inevitably, the whole program will take time to ramp up. But this may be a favored option for organizations that have already completed remediation and external testing.