Report on ICD-10 Preparedness #14-118

We have completed 14-118, ICD-10 Preparedness. This engagement was performed at the request of the UTHealth Audit Committee and was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

BACKGROUND

International Classification of Disease, 10th Edition (ICD-10), Clinical Modification/Procedure Coding System (CM/PCS) is a mandate from the U.S Department of Health and Human Services (DHHS) that is a replacement for ICD-9 CM, which is currently used by medical coders and billers. ICD-10 consists of two parts: CM, which is for diagnosis coding, will use 3-7 digits as opposed to 3-5 digits currently, and PCS, which is for inpatient procedural coding, will use 7 alphanumeric digits as opposed to 3-4 numeric digits currently. Originally, the transition was mandated to occur on October 1, 2013. The implementation date was extended by 12 months to October 1, 2014. On April 1, 2014 the Protecting Access to Medicare Act of 2014 was enacted, which stated the Secretary may not adopt ICD-10 prior to October 1, 2015. DHHS issued a rule on July 31, 2014 finalizing the requirement to use ICD-10 beginning October 1, 2015.

OBJECTIVES

The objective of this audit was to evaluate the institution's preparedness for the implementation of ICD-10 for the projected date of October 2013. Since the implementation date was extended to October 1, 2014, and beyond, the objective was revised to meet the new implementation dates.

SCOPE AND METHODOLOGY

Auditing and Advisory Services (A&AS) reviewed the activities and plans that have been developed by the Medical School (MS) Healthcare Billing Compliance group from the onset of the implementation project (2011) to-date.

AUDIT RESULTS

Implementation Plan

A&AS performed a comparison of the UTHealth Implementation plan and the American Association of Professional Coders (AAPC) Implementation tracking tool to determine if the internal plan would provide an adequate transition to ICD-10. The AAPC plan is divided into
four phases. Phase I, Implementation Plan Development, which includes the establishment of a steering team, development of an implementation plan, establishment of both a budget and timeline. Phase II, Implementation Preparation primarily addresses training and education. Phase III, Go Live Preparation involves system upgrades and testing to ensure ICD-10 readiness, and evaluation of the effectiveness of training to ensure coder and provider proficiency. Phase IV, Post-implementation Follow-up largely involves monitoring of coder accuracy and the impact of ICD-10 on reimbursements and claim denials, and providing support and training as necessary.

We found the framework of the UTHealth plan was generally in line with AAPC. Currently, UTHealth has completed phase I and has made significant progress on both phases II and III. Since a confirmed implementation date has not been released by DHHS, a final timeline cannot realistically be established.

Training

Through UT System shared services, UTHealth purchased the 3M coder education software. This software has both coder and provider training consisting of 11 modules for each. The training modules for coders goes through the specifics of how to code from provider’s notes and the provider training provides instructions on how to write notes that contain the required language to support the ICD-10 code and to help facilitate coding. Starting in January 2014, coders were expected to go through two modules a month with completion of all modules by June 2014. With the most recent delay, this schedule has been modified and coders are now expected to complete two modules every two months with completion of all modules by December 2014. To supplement the 3M product, Billing Compliance offers training events to coincide with the scheduled completion of two modules every other month. The 3M tool has the capability of tracking coder training progress. Coder participation in using the coder education software has been approximately 25%. Once the implementation date is confirmed, coder participation in using the education software will need to be improved.

The expectation is that once a coder completes all of the training, they will be ready to pass the certification exam. For coders who are already certified, they are required by the certifying bodies to pass an ICD-10 specific test within one year after ICD-10 is implemented to retain their certification. There is no UTHealth requirement that coders become certified, but incentives exist through higher pay.

Although the 3M tool has the capability of tracking coder training progress, the tool does not have this capability for provider training. Tracking of provider training will be done using the add-on software Digital Chalk. The target was to have provider training completed by August 2014. With the ICD-10 implementation date extension, providers training timelines will be revisited in January 2015. The goal is now to have provider training completed just prior to the ICD-10 required implementation date. Prior to the extension of the due date, approximately 25% of providers were using the 3M coder education software.

The 3M coder education software will be available to coders and providers for at least one year after implementation of ICD-10 is required.
Testing

There are currently 18 different systems used by UTHhealth that will need to be updated and tested. 11 of these systems have been updated to the ICD-10 compliant version of the software. Five are scheduled to be updated through August 2014. The remaining two are specialized systems used by two groups and are being updated by clinic staff.

Both the EHR, Allscripts and our primary billing system, GE Centricity Business were updated in May 2014 and are now ICD-10 compliant. Both companies have developed test scripts within the systems. This will allow coders and physicians to create patient cases and code patient visits. The documentation and codes can be checked for accuracy using IDC-10 guidelines. At some point, the capability to submit test charges to the intermediary and payer to receive confirmation back that the charge has been received will be made available. This should include private and governmental payers. Timing will be largely dependent upon when the new go live date is set.

System readiness has benefited greatly from the delay in implementing ICD-10. Many vendors have struggled with getting their software “meaningful use” compliant, which is required through the HITECH act and also meeting the ICD-10 implementation deadlines. Allscripts and GE Centricity Business were upgraded in May 2014, as soon as the vendor had the ICD-10 compliant upgrade available. The timing of the upgrade would have made it difficult to adequately test the system prior to the required implementation date of October 1, 2014.

Other Challenges

The following were not directly related to planning, training, or implementation; however, they are directly related to a successful ICD-10 transition by minimizing the effect on the revenue cycle:

- With the expansion in the number of codes, the use of paper tickets should be reviewed to identify whether there are electronic tools available that would better meet the needs of the clinics.

- Practice acquisitions should include consideration of ICD-10 readiness. Computer systems in these practices should be assessed for ICD-10 compliance and resources allocated to eliminate any compliance gaps. ICD-10 proficiency of the Staff at these clinics, both physicians and office staff, should be measured and additional training should be provided as required.

- A disaster recovery/business continuity plan should be developed to prepare for the possibility that the ICD-10 transition fails. The plan should also include provisions to deal with the negative impact of ICD-10 on data flow, including both bottlenecks and complete failure.

- With the implementation of ICD-10 having been extended twice already, there is a risk that the process loses credibility and individuals who have needed to stop and start multiple times will become complacent, or will require retraining because of the lag between receiving training and the implementation date. There is also the possibility that the implementation date will be extended again.
CONCLUSION

The Medical School Healthcare Billing Compliance team, Revenue Cycle Management, Clinical Technology and many others have developed an implementation plan and established the primary components of that plan. However, there are additional challenges that must be considered, including the development of a disaster recovery/ business continuity plan, whether to continue using paper charge tickets, consideration of practice acquisitions and how to prepare for the uncertainties of when ICD-10 use will truly be required.

We would like to thank the various departments and the individual managers throughout the institution who assisted us during our review.

Daniel G. Sherman, MBA, CPA CIA
Assistant Vice President

DGS:

cc: Audit Committee
    Dr. Richard Andrassy
    Andrew Casas
    William Lemaistre

Audit Manager: Dan Sherman, MBA, CPA, CIA, Assistant Vice President
Auditor Assigned: Stephan Lillie, Auditor

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