Further Along the ICD-10 Implementation Highway

Annie Boynton
About UnitedHealth Group

OUR HEALTH BENEFITS BUSINESS: UNITEDHEALTHCARE

Helping People Live Healthier Lives

UnitedHealthcare Community & State
UnitedHealthcare Employer & Individual
UnitedHealthcare Medicare & Retirement

“Health in Numbers”
• Serving 35 million Americans at every stage of life
• Innovation-driven growth
• Exceptionally well positioned to evolve and grow through health care reform

FOUNDATIONAL COMPETENCIES
• Domain knowledge around care management and care resources
• Actionable health care information and intelligence
• Advanced, enabling technology

OUR HEALTH SERVICES BUSINESS: OPTUM

Making the Health Care System Work Better for Everyone

OptumInsight
OptumHealth
OptumRx

“Good for the System”
A dedicated and independent business providing services to:
6,000 hospital facilities, 250,000 health care professionals, 60 million consumers

• Health care information technology
• Consumer engagement and support
• Integrated care delivery
• Pharmacy
• Health financial services
ICD-10 Business Continuity Risk Update

Risk Mitigation Actions

- Provider Outreach Campaign
  - Provider Engagement: readiness surveys, partnerships in test planning & data creation
  - Regional Collaboratives: education & awareness, accessible/affordable test options

- Leverage Collaborative Workgroups to drive industry policy & expectations
  - NCVHS Hearings & Direct CMS engagement (ensure no “soft launch”, define industry readiness checkpoints)
  - Collaboration with WEDI, AHIP, AAPC, AHIMA & MGMA

Alternate Solution Considerations

- Crosswalking: forward maps lack sufficient 1:1 matches for an automated solution
- Exception Based Processing: impact to the business is greater, overall cost estimated to be higher
- Soft Launch: deemed to be the most workable solution as it leverages existing processes
- Note: recommended solution may adjust based on which provider group(s) has the most risk
ICD-10 Testing Requires Expanded Scope

Organizations may have experience, resources, environments and processes that support traditional testing:

- Focus on ensuring accuracy of known **internal** system or process changes

- WEDI and other industry organizations advocate that ICD-10 requires an expanded scope to include testing with your **external business partners and vendors**.

- The scope and purpose for **external testing** of ICD-10 codes is much broader than recent HIPAA 5010 or future Operating Rules business/trading partner testing.

<table>
<thead>
<tr>
<th>HIPAA 5010 &amp; Operating Rules</th>
<th>ICD-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing between payers and direct EDI submitters to validate compliance with required transaction formats</td>
<td>Testing with entities in the entire value stream to identify, understand and predict potential differences in claim outcomes when ICD-10 codes are used</td>
</tr>
<tr>
<td>Automated tools and certification standards available</td>
<td>No defined certification standards available to assess accuracy of results</td>
</tr>
</tbody>
</table>
ICD-10 - Testing with Business Partners

ICD-10 testing requires collaboration between payers and providers to:

- Identify and mitigate potential risk areas, including:
  - Incorrect, partial, or invalid ICD-10 coding
  - Potential claim processing variations between providers and payers due to selected ICD-10 codes applied to benefit plan or medical management policies
  - Readiness and predictability of multiple vendor systems and intermediary processing through claim pathways

- Understand and prepare for potential reimbursement variations (due to DRG shifts or other factors)

External “end-to-end” testing may not be feasible, cost effective, or available to many payers, providers, vendors, and claim intermediaries

There are other effective collaborative strategies to test for these risks
ICD-10 External “End-to-End” Testing Challenges

• Each provider-payer processing path is unique and may branch to multiple paths based on provider or payer systems, intermediary services, product lines, etc.
• Significant number of partners and process combinations
• Not feasible for most organizations to test with *all* business partners in the chain (providers, payers, vendor systems, intermediaries and clearinghouses).
VENDOR SURVEY - KNOWING WHAT QUESTIONS TO ASK

Engage Vendors and Trading Partners Early:

- Will you organization be ready for ICD-10 on the October 1, 2104 go live date?
- Who are the ICD-10 contact people and their contact information?
- Will there be any additional fees charged as a result of the ICD-10 upgrade?
- When will system upgrades for ICD-10 go into effect?
- Will there be any additional training needed as a result of the ICD-10 upgrade?
- Is there a charge associated with any additional training that is required?
- Besides system upgrades, what additional documentation and forms changes will you provide? (Matrices, Clickable templates, etc)
- Will system upgrades for ICD-10 require additional hardware to support the software modifications?
- What modifications to my EHR must be made in order to accommodate ICD-10?
- How will your products and services accommodate both ICD-9 and ICD-10 as we work with claims for services provided both before and after the transition deadline for code sets.
- Does our license with you include ICD-10 regulatory updates on a moving forward basis after the ICD-10 go live?
- What does testing mean to your organization and when will we be able to test ICD-10 claims/transactions?
More ICD-10 External “End-to-End” Testing Challenges

• Testing with external partners requires multiple companies to be “ready” and have resources committed to test **at the same time**.

• Payers and providers will be impacted by, but may have limited control over, **vendor readiness**, including their test schedules and ICD-10 remediation logic.

• Procedures may be needed to conduct manual hand-offs between partners:
  – Cannot use existing production connections
  – EACH combination of test partners may require unique procedures
  – Depending on testing scope/approach, substantial resource time and cost required to test with each partner

• Organizations may need to train staff to perform these new test processes – including research and resolution of processing constraints and claim result differences.
More ICD-10 External “End-to-End” Testing Challenges

• Unplanned (un-budgeted) system or test environment modifications may be needed to accommodate testing with external partners.

• Consider common data requirements:
  – Each **payer** may require test cases that use their existing data (benefit plans, members and provider contract provisions) in order to process claims through test systems.
  
  – Alternatively, **providers** may want to use existing/mock medical records as the source for ICD-10 test cases with one or more payers, which would require payers to find or create corresponding member data for claim system testing.
  
  – Test claims transferred manually may require de-identification of member information to avoid passing PHI data through non-secure channels.
# Recommendations

## Risks & Findings

<table>
<thead>
<tr>
<th>Early test findings shared by WEDI member organizations identified common coding issues that impact processing and payment:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Invalid ICD-10 codes (O versus zero, partial/subcategory codes vs. full ICD-10 code, missing primary Dx code, etc.)</td>
</tr>
<tr>
<td>• Inconsistent application of the ICD code indicator</td>
</tr>
</tbody>
</table>

## Test Approach

<table>
<thead>
<tr>
<th>Promote creation and use of standard ICD-10 coded medical scenarios:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Being developed by a few national and state organizations, vendors, payers, etc.</td>
</tr>
<tr>
<td>• Gives providers an opportunity to practice ICD-10 coding against a validated set of results</td>
</tr>
<tr>
<td>• May reduce provider duplication of effort to code claims for multiple payer test efforts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Not feasible to conduct thorough testing with all of your business partners.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Collaborative testing with a few strategically selected business partners provides a view of common production risks or issues that may be extensible to other partners.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Share test findings and other key ICD-10 remediation information with other business partners via portals and other communication methods.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Not all payers, providers and other claim service vendors will be able to conduct external end-to-end testing (due to partner availability, resources or other constraints).</th>
</tr>
</thead>
</table>

| Recommend a multiple-phase approach to cover different test objectives and ensure high quality, predictable results. |
## A Multi-Dimensional Provider-Payer Test Approach

- **UnitedHealth Group recommends a multi-dimensional test approach based on collaboration with selected external business partners (including payers, providers, vendors and other claim intermediaries).**
- **Each test phase is designed to identify and mitigate a unique dimension of ICD-10 business risk.**

### 1. Validate Clinical Coding Accuracy
- Providers are encouraged to practice natively coding ICD-10 claims using a standard set of medical scenarios to reduce risk of assigning incorrect, incomplete or invalid codes in production.
- A few regional, national and other organizations are establishing and validating coding for a suite of suggested ICD-10 claim scenarios.

### 2. DRG Comparison & Revenue Shift Analysis
- Early Partnership between Payers and high volume Hospitals to identify, evaluate and predict the impact of coding conditions that generate an ICD-9 to ICD-10 DRG shift.
- Based on selected high volume, high risk ICD-9 codes from adjudicated claims compared to ICD-10 claims natively coded by the facility.

### 3. Trading Partner /EDI Transaction Tests
- Collaborative testing with a selection of high volume direct trading partners/EDI submitters to verify vendor system readiness, transaction compliance, and processing through clearinghouse edits, where applicable.

### 4. Selected Test Claim Processing
- Testing between a Payer and a limited number of facilities, physicians and other providers to verify accurate, expected processing results for selected high volume claim scenarios.
- Compare processing results from ICD-9 adjudicated claims to those recoded by providers in ICD-10 to identify any processing result variations from benefit plans or medical management policies.

### 5. “End-to-End” Claim Process Flow
- Similar to other payers, UnitedHealth Group is currently evaluating benefits and challenges to determine to what extent external “end-to-end” testing is required and to define scope.

---

Intent to share findings and recommendations from test efforts with all providers and business partners via provider portals and other communication channels.