The years of preparation, planning and work are about to pay off: ICD-10 is here. On Oct. 1, 2015, the national standardized coding system goes live. For payers, system remediation, end-to-end testing, financial impact analyses, staff training and risk analyses/contingency planning should be done. But the real work is just starting.

ICD-10 presents a major shift in business for payers. There are myriad “doomsday scenarios” that can impact all areas of a payer organization. How leadership responds to these issues will mean the difference between knee-jerk responses and effective business decisions.

With operational readiness done, it’s time to start monitoring how ICD-10 is impacting payer organizations, have a team ready to enact contingency plans, and consistently review data on key performance indicators (KPIs) set by leadership. These KPIs can include customer service, call volumes, claims lag and staffing.

The hub of ICD-10 monitoring should happen for payers in what I refer to as an Operations Command Center. The Command Center is staffed by individuals representing all areas of the organization and with the authority to make decisions in the moment. It would be up to this Command Center team to manage when and how ICD-10 contingencies should be triggered.

For example, one KPI may measure the amount of calls from providers on or after 10/1. Inquiries to the call center will likely spike at go-live as providers look for assistance in filing ICD-10 claims. The Command Center team needs to determine if and when additional staff should be shifted to handle the calls, while understanding the longer-term risk of shifting resources from one area to another.

The foundation upon which Command Center team decisions rest is measurable and actionable data. Ideally, a payer will understand the norm around call volumes, wait times, claims lag, etc., from past data analyses. Payers can look at fourth-quarter 2014 data and use it as the comparative once ICD-10 is live. That way, they will be comparing apples to apples and can see if issues are truly related to ICD-10 and not some other outlier.
With the Command Center team in place, attention should fall on these areas: customer service, claims and financial trending. As with any potential risk area, both must be regularly evaluated to determine if impacts result from ICD-10 or other challenges.

On the customer service side, two key measurements are call volume and claim volume. We touched on one KPI — call spikes on and after Oct 1. Payers should expect a lot of providers calling for help. Is there an interactive voice response (IVR) system that lets a provider press a number to reach an ICD-10 expert? Leaders should consider building direct lines to staff with deeper understanding of ICD-10. This will allow for quicker response and resolution than throwing the call to an employee whose ICD-10 knowledge is not as highly developed. IT also should provide data on increases in provider web portal logins.

As much as call volume increases impact the organization, changes in claim volumes under ICD-10 may create more havoc. Post-October 1, payers may see increases in denials while auto-adjudication rates drop. Use of unspecified codes may also spike.

Decreases in auto-adjudication rates means claims are coming in that cannot be automatically processed and must be resolved by an employee. That means it will take longer to process and pay the claim. By analyzing claims data, the Command Center team can determine why denials are happening and can trigger a contingency to get auto-adjudication rates back up.

On the financial side, payers are required to have enough money in the bank to pay claims; actuaries use claims data to set “lag triangles” to determine how much money needs to be in reserve to fulfill claims. During the first month after ICD-10 go-live, there may be no change. But over the next 30 days, a payer suddenly may see a change in their revenue stream. It’s critical to know why the changes are happening; they could be due to ICD-10-induced DRG shifts, delays or lag time in provider billing or improperly filed claims. All can cause an impact to operations/financial reporting, and the Command Center team must respond quickly to protect an organization’s revenue flow.

Payers know that issues around ICD-10 will happen, but October 1 is not a date to fear. With KPIs established, the Command Center team can quickly respond to any problem. Critical to the team’s success is having measurable and actionable data provided on a daily basis so proper decisions can be made in the moment by individuals with the authority and knowledge to do so.

ICD-10 will change how payers do business. But with the proper preparations and dedication to proactively and intelligently confronting issues, there’s no reason it can’t be a good change.

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