HIPAA 5010 and ICD-10 Preparedness

Michigan Department of Community Health - Michigan Medicaid
Blue Cross Blue Shield of Michigan

December 14, 2010
Agenda

• Welcome and Introductions
• Objective of Session
• Michigan Medicaid EHR Incentive Program Update
• HIPAA 5010 Initiative
  – BCBSM and MDCH Approach and Timeline
• ICD-10 Initiative
  – BCBSM and MDCH Approach and Timeline
• Roundtable Discussion
  – Status of Provider Readiness
  – Opportunities for Collaboration
Objective of Session

• Assist Michigan health care providers & trading partners in HIPAA 5010 remediation and migration to ICD-10
• Foster a collaborative relationship between major payers & associations
• Develop a coordinated communication, testing and deployment strategy that meets providers’ needs
• Enlist support to meet the objectives
HIPAA 5010 Initiative
BCBSM and MDCH
Approach and Timelines
Federal Compliance Date

- The deadline for conversion to 5010 version is January 1, 2012.

- At that time, all electronic transactions that you or your vendors send to BCBSM and Michigan Medicaid must use HIPAA 5010.

**Federal Compliance Date:**

January 1, 2012
BCBSM Test Plan Approach

Target our top 100 commercial vendors and in-house software developers ranked by claim volume and user count. Schedule Validator testing, sub-system testing and deployment within the 2nd and 3 Quarters.

Test and deploy the remaining testing partners by 12/31/2011.

Testing requirements:

- HIPAA Validator testing beginning in January 2011
  - Validator is a HIPAA compliance self-testing tool
  - Available now for trading partners to test 5010 compliance.
  - To-date minimal partners have engaged the tool.
  - Proactively schedule Validator testing for all testing partners beginning January 2011. Once passed they can proceed to pilot or Sub-system testing

- Pilot testing for selected partners in an end-to-end QA environment beginning in May 2011. Selection based on specialties and rank.

- Sub-system testing May 2011. Successful Software Developers promoted to production.

- Vendors - Vendor certification with two trading partners in production required before they are approved.


MDCH Test Plan Approach

HIPAA Validation Testing
  - Using Edifecs Ramp Manager, a HIPAA compliance self-testing tool
  - Available for testing Spring 2011
  - Ability to test inbound transactions, including: 837 claims/encounters, 276 claim status requests, batch 270 eligibility requests, 278 prior authorization requests, NCPDP D.0 encounters
  - Validation testing must be passed before proceeding to pilot or subsystem testing

Pilot Testing
  - Target top submitters ranked by claim volume, claim type and specific subspecialties
  - Select subset of Medicaid Health Plans, Prepaid Inpatient Health Plans (PIHPs), Substance Abuse Coordinating Agencies (SACAs), and Dental Health Plans for outbound 834 enrollment and 820 payment transactions, and 837/NCPDP encounter transactions
  - Schedule pilot validation and subsystem testing for selected partners beginning Spring 2011
  - Pilot testing will include end-to-end testing of inbound transactions

Subsystem Testing for Non-Pilot Submitters
  - Subsystem testing for all remaining submitters to begin July 2011
  - Subsystem testing will include end-to-end testing of inbound transactions
  - Schedule and complete testing with remaining trading partners by December 31, 2011

Production
  - Production deployment December 31, 2011
  - Validation and subsystem testing must be passed before submitting to production
Your vendors and business partners must also be compliant with HIPAA 5010. You should:

• Confirm your vendors, clearinghouses, and other partners will be able to support 5010 requirements.
  – Open a dialogue with them now.
  – Review contracts for terms related to honoring federal mandates or amend contracts as needed.
  – Obtain timelines and project plans.

• Schedule testing with your partners to ensure 5010 capabilities and remediate where needed.

• Work with MDCH and BCBSM to certify compliance with 5010 and test capabilities.
Communication Objectives

- Inform external stakeholders of 5010 roll-out schedules, requirements, EDI setup processes, testing and other information and our expectations related to them.
- Communicate 5010 Awareness to the provider community, utilizing a variety of different mediums.
- Partner with external entities on informational meetings, and presentations.
- Provide external entities with communication and educational materials.
- Develop joint communications with State agencies and Medical Associations
- Ensure that the BCBSM clearinghouse and its stakeholders understand compliance standards and 5010 HIPAA mandates.
- Understand expectations with our clearinghouses regarding version control and implementation timelines and communicate those to the business and technical teams.
- Inform internal stakeholders of 5010 status by communicating ongoing migration issues and/or roadblocks identified during pilot, testing and deployment phases.
Target Audiences

- Software Developers
- External Vendors
- Providers
- Medical Associations
- Clearinghouse
- Other Payers
- BCBSA
- BCBSM Business Units
- Michigan Medicaid
- MPHI
Key Messages

- Federal Compliance Date
- General 5010 Awareness
- Timelines for testing, dual environment, & production
- Testing and deployment process
- Provider impacts
- Trading partner guidelines
- Providers should not rely solely on their vendor
- Highlight key changes involved with 5010.
Methods of Communication

• Letters, e-mails, bulletins and publications
• Webinars
• Surveys
• Web page
• Fliers and handouts
• Provider Forums
• Formal presentations (road shows)
• Medical Associations
• Direct outreach
Resources and Contacts

Where can I learn more about HIPAA 5010?

☑️ The Centers for Medicare and Medicaid Services (CMS) – *MLN Matters* article about 5010: “An Introductory Overview of the HIPAA 5010”

☑️ The Centers for Medicare and Medicaid Services (CMS)- Downloads [//www.cms.gov/Versions5010andD0/40_Educational_Resources.asp](//www.cms.gov/Versions5010andD0/40_Educational_Resources.asp)

☑️ The [Workgroup on Electronic Data Interchange (WEDI)](http://www.wpc-edi.com/) Web site also has valuable information.

☑️ TR3s (IG) can be purchased from Washington Publishing Company [www.wpc-edi.com/](http://www.wpc-edi.com/)

Who may I contact with questions?

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Questions ???
ICD-10 Project
Blue Cross Blue Shield of Michigan
The ICD-10 Mandate

• Government ruling states that on **October 1, 2013** all HIPAA-covered health care entities must begin using ICD-10 codes in place of ICD-9 codes
• Claims with non-compliant codes will be rejected
• Does not affect CPT or HCPCS codes and usage
• ICD-10-CM diagnosis codes define the health state of the patient
• ICD-10-PCS procedure codes define the inpatient hospital procedures that patients may receive to maintain or improve their health state
Making the change to ICD-10

Generally, the industry is taking one of two approaches as it relates to the ICD-10 transition:

- **Remediation**: Modify/expand all systems and processes to accommodate ICD-10 (also referred to as replication or renovation)
- **Neutralization**: Maintain existing systems using “old” codes and convert inputs and outputs (crosswalk)

**BCBSM has selected a remediation approach for ICD-10 compliance.**

*We will accept and process compliant codes as submitted.*
Choosing Remediation
# Steps BCBSM took to choose a solution

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<thead>
<tr>
<th>Step</th>
<th>BCBSM Activities</th>
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<tbody>
<tr>
<td>1</td>
<td>Performed preliminary impact assessment on business/IT processes</td>
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<td>2</td>
<td>Established a Program to manage the effort</td>
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<td>3</td>
<td>Formed a steering committee for oversight and governance (chaired by CMO)</td>
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<td>4</td>
<td>Drafted and had steering committee approve a set of guiding principles</td>
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<td>5</td>
<td>Conducted Strategy phase, treating ICD-10 as a business-driven initiative</td>
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<td>6</td>
<td>Participated in sessions with all affected business areas to determine full ICD-10 impact</td>
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BCBSM’s remediation solution

Why this solution?

- ICD-9 and ICD-10 data are separate and distinct
- As such, the existing annual update business process can be used for the transition
- The solution allows BCBSM to achieve compliance while reducing associated costs

Implications of the solution

- The annual update process (normal volume ≈ 500 codes) will be used to process 160,000 codes
- Technical changes are limited to field expansion and the review and update of applications currently using ICD-9 codes
- The ICD-10 core technical changes are large in number, low in complexity
- Most of the ‘work’ is on the business side
Treating ICD-10 as a *massive* annual code update

- End date (inactivate) the ICD-9 diagnosis and procedure codes
- Add (activate) ICD-10 codes with an Oct. 1, 2013 effective date
- Use date of service to determine which code is ‘active’
Advantages of remediation

• It positions BCBSM for contingencies:
  • Dual environment supported by not end-dating ICD-9 codes
  • Altering compliance date accomplished by changing ICD-9 end date and ICD-10 effective date

• It also positions us for the future:
  • BCBSM positioned for 2015+ when the system has fully adopted ICD-10
  • Avoids potential issue of altering provider-submitted coding for benefit decisions, reimbursement and medical management
Other notes

• Our remediation solution supports the guiding principles, including an opportunity to utilize the refined ICD-10 data as it becomes available in 2013 (i.e. ICD-10 capable).

• We use 3M’s DRG Grouper for our facility claims and we are dependent on the timely availability of the Grouper for our testing activities in mid-2012.

• Whether you choose remediation or a crosswalk, most of the work (specifically business) is still needed.

• Everyone will most likely need to create their own version of the GEMs, or Reimbursement Maps, for use in their environment (Blue GEMs).

• Enterprise applications early in the application life cycle will need to be remediated at some point in time (crosswalk solutions will need to be retired).

• The complexity of on-going mapping updates and maintenance will outstrip initial cost savings over the long run.
ICD-10: The Next 3 Years
Each Year of our Implementation Has a Major Focus

2010
Plan creation, set-up

2011
BCBSM mapping (Blue GEM), technical field expansion

2012
IT ICD code expansion, internal testing

2013
External testing, Implementation
Mapping Background

The ICD-10 Mapping Process remains the “lion’s share” of the BCBSM ICD-10 program efforts.

This mission-critical activity is a multi-step process supported by technology and verified by manual reviews.
Mapping Process Guiding Principles

• Overall goal – Align every ICD-10 code with the appropriate unique benefit table using the ICD-9 codes and the GEM files to facilitate the transition.
• CMS GEM files will only be able to “get you in the neighborhood” – do not assume they are the final answer.
• Manually reviewing all of the codes too labor intensive and thus, not a viable option.
• A small number of the existing ICD-9 codes account for the majority of provider submissions.
• The mapping process should focus efforts on high impact diagnosis codes:
  – Those that are associated with ICD-9 codes that have a high average cost
  – Those that map to multiple BCBSM benefit categories
  – Those with a high-impact on key provider groups
  – Those that are high-volume (based on claims submitted with associated ICD-9 codes)
High Volume Diagnosis Codes

We reviewed all 8.85 million claims received in one month as a test case. 11,921 different values for primary diagnosis were reported on these claims.

Percent of Total Claims Received in One Month

- Top Diagnosis Codes
  - 108 (50%)
  - 431 (75%)
  - 586 (80%)
  - 1,196 (90%)
  - 4,280 (99%)
Mapping Process Overview
Overview of the Mapping Process

Identify Blue GEM Review Items

Resolve Blue GEM Review Items

Resolve Existing Benefit Information

Reload Benefits and test

**2011**

**Inputs:**
- CMS GEMS
- Existing DX Files
- Identified High Impact DX list

**Outputs:**
- Blue GEM Review Items
- Partial Blue GEMS
- Partial Diagnosis File

**2012-2013**

**Inputs:**
- Blue GEM Review Items
- Business Knowledge Review

**Outputs:**
- Accepted Blue GEM
- Complete Diagnosis File

**Inputs:**
- Blue GEMS Table/List Extracts

**Outputs:**
- Identified/Validated ICD-10 DX codes

**Inputs:**
- Identified/Validated ICD-10 DX codes

**Outputs:**
- Updated Tables/Lists
ICD-10 Tools for the Mapping Process

We have identified two tools needed for ICD-10

**Mapper (or Decision Utility Tool)**

- Technology created to support the mapping of ICD-10 codes to BCBSM systems. Supports automated discrepancy identification and workflow management of their resolution.
- Designed and constructed to maximize flexibility.
- Expect extremely limited shelf life. Ends when CMS stops updating the GEMs (anticipated 2014).

**Encyclopedia**

- A user-friendly application that helps the enterprise update current business processes/activities to accommodate ICD-10.
- Provides ongoing enterprise access and repository that supports maintaining ICD-10 knowledge beyond the transition period.
- Indefinite enterprise-wide shelf life.
External Stakeholder Outreach
External stakeholders key to success

We have put safeguards in place to mitigate the possible risks associated with external stakeholders*

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<tr>
<th>Providers</th>
<th>Vendors</th>
<th>Other External Stakeholders</th>
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<tr>
<td>• Provider educational campaign that includes discussions with external groups, agencies and societies</td>
<td>Comprehensive vendor monitoring plan in place, including ongoing discussions with major vendors</td>
<td>• Plan in place to communicate with customers as needed</td>
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<tr>
<td>• Direct communication with providers</td>
<td></td>
<td>• Monitoring and information exchange with trading partners</td>
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<tr>
<td>• Allow for testing in 2013</td>
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<tr>
<td>• Validating information with specific providers</td>
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*In addition to these efforts, we are monitoring CMS actions to ICD-10 readiness concerns.
ICD-10 Project
MDCH
DCH General Strategy

• MDCH also selected a remediation approach for ICD-10 compliance
• Treating ICD-10 as an annual code update
• MDCH will accept and process compliant codes as submitted
  – End date ICD-9 codes
  – Add ICD-10 codes with and Oct 1, 2013 effective date
  – Use date of service to determine which code is active
Medicaid ICD-10 High Level Timeline*

*Timeline assumes that Medicaid is still in the Awareness Phase
DCH ICD-10 Mapping Strategy

• Identify high impact ICD-9 diagnosis codes
  – Starting with those used during CHAMPS adjudication process

• Mapping process
  – Define repeatable process
  – Use CMS GEM files as a starting point
  – Identify and resolve discrepancies

• Develop tools
  – Mapping tool
  – ICD-10 Dictionary
External Communication Strategy

• Target awareness and education to all providers
  – Liaison Meetings
  – Provider Outreach sessions
  – Dedicated web page
  – Print material

• Provide consistent message

• Work collaboratively with major payers & associations
Questions