




NCVHS Panel 3

ICD-10 Implementation Beyond Covered Entities

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WEDI Statement
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WEDI



Workgroup for Electronic Data Interchange

PURPOSE

Improve the administrative efficiency, quality and cost effectiveness of healthcare through ... electronic record-keeping, and information exchange and management.

- Envisioned by HHS Secretary Sullivan
- Established 1991
- Named under HIPAA
- Board comprised of industry cross section
- Web site: www.wedi.org

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WEDI Property and Casualty Electronic Medical Bill (eBill) Subworkgroup



WEDI Property and Casualty Electronic Medical Bill (eBill) Subworkgroup - formed in 2008

Purpose: To collaborate with the Property and Casualty (P&C) stakeholder to review and propose implementation strategies and solutions to meet the requirements of the Jurisdictions as regulations are passed regarding Electronic Data Interchange (EDI).

Goal: To work toward a national implementation model that facilitates successful implementation within the framework of the HIPAA transactions and code sets where possible and to reduce the administrative impact to participating stakeholders.

Visit <https://www.wedi.org/workgroups/transactions-code-sets/workers-comp-auto-and-p-c> to sign up and begin participating!

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Administrative Simplification



- **The adoption of national standard transactions across all lines of health care will enable stakeholders to realize the benefits of administrative simplification.**
- To date, **19 states** have aligned with the ICD-10 requirements showing it is possible for ICD-10 adoption for this industry.
 - Additional outreach and education is imperative for the 31 remaining.
- Property and Casualty is increasingly aligning with the national standards while taking into account state-specific requirements, this is the only way for HIPAA Covered and Non-Covered entities (Industry) to realize the benefits that HIPAA and PPACA was intended to deliver, which includes:
 - Administrative simplification efficiencies and,
 - Increased stakeholder adoption

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Level Setting – Background



- **Property & Casualty differences:**
 - Exempt from the HIPAA regulations
 - Governed by state law rather than federal regulations
 - Adoption of new code sets, such as ICD-10 may require rule making prior to enactment
- **Property & Casualty Similarities:**
 - Many providers are the **same** providers that process government and commercial claims today
 - Collaborates with the national standard setting organizations
 - Uses the **same HIPAA transactions sets** that are used for government and or commercial claims processing
 - Many states enacting regulations like eBill to align with HIPAA transaction sets and operating rules to gain administrative simplification

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Question 1: What is the current status of P&C ICD-10 state readiness?



International Association of Industrial Accidents Boards and Commissions (IAIABC) survey - 2014

To date, the 21 states responding to the survey (with some responding to more than one question) revealed the following results:

- 1 State was not aware of the ICD-10, Effective Date of October 1, 2014
- 4 States had not evaluated how ICD-10 would impact their Administrative Rules
- 7 States had not formally evaluated how ICD-10 would impact their workers' compensation agency
- 12 States reported no engagement with stakeholders ICD-10 discussions

Source: IAIABC Survey 2014 (as of 2-13-14). Reprinted with permission.

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Question 1: What is the current status of P&C ICD-10 state readiness?



As of February 1, 2014 the **Department of Labor** as well as the following 19 states are aligning with the CMS ICD-10 requirements :

California	Colorado	Florida	Georgia
Idaho	Illinois	Louisiana	Michigan
Maryland	Minnesota	New Mexico	New York
North Carolina	Ohio*	Oregon	South Dakota
Tennessee	Texas	Washington*	

This leaves **less than eight months for effective transition planning**, especially since stakeholders will either need to transition fully to ICD-10 or to reporting of both ICD-9 and ICD-10 in order to **comply with federal and state requirements simultaneously**.

Source: Updated IAIABC Survey 2014 (as of 2-13-14) and the review of published information on state websites (URLs provided in full written testimony)

* Monopolistic State: The state government provides the *workers compensation* insurance through a *state* insurance fund.

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Question 1: What is the current status of P&C ICD-10 state readiness?



The adoption of ICD-10 across all lines of health care will enable stakeholders to realize the benefits of administrative simplification by:

- Eliminates conflicting diagnosis and procedure coding requirements;
- Eliminates the need to maintain and store two different code sets by all stakeholders;
- Aligns with the national standard implementation approach adopted by states that have enacted property and casualty eBilling regulations;
- Allows for much greater specificity and accuracy in diagnosis; and
- Data standardization enables the ability to compare data within and across industries—providing quality and efficiency measurements that may lead to higher quality medical care.

Additionally alignment will:

- Decrease administrative costs;
- Streamline patient care;
- Gain administrative simplification efficiencies; and
- Increase stakeholder adoption.

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Question 2: What are the key issues with non-covered entities not adopting ICD-10 after October 1, 2014?



State – Dual Processing

- Unless states transition, P&C (workers' compensation and auto) to ICD-10, many stakeholders **will be required to meet two sets of conflicting standards** after October 1, 2014.
- Some systems may **not be designed to capture and maintain** both ICD-9 and ICD-10 versions simultaneously.

Medicare's Mandatory Insurer Reporting For Non Group- Health

- This reporting requirement was recently updated to **adopt ICD-10** for claims paid after October 1, 2014, with such reporting made **mandatory as of April 1, 2015**.
 - Payers will be challenged if they are having to maintain dual systems

Impacts:

- Potential negative impact to injured workers
- Drive providers from the Property & Casualty system

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Question 2: What are the key issues with non-covered entities not adopting ICD-10 after October 1, 2014?



Contingency Impacts

- States that are not ICD-10 ready provide a lack of continuity and impact stakeholders contingency plans
- Several unresolved questions include:
 - Will a state require new rule making to adopt ICD-10?
 - If so, what is the expected timeline and **state contingency plan** to assist stakeholders in **maintaining business continuity** during this **transition period**?
 - If ICD-10 is not adopted, what is the state's stakeholder contingency plan for business continuity?
 - If ICD-10 is adopted, what is the state's contingency plan for stakeholders that **will not be ICD-10 ready**?
 - Will stakeholders be allowed to **process ICD-9 during the transition period and still be compliant**?

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Question 2: What are the key issues with non-covered entities not adopting ICD-10 after October 1, 2014?



Contingency Impacts (Cont.)

- Will states align with the CMS requirement to split bills that span the ICD-10 implementation date?
- Will states include regulatory language that will allow bills submitted after 10-1-2014 that include dates of service prior to the 10-1-2014 ICD-10 federal effective date to contain ICD-9 codes?
- Will states ICD-10 rules have a specified cut off date for ICD-9?
- Will state rules include the adopting the Version 1.1 06/13 02/12 1500 CMS 1500 paper form to accommodate the reporting of ICD-10?

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WEDI - P&C Collaborative ICD-10 State Awareness Outreach Efforts



- WEDI, CMS, IAIABC and others have had ongoing outreach efforts to raise state awareness of stakeholder impact if ICD-10 is not adopted.
- In an effort to escalate the urgency of ICD-10 awareness, WEDI is considering writing a letter including a survey to send to the states' Workers' Compensation and Auto regulatory agencies.
- The results from the WEDI P&C State ICD-10 readiness survey will be posted on the WEDI website.
- WEDI has **waived membership fees for states** in an effort to provide industry support and resources.

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Conclusion - WEDI Recommendations



- WEDI would like to partner with the Department of Health and Human Services in **assessing the status of the state's ICD-10 readiness** in order to help all stakeholders in determining an appropriate contingency action plan to comply with state implementation timelines.
- We urge the Subcommittee to recommend to the Secretary of HHS to make a **strong statement to the states regarding the urgency to the industry at large to move to ICD-10**, regardless if organizations are HIPAA covered entities. Ensuring that all entities are implementing ICD-10 will help further industry's movement towards streamlining and automating end-to-end workflow process in order to improve efficiency and lower cost for all stakeholders.