Modifying the Billing System and Implementing new ICD

[Author Name(s), First M. Last, Omit Titles and Degrees]

[Institutional Affiliation(s)]

Modifying the Billing System and implementing New ICD Codes

Project management is the driving force behind any venture, though, it is often unheeded in the creative processes. Effective project management is the key to complete a project with high efficiency and delivering the results that can surpass the expectations. Contrary wise, poor implementation of project management techniques can kill a project to its entirety. Every organization want to excel in their niche and want to obtain benefit from the tools and techniques in best practices. In the same way, organizations also use the tools of project management to accomplish their projects with full potential ad take benefit from improved outcomes and lower costs. Due to the consideration of patient’s well-being in every project, project management in this industry more complex, however, it is worth the effort if done right (Guptill, 2005). This report is based on the project of modifying the billing system of a healthcare facility to encounter updated International Classification of Diseases (ICD) code sets.

# Project Introduction

The term ICD is a medical classification list managed by the World Health Organization (WHO). For the US, it is managed by the Center of Medicare and Medicaid Services (CMS) and the National Center for Health Statistics (NCHS). ICD 10 codes are basically codes for identification of diseases, signs and symptoms and other health conditions (“ICD - ICD-10-CM - International Classification of Diseases, Tenth Revision, Clinical Modification,” 2019). ICD-10 is the tenth revision to such code list. The work on the tenth version started in 1983 and was first used by the member states of the US in the year 1994. ICD-10 code set comprises of over 70,000 procedural coding system (PCS) codes and 69000 clinical modification (CM) codes used for tracking of many new diagnoses compared to its older ICD-9 version which contained roughly 14000 diagnosis codes. ICD-10-CM was developed by the NCHS after an extensive discussion with the key players such as physician groups, clinical coders, etc. ICD-9 had several limitations that prevented precise coding and billing of many treatments and health conditions.

Implementation of new ICD-10-CM involves the modification of the billing system of a practice that has about 25 doctors and an independent system to verify the patients and support billing system. The project involves the comprehension of physicians of the impacts of ICD-10 on almost all the clinical and management systems. The implementation of the new system needs the employment of project management tools and techniques. In order to attain a smooth application of new ICD codes, a variety of plans in accordance with the needs of an organization are required. The project can be divided into different phases such as planning, communicating the need, assessment, need of operational implementation and transition to the new system of codes.

# Phases of the project

The first phase of this project would be panning the transition. In this primary phase, project management structure would be developed. All the plans including the plan to communicate with the key stakeholders, risk management plan will be established. The second phase will be related to the communication and awareness of the transition to the new coding system. For this purpose, a communication plan will be created, and the training needs of employees will be assessed. A training plan will be devised based on the needs assessment. A meeting will be conducted with the staff members with regard to the impacts of ICD-10 and roles and responsibilities will be identified. At the next stage, business and policy impacts will be assessed alongside technological impacts. Vendors’ capabilities are also evaluated with regard to the transition to the new coding system.

After the completion of the assessment phase, the next step is the actual operational implementation. For this purpose, the first step would be to recognize system migration strategies. After that, the technical modifications needed would be implemented and training will be arranged and provided accordingly. The next step after this would be to test the system implemented, testing could be at the two levels, level 1 and level 2 training. The first level testing indicates internal compliance testing while level 2 testing indicates external testing. The final transition step will involve evaluating the impact of the new coding system on revenue and business operations. Any corrective action is taken if required.

# Key participants

The key participants of a project are all those entities that have a direct or indirect impact on the success and failure of a project (Smith, 2000). This project of billing system modification or implementation of new ICD-10-CM is also dependent on many players and partners. The internal and external stakeholders, in this case, would be the contact vendors, linked medical facilities, physicians and other claims and electronic billing services. Other stakeholders include senior management, clinical department managers, medical staff, and IT personnel. The involvement and commitment of all these stakeholders are pivotal for the successful transition from ICD-9 to ICD-10. The planning phase of the project must ensure that the involvement of the key participants of the project. Organization-wide awareness related to ICD-10 is necessary for all stakeholders to enhance the effectiveness of the project.

# Key Outcomes and Benefits of the Project

There are numerous advantages of implementation of ICD-10 to the healthcare fraternity, like – improving clinical, improving financial aspects, and improving administrative performance and much more (Libicki & Brahmakulam, 2004). The implementation of ICD-10 is associated with a large number of benefits and it aims to eliminate the limitations. The ICD-9-CM is said to put a restriction the reporting, operations, and analytics procedures and it also used an outdated coding system. The codes also lack the specificity to support claim reimbursement, accurate anatomical descriptions, risk and severity differentiation, and value-based purchasing methodologies. In addition, the codes also fail to provide important details to streamline the automated claim processing that results in the delays in claim-payments. The key benefit of this project will be the elimination of all these limitations of the previous coding system (Bowman, 2008).

Furthermore, the new system is more detailed and it enhances the current medical practice. The new details in the plan inform the physicians about the patient history and health plan, which eventually improves the case management functions. Accurate coding, linked with the new system decreases the volume and number of claims that get rejected owing to the confusions (Topaz, Shafran-Topaz, & Bowles, 2013). The implementation of updated codes with enhance the operational procedures for the reason that it will classify the details within codes to process compensation and payments precisely. It also keeps up with the medical and technological advances by updating disease classifications and terminology. The flexibility for future updates is also increased. Coding precision and specificity are improved to categorize severity, anatomic site, and etiology. In addition to this, it also supports the advanced reimbursement models that result in the delivery of justifiable payments for critical conditions.

Besides, the new coding system also streamline payment operations resulting in automation aims at reducing payment delays and denials and payer-physician queries. The detailed data from these codes help in better understanding of disease patterns that is imperative in order to react to public health outbreaks (Libicki & Brahmakulam, 2004). Implementing and developing fresh pricing and reimbursement structures is made easy with the new coding system owing to the higher specificity. Not only this, but the benefit of integration to this new system will also help the oversight agencies, program integrity contractors and payers to detect any fraud or abuse.

# Resources Required

The resources needed for the project will comprise of financial resources, technical resources and vendors’ resources (Bowman & Zeisset, 2012). The technical resources required consists of Billing Software and Back-Up Server. Billing software is the simplest way to send and track invoices that help businesses easily manage their sales and purchasing records. The software can track the hours worked by employees, as well as the expenses associated with projects or clients. An invoice is a list of items and services that contain the costs you owe to your business. Basically, an invoice is a bill that can have all shapes and sizes, can be written by hand on a piece of paper, put together in a word processor or created with specialized software.

In today's time, all organizations want to automate their systems and processes, which helps them to reduce errors, same goes with a healthcare organization (Poulymenopoulou, Malamateniou, & Vassilacopoulos, 2012). Online billing software can automate various processes for companies because it has the ability to synchronize and import/export data from other software and applications, you will no longer have to worry about manually entering information related to invoices. All the data is stored on the server close to the network. Then this data gets stored to the nearest server in the datacenters. The data is stored in one server, but the backup of that server is made to another server. It is made so that if the main stored server goes down then there must be another server that can provide the reply to the requests provided by the users. In this scenario, we cannot make out the number of backup servers provided in one data center or any other data centers.

Backups are essential to take one to the point where data was originally created. These are helpful if something wrong happens with the system and data is vulnerable. Backup helps to restore that data in such cases. They not only save time but also monetary resources and plays an imperative role when transition is made from one system to other. Off-site backups are made in some location other than that of original location of data. These are very helpful in case of any disaster and mishap.

# Timeline for implementation

The project phases are the steps needed to complete the project. Timeline indicates time needed to complete each task or phase.



# Possible risks associated with the project

 Implementation of new and updated ICD-10 is linked with many risks. One of these risks is the failure of internal and external parties to remain on the schedule. The implementation of this new coding system requires coordination with the partners, vendors and other stakeholders. Failure to coordinate effectively result in the delay of project completion. Some other risks that can lengthen the process include lack of payer readiness, inadequate or untimely staff training, loss of key staff, and loss of key vendors and limitations of the budget. In addition, the transition from the previous system to the new system can also affect the revenue stream of the practice system (Sanders et al., 2012). The revenue stream is impacted by the following risks, such as lack of payer's readiness, increased payer's analysis, and increased payer's request for medical records.

 Another major risk is vulnerability to allegations of fraud and abuse. Government contractors and private payers also seek opportunities for fraud and abuse. Audit scrutiny will also increase with regard to the coding practices and recovery actions will be increased (Jackson & Muckerman, 2012). Coding discrepancies may result in the formal investigations, administrative sanctions, and other punishments. There is also a probability of disruptions in relationships with patients and payers. During and right after the transition to the new systems, employees have to respond back to the payers concerned about payment delays and denials. A high burden of work is expected and in case of poor response to them, the relationships get disrupted. The implementation of the new coding system will have a direct impact on care, case and disease management. Employees will have to familiarize themselves with the ICD-10-related payer needs. Another risk that associated with the implementation of the new coding system is that these more detailed codes offer payers an opportunity to apply novel pricing and reimbursement frameworks.

# Project Completion

Considering the benefits and necessity of implementation of ICD-10, every healthcare organization is required to update their billing systems. From sensing healthcare fraud and abuse to processing claims for reimbursement ICD-10 offers countless benefits. After the completion of the project, leadership involved in the implementation must be made aware of its impacts across the industry. Continuous improvement and training efforts must be continued. Daily activities must be monitored after the implementation of the new coding system and vendor support must be obtained to maintain the effectiveness of billing operations.

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