



No World Borders
Great Teams. Great Solutions—Globally®

HIPAA 5010, ICD-10 and CORE[®] Operating Rules What You Need to Know and How to Transition Successfully



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The Carrot & Stick of 5010 and ICD-10

The American Recovery and Reinvestment Act includes \$ billions for health information technology. The health IT and Health Information Exchange (HIE) standards will support new models of care delivery that are intended to be patient-centered, physician-guided, reflecting a coordinated, collaborative approach.

Implementation of the new electronic data interchange (EDI) standard X12 HIPAA 5010 and the ICD-10¹ code set is a historic opportunity to upgrade the quality of health care data, but it comes at a cost. One cost is mapping between the old and new code sets. More important will be “operationalizing” the new standards in your organization and the synergies of these new standards with new operating rules².

One third of health IT professionals believe that the time and costs associated with X12 5010 adoption will be a significant barrier. 20% said they believe the biggest barrier to adopting ICD-10 is that the vendors will not be ready, or that payers and clearing houses will not be able to accept the standards.”

— HIMSS³

New Sheriff in Town

Many white papers focus on benefits. We would be remiss unless we also pointed out the punitive measures. Health plans must file certification statements that they are in compliance with standards and operating rules by December 2013 including documentation and provide proof of compliance. In addition payers will have to provide documentation of proof of end to end to testing with providers. These Sarbanes-Oxley like measures certainly should get your executive team’s attention if the benefits do not.

¹ **International Statistical Classification of Diseases and Related Health Problems** 10th Revision (ICD-10) a coding of diseases and signs, symptoms, abnormal findings, complaints, social circumstances external causes of injury or diseases, as classified by the World Health Organization (WHO). The code set allows more than 155,000 different codes and permits tracking of many new diagnoses and procedures, a significant expansion on the 17,000 codes available in ICD-9 creating more precision but also more complexity to implement. ICD-10 requires EDI 5010.

² See NCVHS and IFRs in this whitepaper.

³ **HIMS Vantage Point, October 2008** “Adoption of ICD-10; X12, v5010 http://www.himss.org/content/files/vantagepoint/pdf/VantagePoint_200810.pdf

Penalties

The laws have already been enacted. Organizations who do not comply may be subject to a fine of \$1.00 per covered life per day if they do not meet the certification requirements. These penalties double if inaccurate or incomplete information has been provided in the compliance documentation. This means that a relatively small health plan with 100,000 members could be subject to a \$2 million fine, per year.

The Devil Will be in the Detail

No health insurance firm we know of can afford to wipe away years of heterogeneous legacy systems and start fresh across their entire enterprise, even when facing sweeping changes in federal compliance rules and new standards.

This poses important challenges that are not addressed by general equivalence mappings (GEMs), cross walks, and other supporting documents alone. Some systems will need to be retired and replaced, some retrofitted. True, many firms are just embarking on 5010 conversion and correctly state that process impact does not come into play significantly until ICD-10, however the co-mingling of these efforts and the early development of requirements that embrace both can lead to efficiencies later in the implementation cycle.

Integrated Perspective

Partnering with a company that understands all aspects of the move to HIPAA 5010 and ICD-10 will be key. At No World Borders, we possess the lenses to see the health care landscape from all perspectives, helping to ensure that all entities from trading partners to members can move more smoothly to these new standards.

- Health Plans
- Providers
- Employers
- Members
- Vendors
- Regulatory Agencies

Integrated Approach

Implementing ICD-10 and meeting the 5010 milestone successfully means taking an end-to-end approach to operational systems and resources. Taking the time to build a strategic plan that includes people, process and technology allows payers to

look for opportunities to break down organizational barriers and use technology as a way to create new efficiencies. The payers that successfully accomplish this are the ones that will emerge as the market leaders of tomorrow.



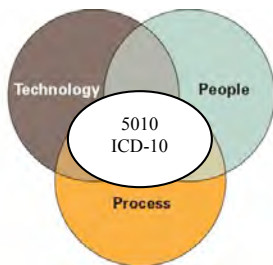
Our experience strongly suggests that payers develop requirements and plan for 5010 and ICD-10 concurrently to avoid additional expenses, resources, time loss and redundancy in analysis.

People, Process, & Technology

The significant increase in code classifications will affect how departments function within themselves, with each other and with outside organizations. As payers take the time to become educated about ICD-10 and 5010, it becomes clear that the impacts are not contained within one area of the business, such as claims.

In fact, they are broad reaching, unavoidable requirements that will greatly impact how payers operate moving forward. A workflow analysis to identify potential gaps in process, and redesign of workflows and product configurations to accommodate those changes is critical to preparing for ICD-10 implementation.

Disconnected process can lead to missed requirements, workflows that don't support the transaction and code transitions and configurations that result in claims being denied



or billed under both coding systems. Consider the

effects that ICD-10 will have on Explanation of Benefits (EOB) statements.

This seemingly simple piece of the puzzle has far-reaching impacts across people, process and technology. The provider will need to give the proper codes. The payer will need to accept those codes to determine payment and issue an EOB. Members need to receive communications that educate them about new information appearing on their EOBs. And customer service representatives need training and preparation to intelligently answer members' questions.

Many organizations skip this analysis stage and go right to implementation. Spend time to assess the impact of the codes—including their cost—upfront by completing a gap analysis on the expected workflow changes. And, identify key benchmarks and measurements that technology changes must support to help build the credibility and trust needed to implement changes for ICD-10 support.

With a strong understanding of the people and process changes needed to support ICD-10, payers can next evaluate the technical impact of the change and determine the best way to meet those changes. As we and our clients are learning, changes in technology required by ICD-10 and 5010 compliance will affect all core areas of payer operations, including patient care, pharmacy, provider systems and reporting.

What you need to know about Standards

Ensure that your organization either has the skill set, or seek to partner with a company that can quickly bring the relevant experience to your team. Your team should have relationships with your Chief Medical Information Officer, as well as technology standards groups such as X12, the Workgroup for Electronic Data Interchange (WEDI), NCHICA⁴, ANSI HITSP⁵, NCVHS⁶, HIMSS

⁴ The North Carolina Healthcare Information and Communications Alliance, Inc. (NCHICA) is a nonprofit consortium dedicated to improving health and care information www.nchica.org

⁵ Healthcare Information Technology Standards Panel purpose and function in defining healthcare information standards. www.hitsp.org

⁶ Serves as statutory public advisory body to Secretary of Health and Human Services in the area of health data and statistics. www.ncvhs.gov

and other groups to give you visibility into current and future state standards are important. Look for team members who helped define the best practice time lines or who understand them.

In addition, your team needs to understand the present and future impact of the CAQH® Committee on Operating Rules for Information Exchange (CORE ®) alliance of health plans and trade associations that are focused on improving provider interoperability and access to administrative information.

While knowing the world of new standards is important, having the judgment and experience to know what is practical and how to achieve it in a heterogeneous organization and computing environment is essential.



In addition, new operating rules will require changes in processes regarding eligibility and acknowledgement prior to or at the point of care. The timelines for Operating Rule Adoption mean that by January 1, 2013 claims status and eligibility process changes will be required, and for remittance advice and electronic funds transfer January 1, 2014.

So in addition to HIPAA 5010 and ICD-10, the industry must consider adoption of new operating rules. The use of Interim Final Rules (IFR) recommended by NCVHS.

Operating Rules

From the new laws, “The necessary business rules and guidelines for the electronic exchange of

information that are not defined by a standard or its implementation of specifications as adopted.”

Operating rules have been championed by CORE but the law did not require the adoption of CORE’s operating rules.

Health plans and providers will need to demonstrate well documented processes that determine eligibility “...prior to or at the point of care, “ and “...provide for timely acknowledgement, response, and status reporting that supports a transparent claims and denial management process (including adjudication and appeals).”

Industry Concerns

According to a WEDI survey in early 2010, there has been little progress in ICD-10 and are just starting on ICD-10⁷. Senior executives in health care companies still believe there will be deadline extensions, despite CMS’ repeated statements that there will be no more extensions.

Determining what is practical as well as achievable will be necessary as these entities balance day-to-day operations and future expenditures for regulatory compliance.

Best-practices for ICD-10 Transition

1. Early engagement of stakeholders and partners to gain “buy-in” early in the process
2. Develop an enterprise-wide assessment to understand full organizational impact.
3. Use the assessment to identify opportunities for innovation and process improvement.
4. Determine the ICD-10 implementation strategy & visions for business architecture, technical architecture and data architecture.
5. Determine the effort required and plan to implement your strategic vision while meeting the October 2013 compliance date.

⁷ As of June, 2010

Benefits of ICD-10

Why are we making the switch from ICD-9 codes to ICD-10 codes? The health care industry has used ICD-9 codes for over 25 years. The code set has not been able to keep up with the changes in medicine, with some of the newer conditions, and with the newer ways of treating patients. The ICD-10 diagnosis code set has been designed to capture much more specific information on the patient's diagnosis. The procedure code set will enable hospitals to record much more specific information on procedures performed and devices used.

1. ICD-10 provides better information on diagnoses and inpatient hospital procedures
2. This data is routinely collected on claims
3. The data can be used to improve many of the functions of the State Medicaid program

Rationale for Use of ICD-10

- ICD-10 replaces a 25-year-old code set that has failed to keep up with modern terminology and practice
- ICD-10 provides detailed information on a patient's condition through specific diagnoses
- ICD-10 provides a more specific and modern approach to classifying inpatient hospital procedures

Opportunities with ICD-10

- With the greater specificity of ICD-10-CM diagnoses and ICD-10-PCS procedure codes, claims information can be used for data capture and analysis
- This may enable you to avoid collection of additional data from providers
- Medicaid agencies can take advantage of this better information for a wide variety of functions
- This can upgrade your current data analysis of diagnoses and procedures, and enable you to start using data for additional purposes

Range of Applications for ICD-10

- Improved care management of beneficiaries
- Boost efficiencies by identification of specific health conditions, diagnoses, and procedures
- More effective coverage and payment determination
- Better data for fraud and abuse monitoring, quality assurance of clinical processes.
- Links to electronic health records (EHRs) and additional information
- Strategic planning for member, provider, and benefit service improvements
- Performance monitoring and increased capacity to report quality measures

More Effective Coverage and Payment Determination via ICD-10

- The more specific information provided in the ICD-10 codes presents an opportunity for coverage and policy revisions
- Policies can now pinpoint more specific conditions and more specific procedures
- Medicaid programs can make better decisions on whether or not to cover procedures based on better diagnosis information on the claim
- Medicaid programs can more accurately pay for procedures based on specific diagnoses and the severity of the diagnosis

Improved Strategic Planning Enabled

Using the better information provided on claims for strategic planning for improved benefit packages, caseload trends, changing provider mixes, etc., are all decisions that can be looked at and possibly supported by data that is being routinely collected on claims.

- Strategic planning to use the better data that ICD-10 will provide
- As data is collected, trending can begin and support strategic planning for:
- Relating beneficiary demographic information with conditions
- Looking at provider caseload trends by condition
- Determining better benefit packages for the Medicaid population

5010 & ICD-10 Consulting Services & Methodology

Rely on Business Experts Who Know IT Health

At No World Borders, we understand the impact ICD-10 will have on your company. Over 10 years, No World Borders has partnered with large and small business system integrators; and worked with 25 of the top health plans in U.S.

Our experts are familiar with the Centers for Medicare and Medicaid Services (CMS) in support of the Medicare program has positioned us on the forefront regarding ICD-10 standards.

We are experts in health care people, process, and technology. Through knowledge of American National Standards Institute x12 (ANSI x12), National Council for Prescription Drug Programs (NCPDP), Workgroup for Electronic Data Interchange (WEDI), and other organizations, we understand the ICD-10 complexities and how these issues translate to you.

Our ICD-10 Readiness Solutions, a blended approach that includes ICD-10 readiness span for entire ICD-10 migration lifecycle.

According to Gartner Group, over 80% of the cost of implementing HIPAA 5010 will be in the testing internal systems and coordinating with external trading partners. We believe HIPAA 5010 testing data and plans should be reusable for ICD-10.

Business Roadmap Development

As part of the project scope No World Borders feels it is imperative to map out the process for organizing and achieving change. At this stage, clients need to make sure that there is sufficient urgency within the organization to drive change forward. This will be critical to getting the ball moving. We need to design an approach to make sure that happens. In addition, we need to help form a guiding coalition that can firm up the change vision, develop a roadmap of change initiatives and organize the teams of people responsible for getting the work done.

Training

We provide a series of training sessions, which provide key information about the ICD-10 code set, how to use it, how to benefit from it, and what the implementation steps are. There are 12 Training Segments in the entire program.

High Level Review & Skills Inventory

Early Assessment helps you gain a strong understanding of how ICD-10 will impact your organization. We focus on people, business processes and technology to assess the impact of ICD-10. It is a critical part of any ICD-10 initiative since ICD-10 has the potential to impact so much of your business, including programs and systems for claims, analytics fraud detection, enrollment, eligibility, benefits, pricing, sponsor contracting, medical management, provider electronic data interchange (EDI) transactions and other areas. In addition, we can help advise you as to the skills your team needs internally or should contract for to have a successful transition.

In-Depth Assessment & Gap Analysis

Clients need to know whether their detail assumptions have any fundamental variances from best practices and regulations. An in-depth analysis of complex artifacts may include a review of underlying HIPAA 5010 EDI transactions, and ICD-10, trading partner coordination and testing plan review, and as-is, to- be process review.

Implementation Planning and Design

This phase takes the outputs (strategic direction, high level review) to develop the detailed design. The design focuses on business processes that require modification and IT applications that require remediation and replacement. We create a detail project plan based on the design that carefully balances all factors.

Implementation

This is the final step in our process to help you achieve ICD-10, and ways to realize efficiencies while mitigating risk. During this phase, we make modifications to implementation plans based on recommendations from the Planning and Design phase. Our experts can help guide ICD-10 testing and trading partner launch.

Vendor Assessment & RFP Preparation

Prioritizing vendors for the move to HIPAA 5010 and ICD-10 is critical. No World Borders has lived through the challenges of making these decisions with clients like you. We can help sharpen your strategy to set the right priorities and we can help develop thorough Requests for Proposals (RFPs) to ensure that you are covering all requirements.

HIPAA Compliance Watch®

Tracking developments from all of the standards organization and interpreting the meaning and strategy for your specific organization is a daunting task. We follow all of the key developments from standards groups. At times your outside legal counsel may not have all of the HIPAA expertise to correctly interpret the rules, opening you up to compliance risks. Let No World Borders track the complexity for you and provide interim reports and advisory service notifications.

Example of Recent Findings

Our team reviews existing 4010 data as well as 5010 data where available, to ensure that your company is setting the right foundation for ICD-10. Our experienced team combined with

analytics review tools have found issues such as:

- Conflicting projects with 5010 and ICD-10
- Lack of business and IT alignment
- Lack of alignment between IT and Architecture groups
- Need to develop internal technology to shore up weak vendor solutions (performance, as well as compliance)
- Trading partner communication issues and education
- Test plan issues
- Trading partner coordination issues
- Lack of end to end testing risks
- Enumeration issues
- Business owner input needed
- Syntax errors (transaction sets, trailing zeros)
- Billing provider, HIPAA zip codes must be nine digits
- Qualifiers invalid in 5010
- Valid provider names
- Valid CPT or HCPCS Codes
- Include N4 Segments for 5010 compliance
- Valid onset dates
- Rendering provider vs. billing providers issues
- Missing crosswalks
- Privacy, PHI issues
- Service dates vs. adjudication dates
- Eligibility
- Diagnosis codes
- Legacy IDs

“The laws have already been enacted. Organizations who do not comply may be subject to a fine of \$1.00 per covered life per day if they do not meet the certification requirements. These penalties double if inaccurate or incomplete information has been provided in the compliance documentation.”

Healthcare Practice Overview

- Business Strategy and Process Re-engineering
- Organizational development to establish a culture in your company that both enables and embraces change brought about by H.I.T.
- EDI Evaluation and Data Management, including Use Cases and Step by Step Audit Frameworks
- Strong regulatory, standards, and systems perspectives to provide the realistic mentoring to our clients
- Ontology of knowledge of the standards, on-staff consultants, and a network of over 450 health care IT professionals with relevant experience.
- Health information exchange solutions design based on service oriented architecture, HIPAA EDI data transport, and HIPAA coding standards.
- Systems Integration
- Training & Education



Health Care Solution Offerings

- Business continuity planning
- Business roadmap development
- Merger & Acquisition advisory
- Medical nomenclature, ontologies, (ICD-9, ICD-10, SNOMED, LOINC, UMLS)
- Claims systems implementation and process design
- Computing infrastructure, service level agreements
- Customer relationship & information management, call center infrastructure
- eCommerce, online ordering systems
- EDI and data coding standards for health care
 - 4010 to 5010
 - HIPAA transaction review: (997, 999, 837, 835, 834, 820, 278, 277, 276, 271, 270)
- ICD-9 to ICD-10 migration advisory
- Readiness reviews - 5010 and ICD-10
- Enterprise architecture
- Financial & employee systems integration
- Governance - IT, Project, Corporate
- Health care facilities estate environmental sustainability and energy planning (LEED certified green building assessments)
- Lean / Six Sigma facilitation and adoption
- Legacy system retirement and transition
- Pharmacovigilance, Adverse Event Reporting
- Portfolio management in IT
- Process visualization, innovation, improvement
- Revenue management, & payment systems
- Security audits & training (PCI, OWASP, other)
- Supply chain and third party logistics (3PL)
- Workplace planning solutions, (portfolio, maintenance, transaction, lease & accounting management)



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Helping You Succeed, Results

At each stage of your implementation you may leverage our expertise to supplement your existing staff in handling time-critical projects as needed. Some of our roles can include:

- Serving as an extended arm of your team
- Host education, training and other events for your team and partners
- Capture lessons learned and product feedback
- Provide detailed guidance to customers on best practices captured from hundreds of implementations

From initial configuration and setup to training, education and ongoing support, No World Borders provides a full spectrum of services to ensure that our clients' efforts are successful.

Our Role in Your Success

Our experienced and professional services team can support and augment your internal 5010 migration and ICD-10 upgrade initiatives in the following roles:

- Audit and review of migration requirements, whether developed by us or the client
- Project Management
- HIPAA Migration Readiness Survey
- 5010 Migration Strategic Planning
- 5010 Standards Subject Matter Experts
- 5010 Migration Testing and Validation
- As Is and To Be Process Models, Facilitation, and Re-Engineering
- Review of Requirements Development Process



Who we are

We are a full service-consulting firm with a ten-year track record helping some of the most successful companies in the world, without the overhead and conventional model of large consulting firms. We have strong financial backing by a leading private equity firm and an experienced management team with a well-respected advisory board.

Vendor Agnostic, Independent Thought Leadership

The No World Borders client services team is staffed with industry experts with in-depth knowledge of claims systems and supporting workflows and work streams which support provider management, customer service, financial systems integration, and the core claims process and standards. We work with payers in the U.S., Latin America and the EU to help optimize their process, data, and local regulations.

Our consultants work with clients to ensure successful implementation of our partner solutions, and completion of smooth migration to HIPAA X12 version 5010 and ICD-10. Our Consulting Services provide experience and experts to meet your 5010 migration requirements cost-effectively.

Services & Consultants World Wide

Seattle, Silicon Valley, Orange County, Salt Lake City, Denver, Chicago, Dallas, Boston, New York, Charlotte, Mexico City, San Juan Puerto Rico, London, European Union, Asia / Pacific, Latin America

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Our experienced team understands your business and technology.

Our consultants have an average of 15 years experience, and are available on an interim basis to save cost when you need it.

We help you find efficiencies and reduce cost. We are experts at business process modeling (BPM), a visual method to describe changes to your business. We create a shared vision of success within teams to help ensure initiatives produce a win for you and your customers.

We make the complex simpler by helping you see how to apply improvements in your organization, process, and technology to achieve business goals. We perform assessments with easy to understand recommendations, reports, and visualizations. We help solve problems with large software implementations or teams by providing leadership, project and process management.

We are experts at helping businesses change and innovate, including turn around, go to market, and re-structuring. We help leverage market inflection points in your business by finding ways to assess, grow, change, or right-size your work force.

We use an innovative, technology-oriented solution approach. Our team can provide cost effective solutions, enabling you to seize opportunities quickly and create efficiencies.

We bring tested, proven frameworks and methodologies that have worked at other health care companies to you to save time, cost and eliminate errors so that the adoption of **HIPAA 5010** and **ICD-10** goes more smoothly.

We are experts at finding cost efficiencies in the market, helping you identify niches that assist you in reaching your audience and developing prospects more efficiently than your competitors. We use best practices such as ITIL and Lean to help reduce risk, improve quality and predictability and save money.

Selective technology partnerships help provide timely, relevant solutions.

We work with market leading software and service innovators to implement solutions in a variety of markets.

Our team has cross-industry experience with a broad range of clients.

Our advisory and assessment services in management consulting, IT consulting, solution design, human and investment capital, and outsourcing have been provided to clients in the automotive, financial services, retail, apparel, consumer electronics, healthcare, medical device, pharmaceutical, enterprise software, telecommunications, entertainment, internet media and online marketing industries. Broad insights gained from cross industry experience make our consultants more valuable and impactful for your business.

Organizational Capabilities Checklist

From business process modeling to data warehouse and analytics and disease management, our firm understands the competencies required to harness ICD-10 and improve the benefits that can be reaped from making the transition. Please request a proposal for an assessment.



No World Borders
Great Teams, Great Solutions—Globally®

History of excellence in different industries make our insights more valuable.

Our team and our partners work with the most successful and best-known brands in the world in health care:

- Abbott Medical Optics
- Agile Software
- Alcon
- Baxter Biosciences
- Blue Cross Blue Shield independent cos.
- Eli Lilly
- Genzyme
- Kaiser Permanente
- Leading IPAs, Hospitals
- Medtronic
- Met Life
- United Health
- US Labs

Senior executives in health care companies still believe there will be deadline extensions, despite CMS' repeated statements that there will be no more extensions.

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