

## ICD-10 Delay Enables Orderly Transition if Action Starts Now

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The new deadline in the final regulations for ICD-10 conversion allows a more orderly transition, but only for healthcare organizations that begin work now.

## NEWS ANALYSIS

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### Event

On 16 January 2009, the U.S. government published final rules to amend regulations of the U.S. Health Insurance Portability and Accountability Act (HIPAA). The 5010 version of the HIPAA 837 Claims Transaction will become mandatory on 1 January 2012. Use of the International Classification of Diseases, 10th Revision (ICD-10) will become mandatory on 1 October 2013, instead of 1 October 2011.

### Analysis

As expected, the U.S. Centers for Medicare and Medicaid Services, which maintains the U.S. codes for billing and diagnosis, extended these mandatory compliance dates. Meeting the 5010 requirement is largely an IT department/electronic data interchange (EDI) challenge, although its business impact on training and healthcare analysis is significant. Changing EDI interfaces on a national scale is no trivial task, although the work plans developed for the conversion to version 4010 conducted in 2002 will likely suffice.

However, complying with ICD-10 is a thornier matter. Gartner has published extensive advice on the actions healthcare organizations must take to deal with ICD-10 and the urgency of getting started (see "Case Study: Arkansas BCBS Masters ICD-10 Planning"). The change will affect every aspect of operations, disease management and business intelligence activities. The impact is nearly as extensive in care delivery organizations (CDOs), although many CIOs fail to grasp that; they naively regard ICD-10 as merely a problem for vendors of billing and medical record coding software.

Although comments in final regulation are sanguine about adoption of standard mappings between ICD-9 and ICD-10, mappings to date haven't been tested in the real world of claims adjudication, disease management and contract negotiations. We expect much tinkering to the mappings in the run-up to the 2013 deadline and beyond, particularly in regard to where generalized "not-other-classified" coding will be accepted or required as a shortcut to regulatory compliance.

Because the conversion will involve extensive learning on the part of healthcare payers, CDOs and software vendors, the conversion year and the year after will be chaotic. The proper mind-set is to prepare for a crisis.

## RECOMMENDATIONS

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### Healthcare organizations:

- Take advantage of the revised dates to make a preliminary assessment in budgetary 2009 and a more thorough assessment and remediation plan in 2010. If you delay ICD-10 planning until the deadline is closer, you'll find yourself in a costly crisis.
- Reassign this year executive responsibility that has visibility across all the business processes supported by IT.

### Health insurers and CDOs:

- Put central vocabulary server software into production to enable consistent mapping across applications, even as the mappings evolve.

## RECOMMENDED READING

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- "U.S. Care Delivery Organizations Should Use These Steps to Prepare for ICD-10" — Plan for ICD-10 to be a crisis. Unprepared CDOs will face severe work disruptions and delayed or lost payments. **By Wes Rishel**
- "Architecture for the ICD-10 Mandate in Care Delivery Organizations" — Work closely with application and vocabulary server vendors to determine their approach to ICD-10 conversion. **By Wes Rishel**

(You may need to sign in or be a Gartner client to access the documents referenced in this First Take.)

This research is part of a set of related research pieces. See "Roundup of Healthcare Provider Research, 2Q09" for an overview.

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