ICD-10 Action Steps for Payers

The transition to ICD-10 is mandatory for all payers, providers, and other organizations covered by the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The compliance deadline for the ICD-10 transition is **October 1, 2014**.

While all health care organizations should be fully immersed in their preparations for ICD-10, payers in particular have unique transition requirements that need special attention. For a successful transition, payers need to pay particular attention to the providers and vendors they work with—anticipating and responding to any delays with ICD-10 implementation in these organizations. It is important to work together and communicate frequently to ensure the timely flow of information.

Below is a list of basic steps that payers can take to prepare for ICD-10, followed by an overview of the testing process.

Basic Steps to Prepare for ICD-10
Payers must plan to be ready to process claims with ICD-10 codes for medical diagnoses and inpatient procedures. The following are steps to take to prepare for the ICD-10 transition:

- ☐ **Review payment policies.** The transition to ICD-10 will involve new coding and reimbursement rules.

- ☐ **Investigate general equivalence mappings (GEMs) and reimbursement crosswalks**. This will help you assess the impact on your organization.

- ☐ **Check with your software vendors, billing services, clearinghouses, and providers.** Ask the software vendors, billing services, and clearinghouses, as well as the providers you work with, what they are doing to prepare and what their timelines are for testing and implementation.

- ☐ **Communicate with your colleagues about the ICD-10 transition.** Meet with your professional and support staff. Discuss the new codes and where they are used to help you assess the impact on your organization. Assign roles and responsibilities for addressing the transition.

- ☐ **Identify needs and resources**. Consider the changes that will be required. Develop a budget, timeline, and a transition plan that take into account specific work flow needs, vendor readiness, and staff knowledge, and that factor in associated training needs.

☐ **Plan strategies** that will minimize any provider reimbursement and operational interruptions.

Getting Ready for Testing

Testing is a key step toward identifying and resolving potential issues. Begin planning for testing now.

Internal testing should be coordinated between coding, billing, and technical resources. Payers should recognize that ICD-10 resembles other major software architecture or logic changes and use any experience with similar scenarios to plan for the transition.

External testing should be conducted with all external business partners with which you exchange data. External testing should focus on making sure claims are transferred and paid for all affected parties. Be sure to include the following steps during external testing:

☐ Identify business partners for testing
☐ Check with business partners about their testing plans
☐ Test claims transfers and payments
☐ Test other outbound and inbound transactions

Payers should also be prepared to work with providers and their vendors to fix any issues as they arise.

Resources

The CMS ICD-10 website at www.cms.gov/ICD10 offers resources and guidance to help plan for the ICD-10 transition. Tailored guidance and tips for payers are available on the [Payer Resources page](). Preparation is essential to a successful transition for all affected parties, and payers can use the resources available to ensure that all business partners are ready for ICD-10.