

A photograph of a man and a woman in business attire. The man, on the right, is older with grey hair, wearing a grey suit jacket, a blue shirt, and a light-colored tie. He is leaning forward, looking intently at the camera. The woman, on the left, is younger with dark hair pulled back, wearing a white blazer. She is looking off to the side. They are both looking down at some papers on a table. The background is blurred, showing what appears to be an office setting with large windows and some indoor plants.

ICD-10 collaborative testing to minimize financial repercussions

Health plans looking to minimize the financial and operational repercussions of adopting the International Classification of Diseases, Tenth Edition (ICD-10), should be conducting comprehensive transition testing in the wake of the announcement from the Department of Health & Human Services (HHS) that it would initiate proceedings to postpone the ICD-10 compliance date, according to Dean Farley, vice president, Reimbursement Center of Excellence, OptumInsight.

"The transition to ICD-10 has an impact across all functional areas, including medical management, claims, call centers, finance, providers, benefits and enrollment," Farley said. "Plans need a process that breaks testing in these areas into manageable chunks and helps them achieve a successful transition from ICD-9 to ICD-10."

Testing, he explained, will allow plans to see where there is work to be done—while there still is time to do that work. "Plans don't want to flip the switch and find that staff members are not properly trained to deliver value and service to stakeholders, or that the plan is not capturing the granular clinical information that will help them better manage patients," he noted.

Mixing a variety of testing types is sound strategy

When formulating a testing plan, there are multiple factors to consider. "Plans need to examine not only whether systems work, but what their impact will be on other systems," Farley said. "Further, plans will find that internal testing alone will not be sufficient to determine that impact. Accordingly, they need to build in time for provider and trading partner testing."

ICD-10 Impacts Across the Functional Areas



- Finance
- Provider
- Benefits
- Enrollment
- Medical Management
- Claims
- Call Centers

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Expert presenters

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Mary Singer, Vice President, Operational Performance Improvement Center of Excellence, OptumInsight

The types of transactional testing plans may utilize to gauge their systems' performance—listed below—largely will depend on the goals of each organization, according to Farley:

- **Unit testing**—Often done by developers, unit testing is the process of testing an individual, low-level program in an isolated environment before testing its integration with other units (e.g., Does an MS-DRG grouper deliver a DRG assignment correctly?).
- **Integrated testing**—This testing method focuses on cross-functional tests, putting units together to determine whether the sum of the units is performing as expected. For example, are editors, groupers and processors working together to process claims in a consistent manner?
- **System testing**—System testing in an iterative process that tests across individual modules of the system in a partially integrated, but not end-to-end test, of the IT components. In other words, does the system meet requirements from a technical perspective? Do claims flow correctly? Are pending claims being pending? Are claims with potential problems being flagged?
- **User acceptance testing (UAT)/end-to-end testing**—This type of testing simulates production business processes to validate that the system and business practices are functioning correctly prior to the transition to the ICD-10 business environment. When systems are deployed in an environment in which they will be used, do they perform as intended? Plans will want answers to these questions, among others: What is the burden on claims examiners? What is the adjudication rate? What do the results mean to the user and the user's business?
- **Parallel testing**—Parallel testing validates whether systems are functioning as expected in both ICD-9 and ICD-10 CM and PCS codes. "ICD-9 has to be maintained up to and beyond the ICD-10 implementation date," Farley noted. "What you want to know is whether both systems deliver similar results for claims that contain clinically similar information."
- **Regression and performance testing**—Plans need to conduct regression and performance testing to ensure that code changes have not adversely impacted functionality and to validate the baseline performance changes. "Claims or other business functions that take place before remediation should act in the same way after remediation," Farley said.



One topic that has been debated in the industry is whether neutrality should be considered during the transition from ICD-9 to ICD-10. Although many vendors emphasize neutrality when delivering tools and services, OptumInsight's view is that movement to ICD-10 cannot be accomplished in an absolutely neutral manner.

"The reality is that we are moving to ICD-10 because we want to change things, so neutrality is not necessarily the most important goal," Farley said. "What is important is that the ICD-10 transition and remediation efforts do not have unintended consequences for health care organizations, such as disruption in financial and operational systems."

However, plans do need to become familiar with neutrality testing terms, such as clinical testing (population management, utilization management, case management, and disease management); financial/reimbursement testing (reimbursement to providers/facilities, groupers/DRGs, reimbursement business rules, and financial impacts on operations budget/forecast); and operational and KPI testing (claims auto-adjudication percentage, payment accuracy, timelines, and EDI submission rate).

Testing early and often is key

The ICD-10 transition process should revolve around testing that begins early and continues throughout the conversion process, according to Mary Singer, vice president, Operational Performance Improvement Center of Excellence, OptumInsight.

Some of the biggest testing challenges plans face in this process, she indicated, are collecting both historical and clinically coded data to test financial assumptions (reimbursement, operations, budget, and staffing) for ICD-10 implementation; conducting parallel testing, which is difficult but necessary to address several key functions (auto-adjudication, payment accuracy, population management, etc.); and conducting external partner testing to avoid the loss of claims transparency to improve provider adoption and ensure that vendors are aligned with the plan.

“Testing should continue throughout the process to identify potential changes to the map—before systems and end-to-end testing—so that plans can identify financial and operational outcomes that affect the business process,” she said.

For example, testing for member liability neutrality should begin following configuration testing to determine whether members will be made whole on their co-payments, deductibles, lifetime maximums, etc., while there is an opportunity to make changes if issues arise. “Don’t wait to the end of the build to begin testing to find financial implications,” Singer advised. “Waiting will just add risk to the program.”

Singer also pointed out that plans should integrate lessons learned from the transition to 5010, when insufficient testing

led to internal rework, and increased costs and the discontent of providers, states, the Centers for Medicare & Medicaid Services, and their own members. One of the best ways to test the new systems and processes is through a model office, which provides dedicated resources, physical space, and a sound technical environment to simulate the production environment, she said.

Plans that have not yet begun to take advantage of the ICD-10 implementation delay to ramp up testing need to start today, she continued: “If plans incorporate adequate and collaborative internal and external testing during this period, they should reap financial, clinical, operational, and external stakeholder benefits.”

Developing benchmarks and metrics to monitor testing outcomes and partnering with experts to help manage their programs also are key items on the testing to-do list. OptumInsight offers ICD-10 transition services and solutions to assist plans as they design and execute their implementation plan.

The value of robust testing and planning is not compliance, per se, Singer concluded. “The value, at the end of the spectrum, across a series of years, is what data has been driven to improve the outcomes of patients and the population of the United States.”



How OptumInsight can help

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to learn more about strategies for
a successful transition to ICD-10.

Biographies



Dean Farley, Vice President, Reimbursement Center of Excellence

Dean Farley is a nationally recognized health economist who specializes in hospital finance, case mix measurement, and severity adjustment and serves as vice president for OptumInsight. Farley has more than 30 years of experience in health services research and policy analysis focused on hospital services.



Mary Singer, Vice President, Operational Performance Improvement

With more than 25 years in health plan operations and technology solutions development, Mary Singer is a competency lead for administrative operations. She conducts assessments, develops investment strategy, and designs remediation road maps for large, complex initiatives such as core system consolidations/replacements and compliance mandates such as ICD-10. Prior to Optum, she served as vice president of operations for large national health plans.