



CASE STUDY

LEADING HOSPITAL MANAGEMENT COMPANY DRIVES TO MEET ICD-10 MANDATE

With revenues of more than \$30 billion, the Client is one of the leading healthcare services providers in the nation. They deliver healthcare services through locally managed acute care hospitals and surgery centers throughout the United States. They have achieved great success by improving patient care, leveraging economies of scale, and developing strong relationships with physicians in local communities.

THE CHALLENGE

The Client uses a variety of custom applications and third-party vendor solutions to support revenue cycle, clinical, and reporting functions. Many of these systems are impacted by the transition from ICD-9 to ICD-10 for medical diagnoses and patient procedure coding. Per federal mandate, hospitals and physician practices must begin using the new ICD-10 code set to document all healthcare encounters, including outpatient claims with dates of service and inpatient claims with dates of discharge on and after October 1, 2013. Failure to do so could result in coding errors, inaccurate payments, and claim denials/rejections, which ultimately affects accounts receivable and cash flow. In addition, failure to transition non-revenue cycle systems to support ICD-10 could disrupt business operations and impact patient care.

North Highland was engaged to provide leadership and domain expertise in building an executive business case for ICD-10 remediation of enterprise systems.

THE THREE SIGNIFICANT THINGS THIS CASE STUDY REVEALS

1. We pinpointed IT applications and solutions that would be impacted by the federally mandated transition to ICD-10.
2. We developed a business case, budget recommendations, and detailed response plans which helped ensure IT preparedness with the new diagnosis code system effective October 2013.
3. We helped the Client marshal the internal resources needed for the IT transition and consider the change as a strategic opportunity to boost quality and drive better outcomes.

UNIMAGINABLY ACHIEVABLE

When you engage North Highland consulting, you can rest assured that we will deliver an innovative solution to the project. We are driven in our pursuit of unique, creative answers, tailor-made to your specific needs. However, we are also diligent in making sure that any implementation is based in reality. What we propose must always be achievable and work in concert within your enterprise as a whole.

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THE SOLUTION

North Highland worked with stakeholders to identify over 50 applications and solutions (out of more than 100) impacted by ICD-10 and define 13 remediation projects based on touch points and characteristics common among software products. Once the projects were defined, North Highland worked with the Client to establish an overall corporate information technology (IT) ICD-10 response, including timelines, resources, and work effort for each remediation project. Deliverables included:

- Data flow analysis
- Program and project charters
- IT remediation business case for executive management
- High-level remediation plans
- High-level approach to ICD-10 functional, integrated, and end-to end testing
- Coding strategy and revenue cycle educational overviews

North Highland also worked with the facility based IT operations to identify over 150 locally managed applications out of more than 300 that could be impacted by ICD-10. North Highland provided application support leaders with a framework and tools to pinpoint locally developed solutions impacted by ICD-10 and create remediation budgets for 2012.

THE VALUE

With North Highland's guidance, the Client is better equipped to adopt and comply with the transition, and to view the mandate as a strategic opportunity for IT operations to enhance the organization's position. The Client was able to produce an effective business case with a realistic supporting budget to resolve corporate enterprise systems impacted by ICD-10. With this business case, IT can allocate the funding needed to update systems in support of ICD-10 compliance. In the short-term, proper transition of these systems should help reduce the risk of negative impacts to accounts receivable, cash flow, patient care, and overall business operations. In the longer term, these system changes can help strengthen revenue cycle, case management, and reporting capabilities.

In addition, the specificity offered by the eight-fold increase in diagnosis and procedure codes under ICD-10 will provide the Client with an enhanced ability to improve disease management programs, drive better outcomes, and boost quality.