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TriZetto eyes ICD-10 onslaught

BY ERIC WICKLUND, Managing Editor
NEWPORT BEACH, CA – The federal government may have delayed the implementation of new ICD-10 diagnosis codes and ANSI X12 version 5010 HIPAA transaction codes, but that doesn't mean anyone should be breathing any easier.

"It does seem like a lot of breathing room, but we feel it's time to get moving," said Rob Scavo, senior vice president of core administration solutions for The TriZetto Group, a Newport Beach, Calif.-based provider of business process solutions for health plans.

"The forward-moving health plans are starting now to review their processes – but there aren't many of them," said Maureen O'Hara, TriZetto's director of facets product management.

Healthcare providers now operate under version 9 of the World Health Organization's International Statistical Classification of Diseases and Related Health Problems (ICD), the codes used to track morbidity and mortality data for health claim reimbursement. In January, the Department of Health and Human Services moved the deadline back

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for switching to the much more granular ICD-10 codes, from Oct. 1, 2011 to Oct. 1, 2013.

According to Scavo, health plans should be using their extra time to analyze the granularity of the new codes and think about possible new products or payment structures. He said the move to the new HIPAA transaction codes is a more technical process and should be completed first, while the change to the ICD-10 codes is more of a business process.

To assist health plans in their preparations, TriZetto released a white paper last December titled "ICD-10 Adoption: A Strategic Opportunity for the Entire Payer Organization." It's the first in a series of guides that the company is planning – and the latest salvo in an industry-wide effort to prepare payers for the new rules, which out-



Scavo



The conversion from ICD-9 codes to ICD-10, now scheduled to take place by 2013, is expected to eventually improve the relationship between healthcare providers and payers by refining the payment process.

going Health and Human Services Secretary Michael Leavitt says "will move the nation toward a more efficient, quality-focused healthcare system by helping accelerate the widespread adoption of health information technology."

The change isn't coming without cost. According to a recent study by Nachimson Advisors, the typical 10-person physician practice could spend more than \$285,000 adapting the new codesets, while a three-person practice could spend more than \$83,000 and a 100-physician practice could see a \$2.7 million bill.

All the more reason, says TriZetto, to plan now.

Kim Rosengren, TriZetto's associate vice president, said a recent survey conducted in partnership with The Gantry Group indicated that 82 percent of all payers are leveraging ICD-10 into their timeline to make improvements. She said plans want to take advantage of the new data embedded in ICD-10 as the change-over takes place, rather than waiting after-the-fact to review their business procedures.

"They're still getting educated about what needs to happen," she said. "This is just the first chapter in a couple-year project." ■

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