



Healthcare Organization Post ICD-10 Implementation Survey: Key Survey Findings

Presented by:
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Survey Background

In December 2015, Navicure commissioned Porter Research to conduct a national survey of healthcare organizations to gauge ICD-10's impact on their organization. This was a follow up to four ICD-10 preparation surveys conducted in 2013 and 2015. The survey focused on ICD-10 readiness and impact following the October 1, 2015, transition. Some questions were identical to previous surveys while others were unique to this survey. Responses to all questions were self-reported.

The majority of the 360 survey participants were practice administrators or billing managers (59%), followed by practice executives (17%) and billers and coders (16%). Survey respondents represented a broad range of specialties and sizes, with the majority (60%) coming from organizations with one to 10 providers.



Key Findings

- **Healthcare organizations believed they were ready for the ICD-10 deadline.** Nearly all of respondents (99%) said they were prepared for the transition date. This is consistent with the August 2015 survey where the majority (85%) were confident they would be ready.
- **Only 13 percent of administrative staff and 15 percent of clinical staff saw significant productivity impact following the ICD-10 transition.**
 - An additional 46 percent of administrative staff and 42 percent of clinical staff didn't see much of a productivity impact and still haven't.
 - The remaining 43 percent of clinical staff and 41 percent of administrative staff experienced a minor impact or didn't know.
- **The decrease in staff productivity was the top issue following the ICD-10 transition.** This was named by nearly half of participants (48%) as the top issue, followed by revenue and/or cash flow disruption (20%). The August 2015 survey identified these as the top ICD-10 concerns; however, the majority (56%) selected revenue/cash flow impact over staff productivity (17%).



Key Findings Continued

- ***Despite earlier concerns, the ICD-10 transition has had very little or no impact on monthly revenue.*** The majority of participants (60%) did not see any impact on their monthly revenue following October 1, 2015. Additionally, 34 percent saw a decrease by less than 20 percent. Denial rates have remained the same for 45 percent of respondents. An additional 44 percent have seen an increase of less than 10 percent. This is in contrast to pre-transition surveys where respondents anticipated a higher denial rate with 61 percent expecting them to increase by 11 to 40 percent.
- ***Organizations were mixed in terms of taking proactive steps prior to the transition to mitigate cash flow risks.*** Thirty-eight percent developed a contingency plan, 29 percent improved patient collections, 20 percent performed a gap analysis/pressure tested processes and 18 percent took out a line of credit. Thirty-eight percent didn't take any of these steps.



Key Findings Continued

- **Half of respondents reported spending less than \$10,000 on training and software updates in preparation for ICD-10.** In addition:
 - Fourteen percent spent between \$10,000 to \$49,999.
 - Five percent spent over \$50,000.
 - One-fifth of respondents didn't know how much was spent.
- **Healthcare organizations are sending the most specific ICD-10 codes as possible.** More than half (58%) are using them all the time and 41 percent are using them sometimes. This is consistent with previous surveys where participants planned to use as specific ICD-10 codes as possible.
- **Now that the ICD-10 transition has taken place, two-thirds of participants plan to work on improving overall revenue cycle management processes in 2016.** Additionally, other 2016 focuses will be working towards a value-based care model (15%) followed by updating and automating patient collections strategies (9%).



Key Findings Continued

- **Organizations were less negative regarding ICD-10's impact than previous surveys.** Responses regarding whether ICD-10 would have a neutral or positive influence on their finances, operations, personal morale, staff morale and patient experience increased across the board from the August 2015 survey.
- **The majority of respondents have not had any difficulty implementing ICD-10 with prior authorizations, referrals, PQRS and medical necessity.** Over 70 percent said “no” to issues with prior authorizations and referrals, 68 percent said “no” to medical necessity and 64 percent said “no” to issues with PQRS.

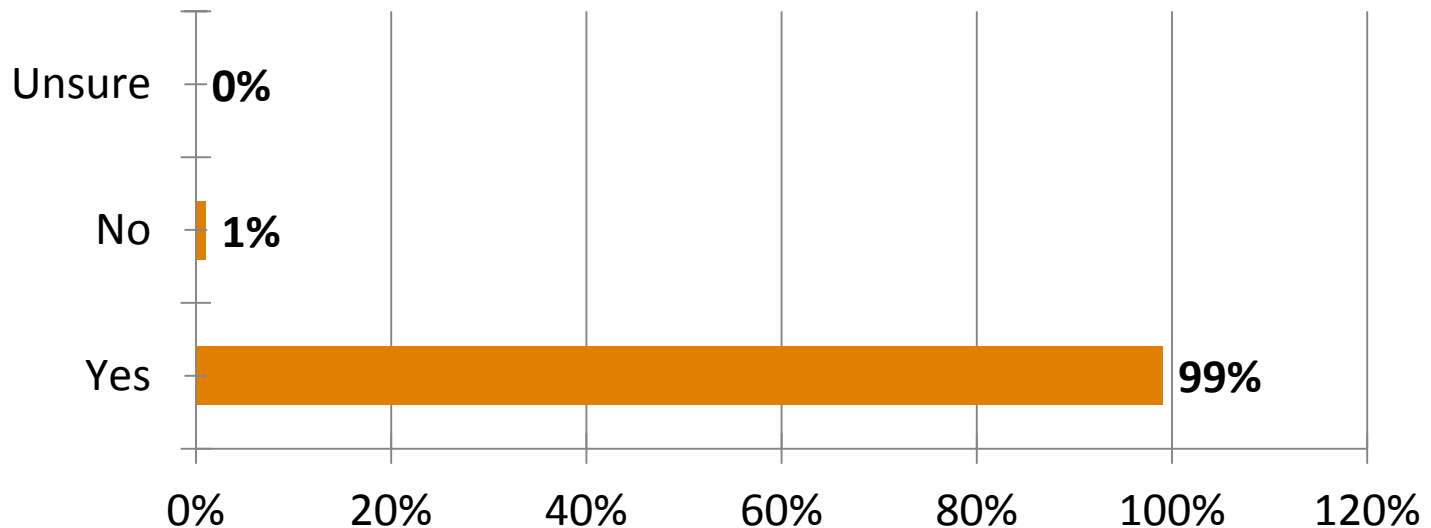
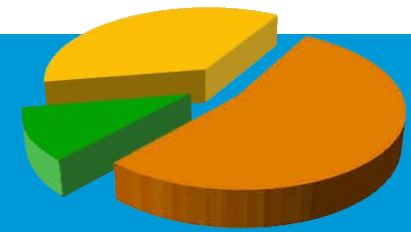


Detailed Results



Was your organization prepared for ICD-10 by October 1, 2015?

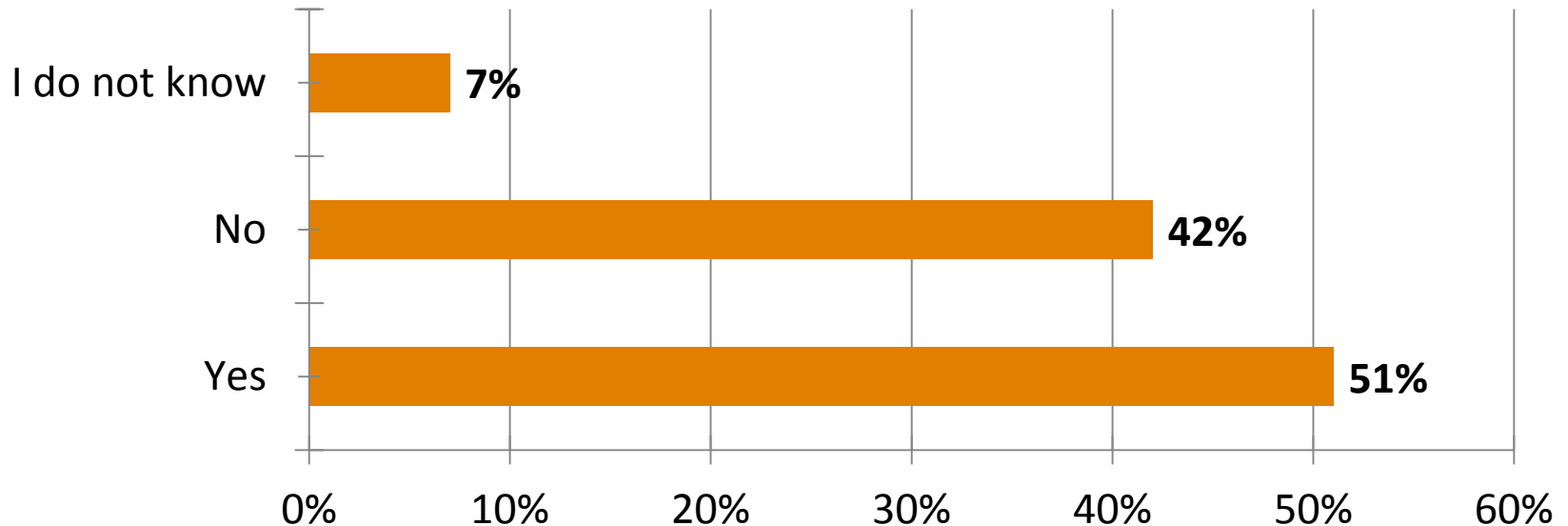
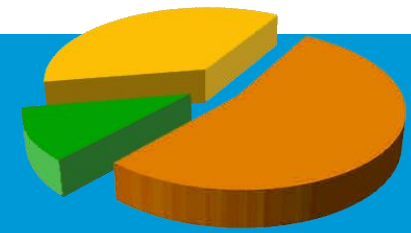
- The overwhelming majority (99%) believed they were ready for the ICD-10 implementation date.



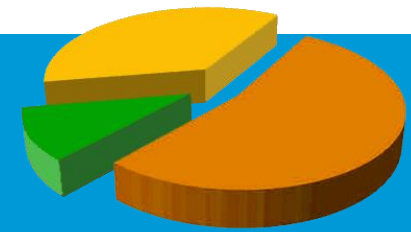
Did your organization participate in ICD-10 end-to-end testing?

- Over half (51%) did participate in end-to-end testing while 42 percent did not.

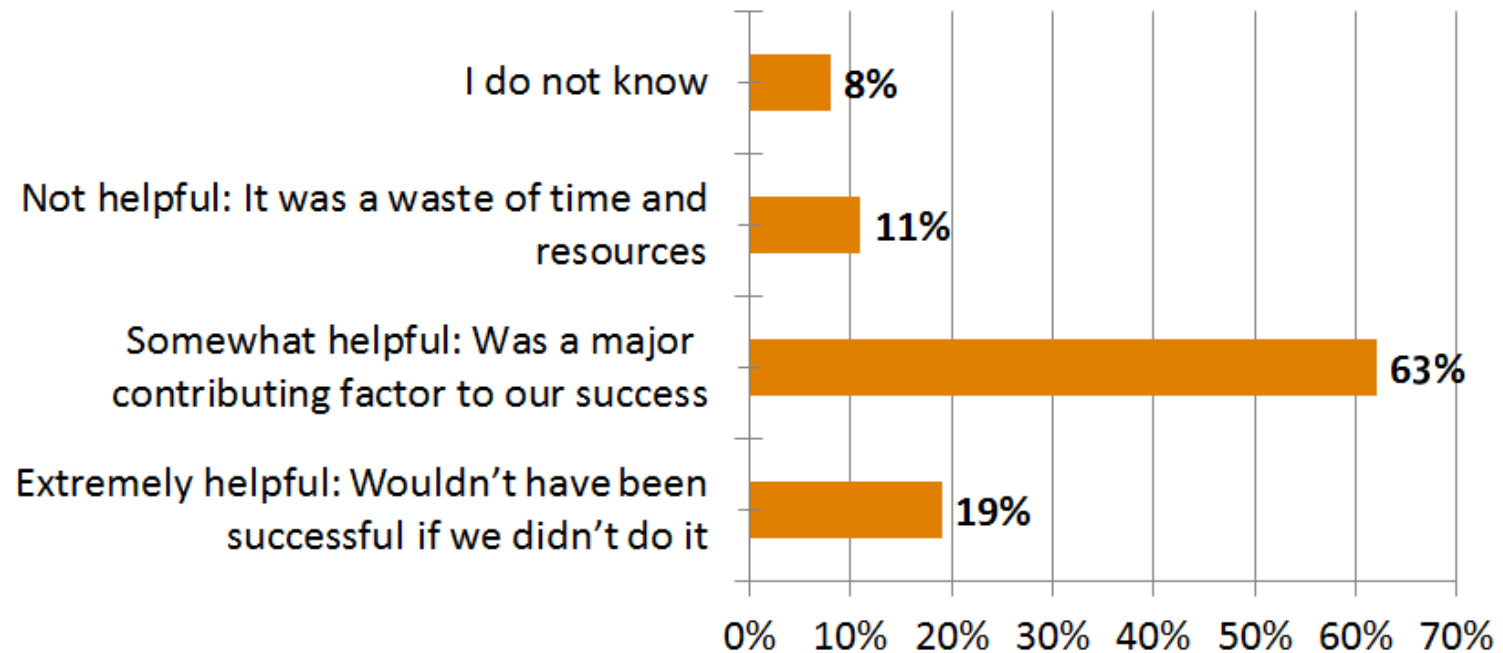
Note: end-to-end testing was not defined in the survey.



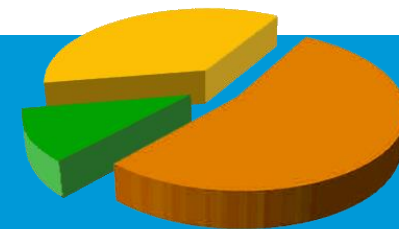
How useful was end-to-end testing in your ICD-10 preparation?



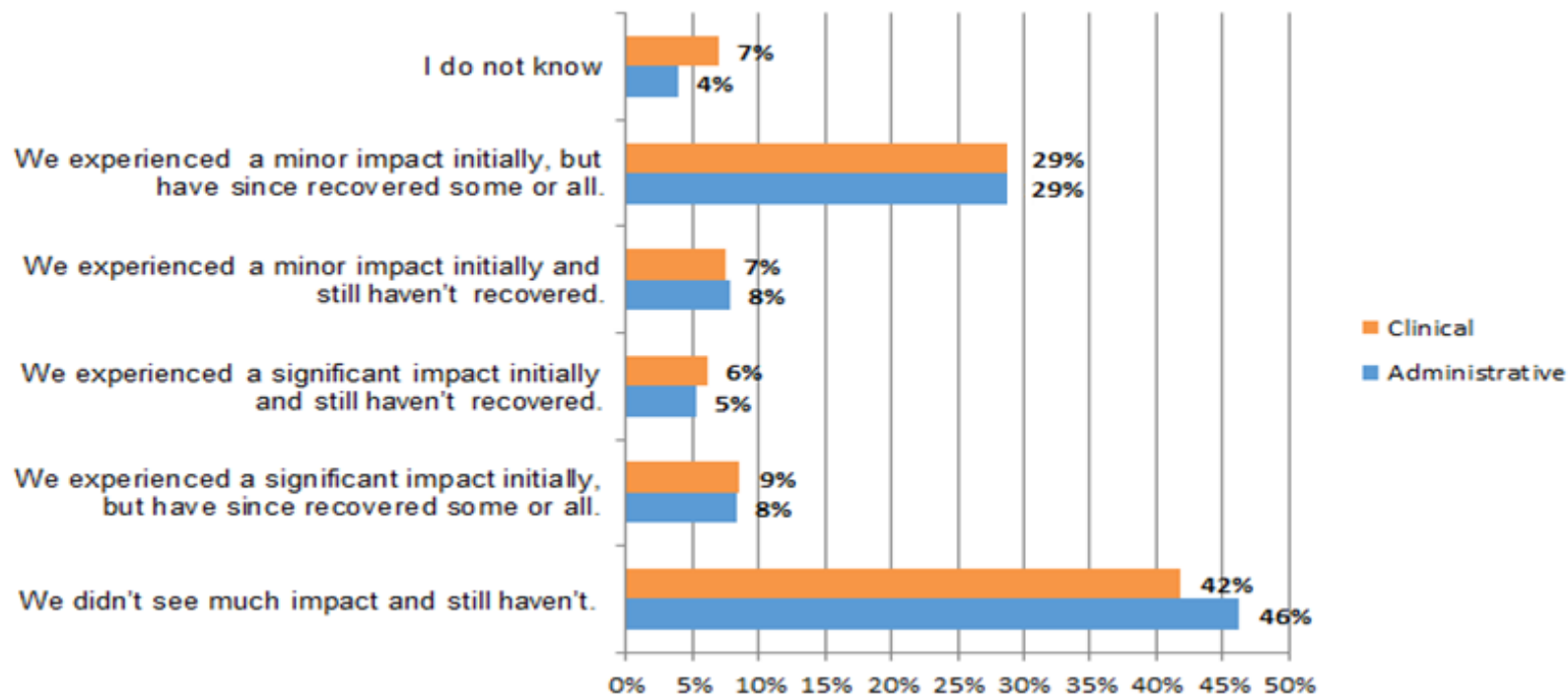
- Of those that said they participated in end-to-end testing, 82 percent said it was somewhat or extremely helpful.
- Eleven percent said it was a waste of time and resources.



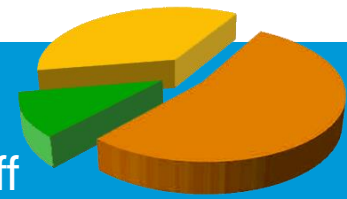
Have you seen improvements in administrative and clinical staff productivity with more experience managing ICD-10 claims?



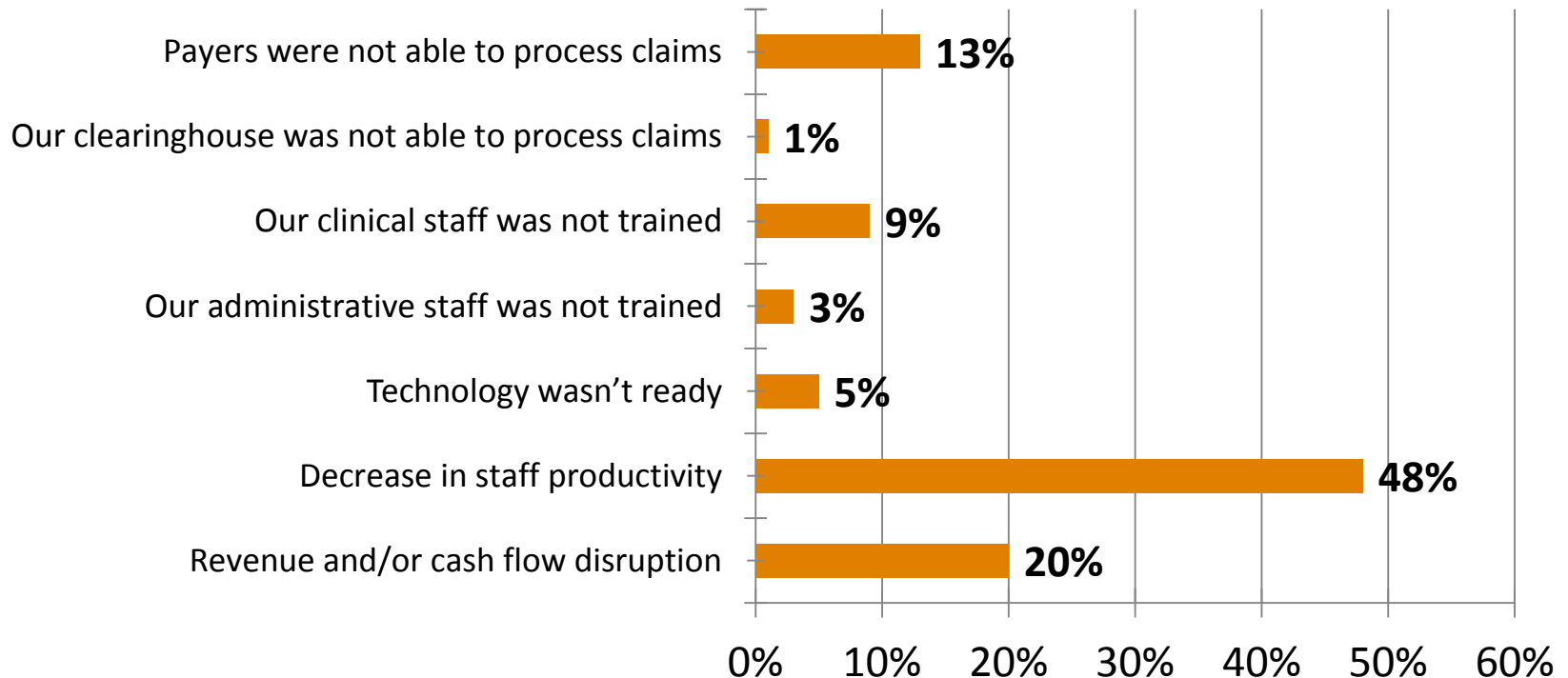
- Over three-fourths of clinical staff (78%) and 83 percent of administrative staff reported minor or no impact to productivity.
- Thirteen percent of clinical and administrative staff still haven't returned to pre-ICD-10 productivity rates.



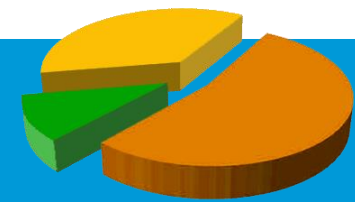
What was your top issue following the ICD-10 transition?



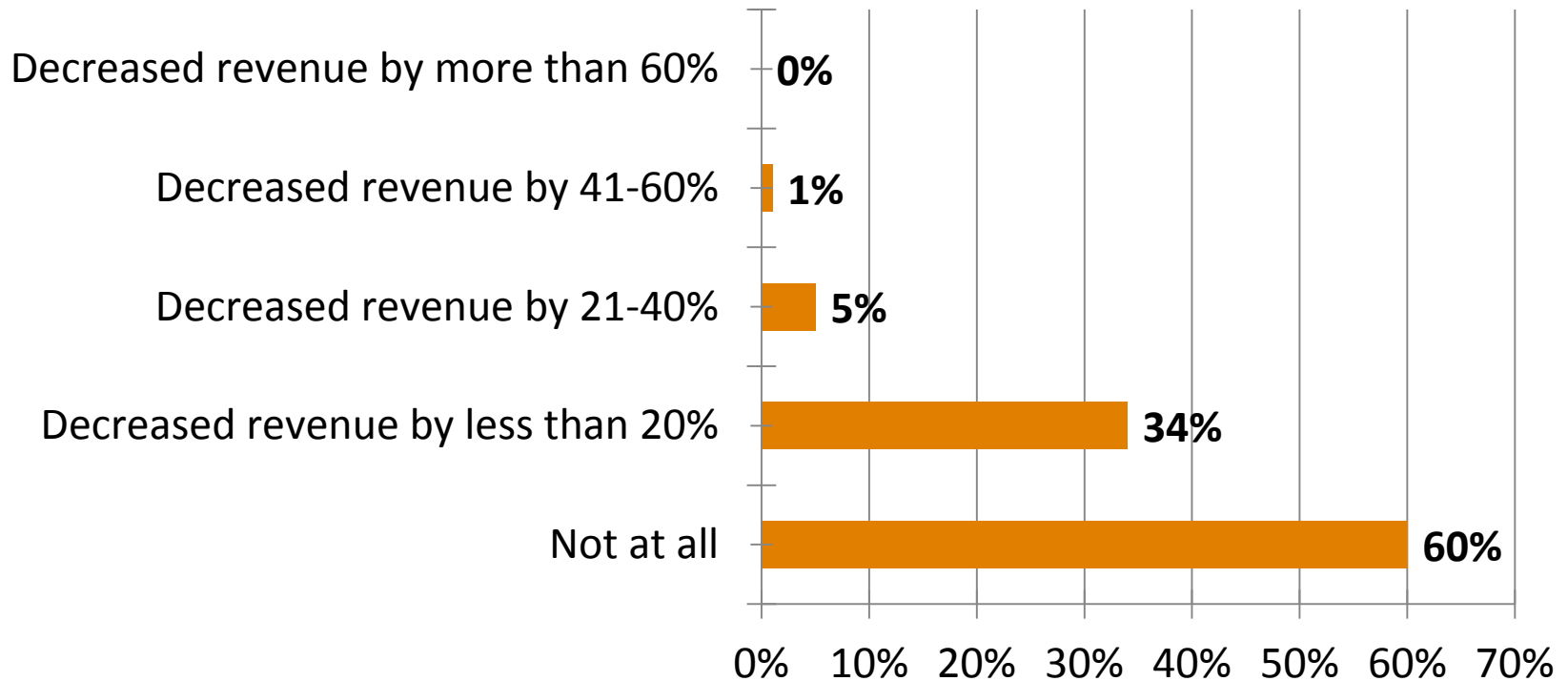
- The top issues identified by respondents were the decrease in staff productivity (48%) followed by revenue and/or cash flow disruption (20%).
- Thirteen percent reported issues related to payers processing claims.
- Twelve percent had issues related to training.



How has ICD-10 impacted your average monthly revenue since October 1, 2015?



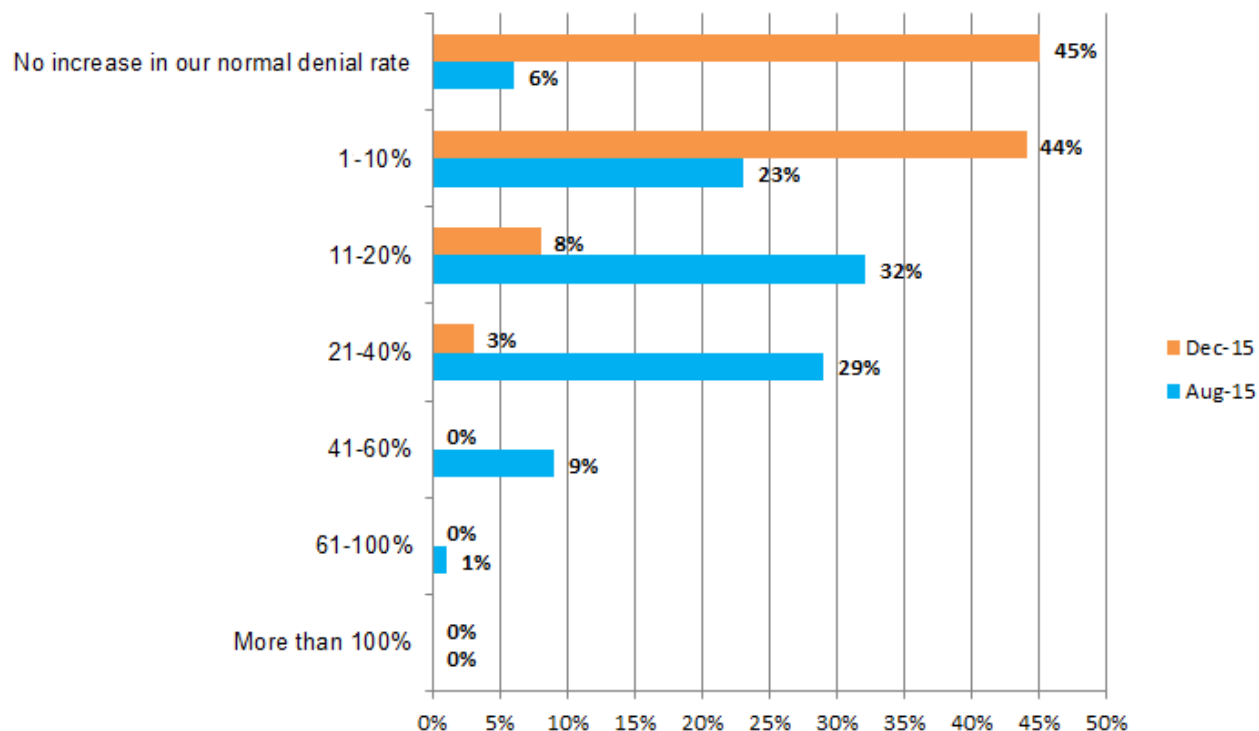
- The majority (60%) were not impacted at all.
- Over one-third (34%) experienced a revenue loss less than 20 percent.
- Only six percent reported revenue decreasing by more than 21 percent.



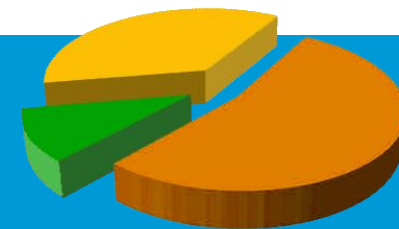
What percentage increase in denials have you seen since October 1, 2015?



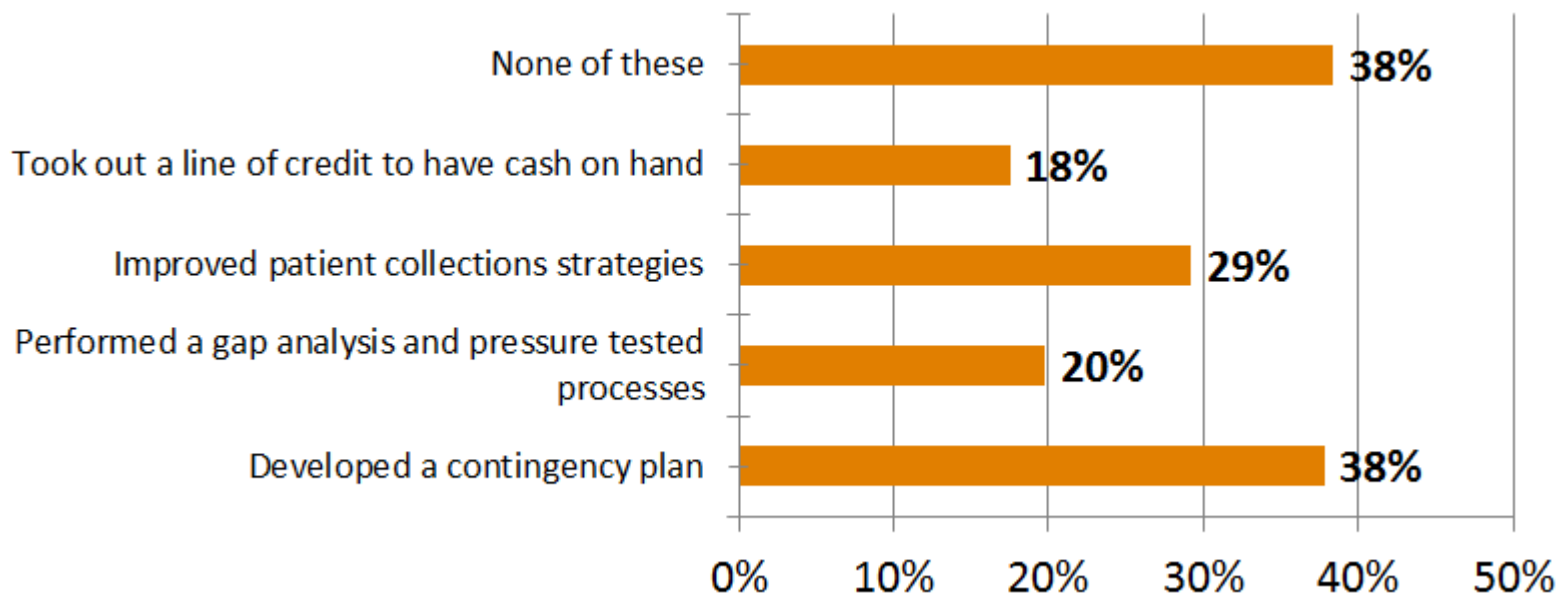
- Forty-five percent reported that denial rates remained the same, much better than what was expected in the August survey where 94 percent estimated that denials would increase.
- An additional 44 percent saw an increase of less than 10 percent.
- Only 11 percent saw more than a 11 percent increase.



What preparation activities did your organization take in advance of October 1, 2015, to mitigate cash flow risks following the implementation? (check all that apply)

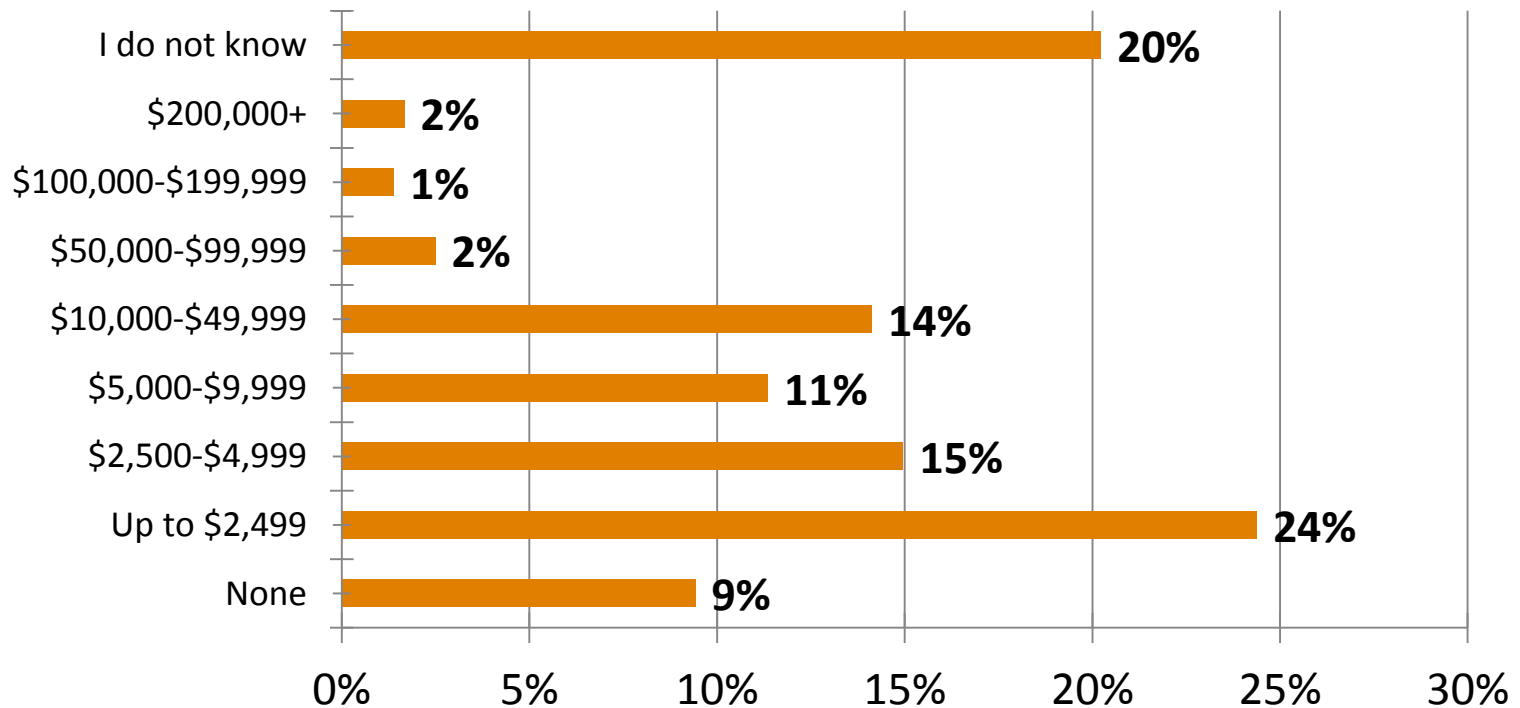
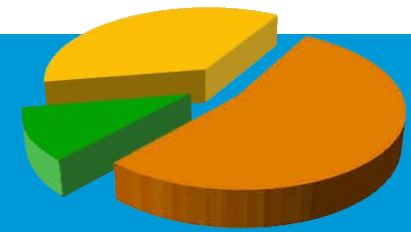


- Less than 40 percent of respondents took out a line of credit, improved patient collection strategies, performed a gap analysis or developed a contingency plan.
- Thirty-eight percent didn't take any of these additional steps.



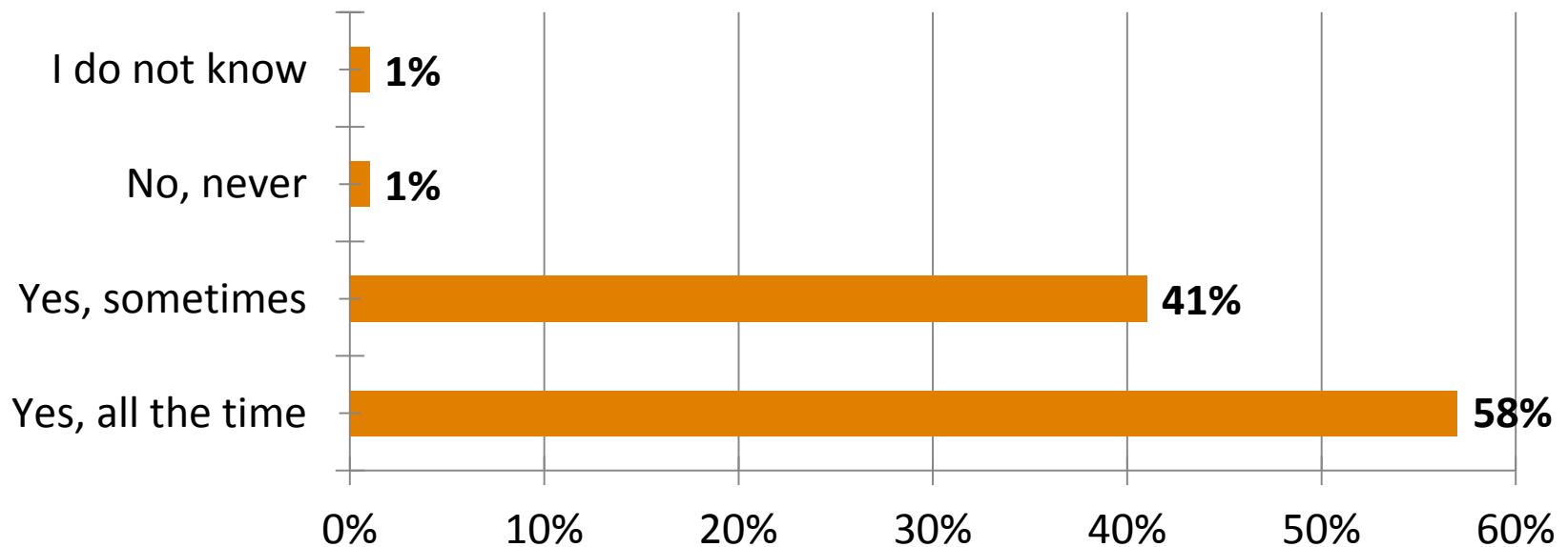
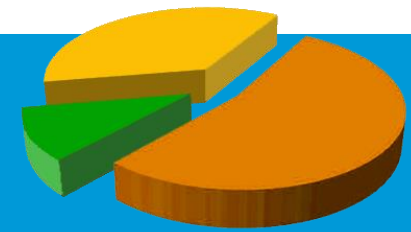
How much did your organization spend on training and software updates in preparation for ICD-10?

- Half of respondents reported spending less than \$10,000.
- Fourteen percent spent between \$10,000 - \$49,999.
- One-fifth of respondents didn't know how much was spent.

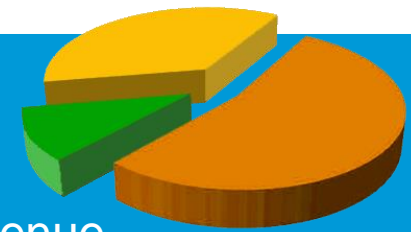


Is your organization sending the most specific ICD-10 codes possible?

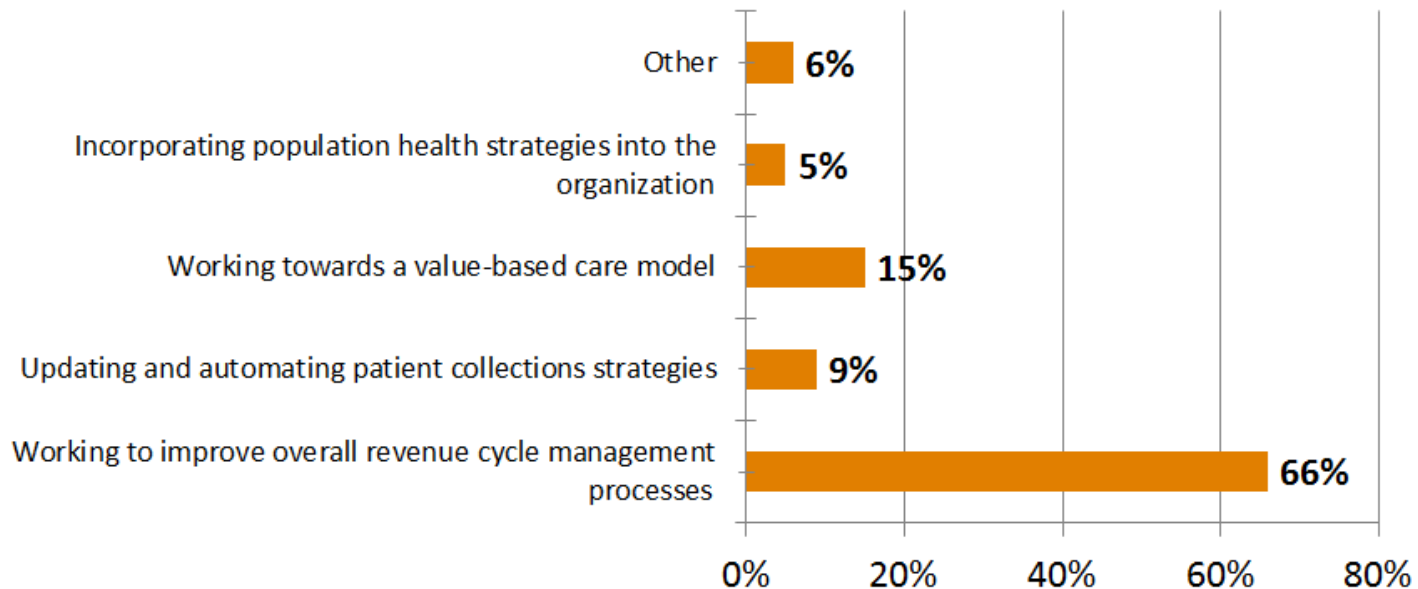
- The overwhelming majority (99%) are sending the most specific ICD-10 codes, either all the time or sometimes.



Since ICD-10 has occurred, what will your main focus be for 2016?



- Two-thirds of participants plan to work on improving overall revenue cycle management processes.
- Fifteen percent indicated they would be working towards a value-based care model while another nine percent are updating and automating patient collections strategies.

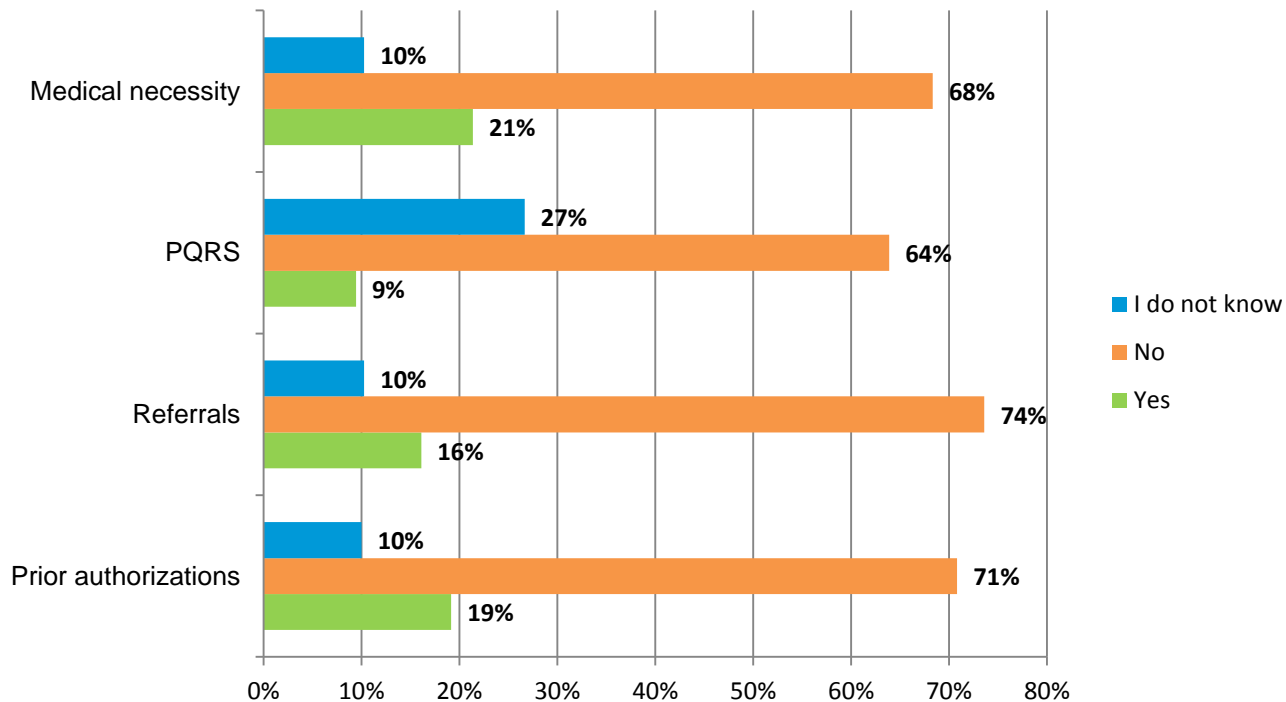
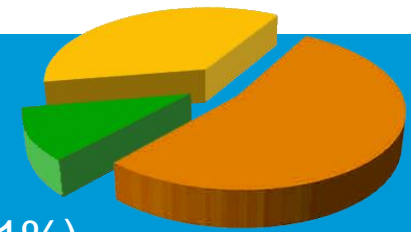


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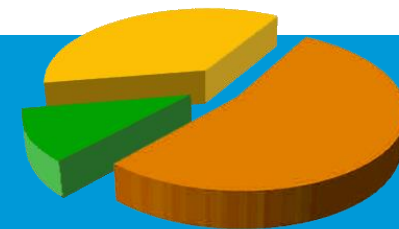


Have you had difficulty implementing ICD-10 with the following?

- Over 70 percent said “no” to issues with prior authorizations (71%) and referrals (74%).
- Over two-thirds (68%) said “no” to medical necessity and 64 percent said “no” to issues with PQRS.

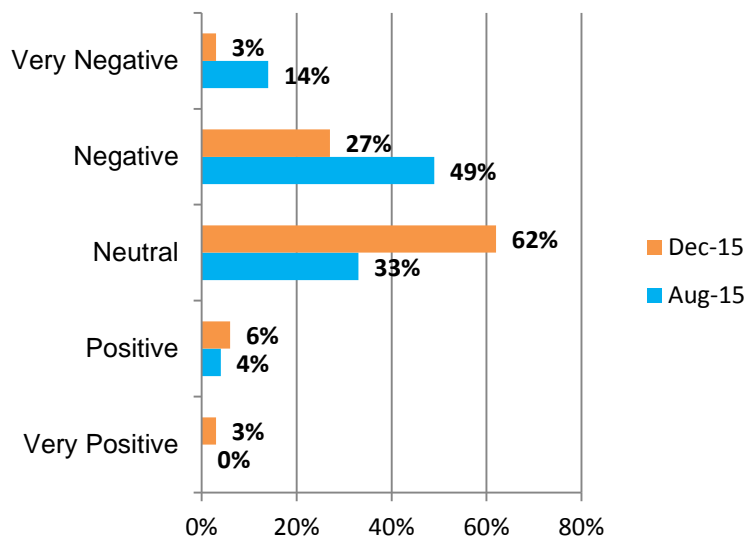


Rate the effect the ICD-10 transition had on areas of your business.

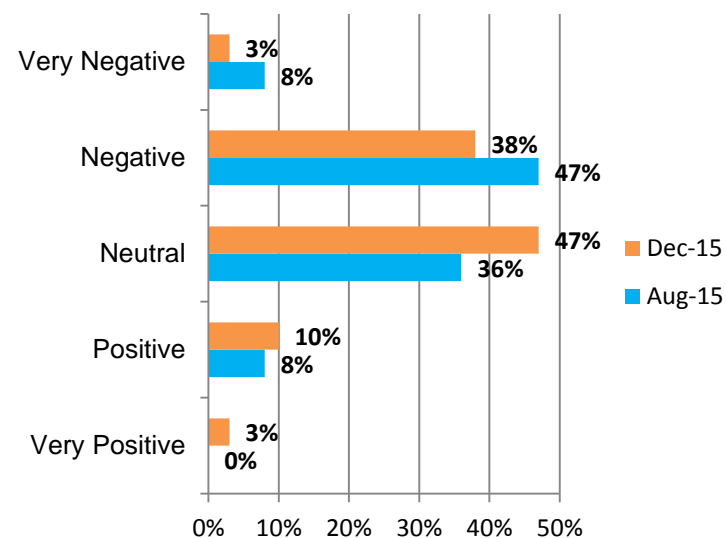


- Thirty percent of respondents reported ICD-10 having a negative financial impact, a decrease from 63 percent in August.
- Forty-one percent indicated ICD-10 negatively impacted their operations, compared to 55 percent in August.

Finances

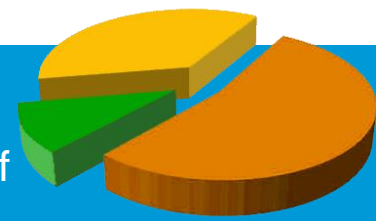


Operations

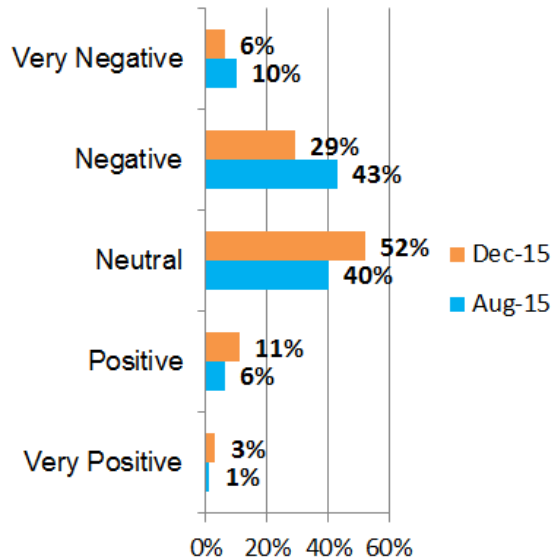


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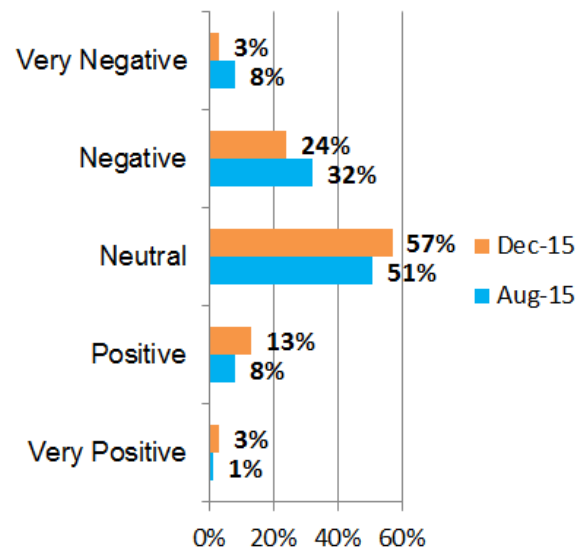
- Two-thirds reported ICD-10 as having a neutral or positive impact on staff morale, up from 47 percent in August.
- Respondents rated ICD-10's impact on personal morale to be mostly neutral (57%) and an additional 16 percent rated is as having a positive impact.
- Participants were less negative (6%) regarding ICD-10's impact on patient experience versus the August survey (25%).



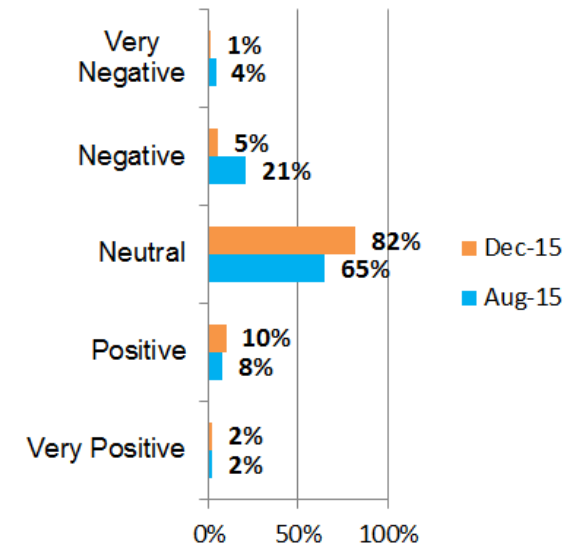
Staff Morale



Personal Morale



Patient Experience



Helpful Resources

Websites

The Daily Practice – www.dailypracticeblog.com

AAPC – www.aapc.com

Practice Management Institute (PMI) – www.pmimd.com

MGMA – www.mgma.com

PAHCOM – www.pahcom.com

White papers, infographics

[Seven Steps to Improve Your Practice's Revenue Cycle Management](#)

[Successfully Transitioning to Value-Based Payment Models](#)

[Patient Collections: Business Critical for Today's Medical Practices](#)

[Ambulatory Surgery Center Patient Collections Survey](#)

[The Real Price of Getting Paid](#)

On demand webinars

[ICD-10: The Good, Bad and Ugly](#)

[Reorient Your Patient Collections Strategies Around Your Patients](#)



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Navicure's cloud-based healthcare claims management and patient payment solutions help healthcare organizations of all sizes increase revenue, accelerate cash flow, and reduce costs associated with managing insurance claims and patient payments.

Serving more than 90,000 healthcare providers nationwide, Navicure's technology solutions automate account receivables processes, including claims management; patient eligibility verification; remittance and denial management including automated secondary claims filing, appeals and posting; reporting and analysis; and patient payment collections at and near the time of service.

Navicure's solutions are supported by its unique 3-Ring® Client Service which guarantees that a client service representative will answer every client call in three rings or less, even during times of transition such as ICD-10.

For more information visit www.navicure.com or call 1-877-NAVICURE.

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