

Testing Your Readiness for ICD-10

This is the sixth fact sheet in a series and is focused on testing the implementation of the ICD-10 code set. Collectively, the fact sheets will provide information, suggestions, guidance, and checklists to assist you with understanding what you need to do to be HIPAA compliant.

All services provided on or after October 1, 2013 will be required to be coded using ICD-10. This means that the necessary programming upgrades must be installed and functioning in the various systems throughout your practice in order for you to be able to send and receive the ICD-10 codes in the necessary transactions and reporting processes.

A necessary step in your implementation of the ICD-10 code set is to test the systems that send and receive diagnosis codes, such as your practice management system (PMS). The testing will be of your transactions and systems, but the focus is on ensuring that the ICD-10 codes are sent from your system, received by the receiving system, and processed appropriately. Each HIPAA covered entity (i.e., provider, payer, and clearinghouse) is responsible for its own compliance with the ICD-10 code set requirements. Testing your systems using the ICD-10 codes prior to the compliance date is a critical step that you can take to ensure that you can:

- Send ICD-10 codes on transactions and reports (e.g., quality, public health) to the appropriate entities, either directly or through a clearinghouse,
- Receive ICD-10 codes on transactions and reports in your system, and
- Ensure payments and cash flow will not be interrupted after October 1, 2013.

What Types of Testing Do I Need to Do?

Overall, there are two types of testing; internal and external. During both phases of testing, you will want to work closely with your vendor to address any systems issues you identify.

Internal Testing: Internal testing is done within an organization to determine if the programming or software changes for the ICD-10 code set have been installed correctly and the systems are functioning properly. You will want to talk to your vendor about whether or not they will assist you with internal testing. Completing internal testing will allow you to identify and resolve any internal systems issues that may occur with creating or receiving the different transactions that include ICD-10 codes. This is also the time that you will want to test any manual and work flow processes you use to collect and report diagnosis codes for various reasons, such as “superbills”, encounter forms, and data reporting forms.

If your practice works exclusively with a billing service or clearinghouse and sends them all the necessary data for them to submit administrative transactions, you will need to contact them about what changes you need to make to the data you currently collect and send. In this situation, internal testing will then be limited to ensuring that your practice has processes in place to collect the necessary data that you will then send to the billing service or clearinghouse.

External Testing: External testing involves sending and receiving transactions that include ICD-10 with your business associates (e.g., billing service, if you use one) and trading partners (e.g., clearinghouses and payers) through the channels you use today to conduct the various transactions. If the test transactions you are sending with ICD-10 codes include real patient protected health information (PHI), be sure to follow all appropriate security and privacy measures to protect the data, such as sending the transactions using a secure connection.

If your practice works exclusively with a billing service or clearinghouse, external testing will involve sending them test data with ICD-10 codes for them to conduct the transactions electronically on your behalf and receiving test data back into your practice. You will also want to verify that your billing service or clearinghouse is conducting the necessary external testing with payers and other clearinghouses to ensure that they are prepared to meet the compliance deadline. Without their ability to meet the compliance deadline, your cash flow could be compromised.

Through external testing, you will be able to identify any issues that occur when you send ICD-10 codes to another organization or you receive ICD-10 codes from another organization. If any issues are found, you will be able to resolve them now prior to the compliance deadline.

Completing your external testing means that you have completed “end-to-end” testing with your trading partners and you are ready to move to “live” production of the transactions. This testing period is the time that you will use to become fully ready to exchange and process ICD-10 codes.

The regulation does not allow the use of the ICD-10 code set before the compliance deadline. Once you complete your testing, you cannot begin to use the ICD-10 codes until October 1, 2013.

Which Trading Partners Should I Test With?

Ideally, you should test with all your trading partners. You, however, likely have dozens, if not hundreds of trading partners, and it may be impractical to test with them all. Your priority should be to test with the trading partners that make up the largest number or largest revenue of your transactions. For example, if you work primarily with a clearinghouse, you will want to test with that organization. If you submit transactions directly to your payers, then you will want to test directly with those payers from which the largest percentage of your revenue comes, (e.g., Medicare or specific commercial plans). If you use a clearinghouse, you may not need to test directly with your payers if your clearinghouse can guarantee they will be compliant and will do the testing with your payers for you.

When Should I Begin Testing?

Completing both internal and external testing will take time. You should allow 2-3 months for internal testing and 6-9 months for external testing.

Internal testing can begin as soon as your vendor completes the installation of the system or software changes and you make any necessary changes to your manual and/or work flow processes. If your vendor does internal testing as part of the installation, complete your own internal testing to ensure that you can create and receive transactions with ICD-10 codes.

For external testing, begin contacting the clearinghouses and payers with whom you wish to test as soon as you have a date for your system installation. Clearinghouses and payers will be in various stages of readiness and have many customers. You will need to schedule a time to work with them. If you will be testing with a large number of trading partners, allow plenty of time to complete the process.

Which Transactions Should I Test?

Testing each of the transactions that will include ICD-10 codes is best. You will want to test the transactions and work processes that have the biggest impact on your practice, such as claims submission, verifying eligibility, quality reporting, etc.

Conclusion

Testing, both within your system and with your trading partners, is the best opportunity you have to insure that the transactions and work flow processes that include ICD-10 codes will function properly after the compliance deadline. A smooth transition to the ICD-10 code set will also minimize any delays in transaction processing and claims payment after October 1, 2013.

Upcoming HIPAA Dates:

January 1, 2012 – Compliance with version 5010 transactions

October 1, 2013 – Compliance with ICD-10 code sets

**Visit the AMA's website for more resources for
implementing the ICD-10 code set.**

www.ama-assn.org/go/ICD-10