

# Healthcare IT News

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## Payers see ICD-10 as IT driver

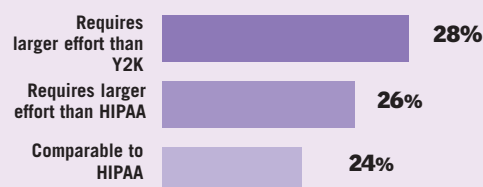
BY MOLLY MERRILL, Associate Editor

NEWPORT BEACH, CA – Health plan executives say the transition to the ICD-10 diagnostic and claims coding system presents an opportunity to drive IT initiatives, a new survey shows.

The survey, commissioned by The TriZetto Group, Inc., a software services firm based in Newport Beach, Calif., tracked payer transitions to ICD-10. The Gantry Group, LLC, a consulting and research firm, conducted the survey. Another study conducted in October 2008 serves as a basis for comparison.

The most recent poll reveals the commitment to use ICD-10 migration to drive additional IT system changes and achieve strategic advantage has grown since October, especially among health plans on both ends of the membership continuum – small and large memberships.

### How payers view ICD-10 preparation



SOURCE: TRIZETTO GROUP 2009

**"The SURVEYS PROVE what we've been HEARING from CUSTOMERS."**

– Rob Scavo

The commitment rose from 31 percent to 48 percent among plans with fewer than 50,000 members, while it increased from 36 percent to 75 percent among payers with more than 8 million members.



Mark Williams

"The surveys prove what we've been hearing from customers," said Rob Scavo, senior Vice President for TriZetto core administration solutions.

"Many of them plan to leverage ICD-10 to drive

broader system and operational changes that improve their connectivity to providers, members and brokers, reduce costs and enhance clinical outcomes. In effect, they are using ICD-10 to power their IHM (integrated health-care management) strategies."

The surveys reveal payers are not postponing ICD-10 preparation even though the federal government extended compliance deadlines to Jan. 1, 2012,

for the ANSI x12 v.5010 HIPAA electronic transaction standards and Oct. 1, 2013, for the ICD-10 code set.

"The clock is ticking, and the timeline is not all that long," said Mark Williams, director at PricewaterhouseCoopers. Some payers have begun strategic planning, but a lot of companies "still haven't gotten out of the gate yet."

The number of payers developing plans or putting plans into place has risen from 41 percent to 54 percent.

From the first to second study, payers increasingly said that the effort would be comparable to the HIPAA effort (from 14 percent in the first study to 24 percent in the second), while 26 percent of health plans continue to believe that ICD-10 will be a larger effort than HIPAA compliance. Health plans that believe ICD-10 will be a larger effort than Y2K readiness rose from 19 percent to 28 percent.

"They're still getting educated about what needs to happen," said Kim Rosengren, TriZetto's associate vice president. "This is just the first chapter in a couple-year project." ■

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