

CA - PMM

Project Name: ICD-10 Retrofit
OCIO Project #:
Department: OSHPD
Revision Date: 9/13/10

Concept Statement

Description

Brief description of the proposed project:

The Federal Government has mandated the implementation of the ICD-10 coding structure on October 1, 2013. This is a national requirement that health facilities no longer report inpatient discharge diagnoses, procedures, and external causes of injury (e-codes) and outpatient (emergency department encounters and ambulatory surgery encounters) diagnoses using International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM), but change to the improved ICD-10-CM and ICD-10-PCS starting October 2013. Health facilities are required to use ICD-10 on this date for electronic billing, public reporting, and other healthcare purposes. Regulation changes are needed, albeit with minimal rewording of text. MIRCal changes, however, will be needed in validation rules, edit reports, correction aids, education, public products, imports to the data warehouse, reference materials, and output products. HID operations in the Patient Data Section, the Healthcare Outcomes Center, the Healthcare Information Resource Center, the Data Management Office, and support in ITSS will be impacted. The solution will provide a long-awaited (CA death certificates and most other countries have used ICD-10 for years) improvement in the classification of diagnoses, procedures, and e-codes. Some amount of work could be performed via external contracts, such as the one-time creation of ICD-10 coding edits.

Need Statement

High Level Capabilities Needed:

Change all system function to use ICD-10 in coordination with regulation change process, contract management, and project management. Must accommodate MIRCal structure and functions, programming, validation, testing, security, application revision and maintenance, and align with other MIRCal projects and initiatives.

What is Driving This Need?

The United States has adopted, as a national standard, ICD-10-CM (clinical modification for coding diagnoses and e-codes) and ICD-10-PCS for procedures. This includes requirements issued by the Centers for Medicare and Medicaid. This coding structure will be implemented nationally on October 1, 2013. At this time healthcare facilities will not longer submit ICD-9-CM codes.

Risk to the Organization if This Work is Not Done:

OSHPD could not collect or require the reporting of diagnoses, e-codes or procedures if we did not use the correct classification system, thus damaging the usefulness of OSHPD data and the ability to publish mandated data and reports.

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Benefit Statement

Intangible Benefits

Process Improvements (describe the nature of the process improvement):
OSHPD will see improved value in coded diagnoses, e-codes, and procedures. Selected facility level reports will also be able to collect these data elements in improved aggregations.

Other Intangible Benefits:
OSHPD data will be improved, relevant, and synchronized internally as well as with national healthcare information.

Tangible Benefits

Revenue Generation (describe how revenue will be generated):
None.

Cost Savings (describe how cost will be reduced):
None.

Cost Avoidance (describe the cost and how avoided):
If OSHPD did not collect ICD-10, similar work would be needed to remove ICD-9 validation rules, revise feedback reports, and modify public products. Similar costs would be incurred.

Risk Avoidance (describe the risk and how avoided):
OSHPD will avoid risk of irrelevance, a key factor in successful and defensible data reporting that could represent a burden on health facilities with loss of established benefit.

Improved Services:
Provide comparable and useful data.

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Consistency

"No" Responses 		Rationale	Action Required
Enterprise Architecture	Yes		
Business Plan	Yes		
Strategic Plan	Yes		

Impact to Other Agencies

Nature of Impact to Other Agencies

Agency:

Describe the nature of the impact:

Other state, governmental, and private entities will have access to relevant databases for uses that include healthcare planning, epidemiology, healthcare effectiveness, and patient safety.

Agency:

Describe the nature of the impact:

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Solution Alternatives

Alternative 1:

Modify systems, processes, and reports to include the ICD-10 Coding Structure.

Technical Considerations for Alternative 1:

This will require modifications to the data collection systems, the data warehouse, and the data reporting systems. This will also require the need to crosswalk data across coding structure to allow for trend reporting and data comparisons across time.

ROM Cost: 5 M

to

6 M

Note: high end of range must not exceed 200% of low end of range

Alternative 2:

Do nothing: stay with ICD-9 and require all California health facilities to double code for OSHPD collection alone. This alternative does not, however, recognize the rest of the world of healthcare data. This would also place a significant burden on facilities that submit this data and would reduce or negate the value of OSHPD patient data.

Technical Considerations for Alternative 2:

ROM Cost:

\$0

Note: high end of range must not exceed 200% of low end of range

Alternative 3:

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Technical Considerations for Alternative 3:	
ROM Cost:	Note: high end of range must not exceed 200% of low end of range

Recommendation

Comparison:

Alternative 1	ROM Cost	Risk
	5 M - 6 M	
Alternative 2	ROM Cost	Risk
	\$0 \$0	
Alternative 3	ROM Cost	Risk

Conclusions:

1	Alternative 1
2	
3	
4	

Recommendation:

Change all system function to use ICD-10 in coordination with regulation change process, contract management, and project management. Accommodate MIRCAl structure and functions, programming, validation, testing, security, application revision and maintenance, and align with other MIRCAl projects and initiatives.

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Project Approach *(if known)*

System Complexity:		System Business Hours: <i>(e.g., 24x7, 9am-5pm)</i> :	
Architecture	<input type="checkbox"/> Mainframe <input type="checkbox"/> Client Server <input checked="" type="checkbox"/> Web Based	Num. of New Databases:	0
Technology	<input type="checkbox"/> New <input type="checkbox"/> New to Staff <input checked="" type="checkbox"/> In-House Experience	Interfaces:	Internal
Implementation	<input checked="" type="checkbox"/> Central Site <input type="checkbox"/> Phased Roll-out	Num. of Sites:	0
M & O Support	<input type="checkbox"/> Contractor <input type="checkbox"/> Data Center <input checked="" type="checkbox"/> Project <input type="checkbox"/> In House		
Procurement Approach: Leveraged procurement. May need consultants with highly specialized skills that do not currently exist at OSHPD			Number of Procurements:
Open Procurement?	Yes	Delegated Procurement?	Yes
Scope of Contract	<input checked="" type="checkbox"/> Development <input checked="" type="checkbox"/> Implementation <input type="checkbox"/> M & O <input type="checkbox"/> Other:		
Anticipated Length of Contract:		Years /	extensions for years