

ICD-10 Transition Impact Analysis Guidelines

Goal

To identify, evaluate and prioritize risks to high-risk operating systems, and how to monitor and mitigate them. First, facilitate group discussion about risks and risk mitigation; then ask group to come up with specific numbers for the bolded questions.

Activity Purpose

To help PROGRAMS better manage their projects by taking a proactive approach to risk/issue management. This is not just about completing a document.

- a) It is important to consider risks/issues up front and how their program will be impacted
- b) It is important to update the log as risks are removed or realized on an ongoing basis.

Directions

Use the following guide/questions to help you identify all of the ways in which your program currently interacts with ICD-9-CM codes. A description of this “as is” state will help to identify potential risks and impacts to complete the risk log and will help you identify the appropriate people from your team who need to be part of the discussion.

Questions

From a SYSTEM perspective, how are you currently using/interacting with ICD-9-CM codes?

- a) How does your system work?
- b) What is the first point where the code is touched?
 - i) Data coming in?
 - ii) Is it the pipeline
 - iii) The mechanism where the data are parsed?
 - iv) Is it a data repository
 - v) Does it have to do with sending, receiving, the structure with receiving, or when it gets here
- c) Based on the described current state, what are the SYSTEM risks in transitioning to ICD-10 code sets?

From a PEOPLE perspective, how you are using/interacting with ICD-9 codes?

- a) How are your users interacting with ICD-9 codes?
- b) How are your implementers interacting with ICD-9 codes
- c) Based on the described current state, what are the risks to PEOPLE in transitioning to ICD-10 code sets?
 - i) Users- will they get the data they need and have what is needed for the new code sets?
 - ii) Implementers- do you have enough people to do what is necessary to prepare for the transition?

What *PROCESSES* do you have that support ICD-9 work?

a) Examples of processes that you might have in place with your program that support ICD-10 work include (but not limited to):

- i) Data Collection
- ii) Data Quality Assurance
- iii) Data Analysis
- iv) Reporting and data visualization
- v) Claims processing
- vi) Reimbursement
- vii) Claims submission
- viii) Publications
- ix) Data interpretation
- x) Other

b) Based on the described current state, what are your *PROCESS* risks in transitioning to ICD-10 code sets?

Risk Mitigation and Impact

For each risk:

a) Describe potential mitigation strategies

i) What can you do to mitigate/prevent that risk from happening?

b) What is the likelihood of the risk occurring

- i) 1- minimal probability
- ii) 2- equal risk of occurring or not
- iii) 3- extreme probability- more than 50/50

c) If the risk occurs, how severe of an effect will it have on business outcomes?

- i) 1- minor effect; minimal or no effort to address; outcomes unaffected
- ii) 2- some effect; short term workarounds may be needed
- iii) 3- extreme effect; require extra resources to address; definite negative effects on outcomes
- iv) 4- a primary objective will not be accomplished

d) What might trigger/cause this risk to occur?

e) In the transition stage, what dollar impact is expected if the risk were to occur?

f) In the transition stage, what schedule impact is expected if the risk were to occur?

g) In the transition stage, what is your overall assessment of impact/effort to address the risk if it were to occur?

- i) 1- none
- ii) 2- minimal
- iii) 3- some
- iv) 4- significant

h) In a steady state post-transition, what dollar impact is expected if the risk were to occur?

i) In a steady state post-transition, what schedule impact is expected if the risk were to occur?

j) In a steady state post-transition, what is your overall assessment of the impact/effort required to address the risk if it were to occur?

- i) 1- none
- ii) 2- minimal
- iii) 3- some
- iv) 4- significant

k) Describe potential contingency plans

i) What could your contingency or backup plans be if the risk does occur?
Additional program areas that might be at risk as a result of the transition:

- a) Budget
- b) Security
- c) Technical Obsolescence
- d) Feasibility
- e) Reliability of Systems

ICD-10 Impact Assessment

Summary	
Process or System Name	
Description	
Contact completing risk assessment	
Process/System Owner	
Stakeholder(s)	
Summary of ICD-10 Usage	
Improvement Opportunities	
General Notes	

Stakeholders	
Internal Stakeholders:	External Stakeholders:

Risks		Risk Score			Work Effort to Mitigate Risk								Total Impact	Contingency Plan (Optional)	Risk and Work Owner	Notes	Description of the Impact (calculated)		
#	Risk Description	Risk Strategy & Action Steps ("Mitigation Strategy")	Likelihood of Risk Occurring (L) [Enter 1, 2, or 3]	Severity of Risk if it Occurs (S) [Enter 1, 2, 3, or 10]	Risk (R) = L*S Computed	Trigger Description (Optional)	Transition Effort In Dollars	Transition Effort In Days	Transition Effort Overall Assessment (TrE) [Enter 0, 1, 2, or 3]	Steady State Effort In Dollars	Steady State Effort In Days	Steady State Effort Overall Assessment (SSE) [Enter 0, 1, 2, or 3]	Work Effort (WE) = TrE + SSE Computed	Impact (I) Score = WE+R Computed					
Sample	Providers may not be prepared for the ICD-10 transition. If providers code claims incorrectly, then there may be an increase in rejected and resubmitted claims potentially increasing beneficiary and provider inquiries and appeals	Educate providers on the ICD-10 transition	2	3	6		\$40,000 (cost of training providers)	30 days (time required to train providers)	3			0	3	9					The function will be somewhat affected if the risks occurs. If the risk occurs, the functional area will have more difficulty preventing the risk from affecting business outcomes. The required corrections and workarounds will incur some incremental costs for the functional area.
			0	0	0				0			0	0	0					The function will be minimally affected if the risk occurs. If the risk occurs, the functional area will be able to implement workarounds to prevent the risk from affecting business outcomes. The workarounds will have no or minimal incremental costs.
			0	0	0				0			0	0	0					The function will be minimally affected if the risk occurs. If the risk occurs, the functional area will be able to implement workarounds to prevent the risk from affecting business outcomes. The workarounds will have no or minimal incremental costs.
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			0	0	0				0			0	0	0					The function will be minimally affected if the risk occurs. If the risk occurs, the functional area will be able to implement workarounds to prevent the risk from affecting business outcomes. The workarounds will have no or minimal incremental costs.

Likelihood of Risk

Description	Value	Level
Minimal probability of taking place	1	Low
Equal probability of occurring or not taking place	2	Moderate
Extreme probability of taking place	3	High

Severity of Risk

Description	Value	Level
If the risk occurs, it will have a minor affect on the program's business outcomes and will require minimal or no effort to address. If the risk occurs, CMS can use workarounds to continue business processes and systems without affecting outcomes.	1	Low
If the risk occurs, it will have some affect on the program's business outcomes. If the risk occurs, CMS can use short term workarounds, but there would be the possibility of affecting the effectiveness or efficiency of the area.	2	Moderate
If the risk occurs, it will have an extreme affect on the program's business outcomes and require more expenditure of resources to address. If the risk occurs, using short term workarounds could not prevent negative affects to outcomes.	3	High
If the risk occurs, the effect will derail operations and the program will not be able to accomplish one or more primary objectives. The incident will tarnish the agency's reputation and temporary fixes will not be feasible to mitigate the risks.	10	Catastrophic

Work Effort Scoring for Transition and Steady State Phases

Transition: Level of effort to proactively address/mitigate risks in preparation for ICD-10 transition

Steady State: Level of effort to proactively address/mitigate risks in preparation for ICD-10 transition

Effort in Dollars and Days	Value	
Enter the number of days (schedule impact) to address the risk if it occurs and becomes an issue	any	
Enter the dollars (budget impact) to address the risk if it occurs and becomes an issue	any	
Overall Assessment Description	Value	Level
The risk will require no activity to address.	0	None
The risk will likely require a minimal expenditure of resources (e.g. Federal FTEs, contractor FTEs, internal/external communications) to address in preparation for ICD-10 transition.	1	Low
The risk will likely require some expenditure of resources (e.g. Federal FTEs, contractor FTEs, and internal and external communications) to address in preparation for ICD-10 transition.	2	Moderate
The risk will likely require a significant expenditure of resources (e.g. Federal FTEs, contractor FTEs, and internal and external communications) to address in preparation for ICD-10 transition.	3	High

Impact Classification Per Risk

Description	Impact Score Range	Impact Level
The function will be minimally affected if the risk occurs. If the risk occurs, the functional area will be able to implement workarounds to prevent the risk from affecting business outcomes. The workarounds will have no or minimal incremental costs.	1-5	Low
The function will be somewhat affected if the risks occurs. If the risk occurs, the functional area will have more difficulty preventing the risk from affecting business outcomes. The required corrections and workarounds will incur some incremental costs for the functional area.	6-12	Moderate
The function will be significantly affected if the risk occurs. If the risk occurs, the functional area will not be able to prevent the risk from affecting business outcomes. The required corrections and workarounds will require substantial incremental costs for the functional area and/or do not exist to mitigate the risks.	13-36	High