

16-402 ICD-10 Program Close Out Assessment

EXECUTIVE SUMMARY

International Statistical Classification of Disease and Related Health Problem Version 10 (ICD-10) is used to analyze and track population health statistics including mortality and morbidity. ICD-10 includes the compilation of codes published by the World Health Organization and the Centers for Medicare and Medicaid Services (CMS), and is used to verify medical necessity and authorize medical services, determine reimbursement for services, and report quality metrics.

MD Anderson, along with all other healthcare entities that transmit ICD codes, converted to the new code set on October 1st, 2015. MD Anderson spent several years preparing for the conversion. Even though ICD-10 is meant to improve reporting, reimbursement, and diagnosis monitoring, preparing for the new mandate presented a great deal of challenges for the healthcare industry, and more specifically provider organizations.

Internal Audit performed an assessment to evaluate how MD Anderson performed immediately before and after the ICD-10 cut over. This effort specifically assessed MD Anderson's outcomes with monitoring and remediating issues that arose after go-live, as well as their effectiveness of closing down the ICD-10 program.

Audit Results:

MD Anderson performed the necessary tasks to properly convert from ICD-9 to ICD-10 code set and reduce the chances of exposing the organization to significant risks. Our assessment indicated the organization's efforts aligned with leading practices by addressing timing and considerations across people, process and technology functional areas. The institution's planning and strategy surrounding the conversion was considered to be leading practice, and due to their meticulous planning, the enterprise experienced minimal to no impact. Personnel interviewed during the assessment categorized the outcome of the conversion as a "non-event." MD Anderson accounted for risks associated with the conversion and maintained a high-level of involvement for approximately 180 days following cut over. Due to the program leadership's attention and diligence to this initiative, MD Anderson experienced no known degradation of performance and key metrics normalized at or above baseline levels within 90-120 days following cut over.

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As a result of completing our assessment, Internal Audit did not identify any risks for Management to consider. Several themes identified and documented are described below:

1. MD Anderson experienced approximately 60 issues following go-live. These issues were properly addressed and mitigated in a timely manner. Most issues logged were classified as minimal impact to the organization.
2. A well thought out and concerted cut over strategy was developed and deployed. Several command centers were in place to address issues as they arose. These command centers disbanded approximately 2 weeks following go-live as a result of low volumes of issues being logged.
3. The executive team and main project team sponsors continued to meet for 180 days following go-live to monitor metrics and address any outstanding issues. The teams officially closed out the program in March of 2016.

During our assessment we were able to confirm that several considerations from the 2015 ICD-10 internal audit had been addressed and closed. Refer to Appendix B for details.

Management Summary Response:

Management agrees with the results of this assessment.

Appendix A outlines the methodology for this project.

Number of Priority Findings to be monitored by UT System: *None*

A Priority Finding is defined as *"an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole."*

The courtesy and cooperation extended by the ICD-10 Project team members are sincerely appreciated.



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Appendix A

Objective, Scope and Methodology:

The focus of the assessment was to provide an objective evaluation of MD Anderson's efforts in relation to the ICD-10 cut over and program close out.

Leveraging subject matter professionals, the team performed several high-level interviews across each business unit focusing on functional services related to people, process and technology. The primary goal of the assessment was to identify gaps and make recommendations for additional considerations that should have been addressed at the time of cut over and the months following go-live.

To accomplish these objectives, Internal Audit gained an understanding of MD Anderson's outcomes related to the ICD-10 conversion. Through analyses of the ICD-10 Steering Committee meeting minutes, status reports and outputs, as well as through interviews with the various business unit and functional leaders, the Internal Audit team confirmed MD Anderson took the proper steps to ensure the organization was not exposed to significant risk.

Our internal audit was conducted in accordance with *the International Standards for the Professional Practice of Internal Auditing* and *Government Auditing Standards*.

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Appendix B

Assessment of 2015 ICD-10 Internal Audit Considerations

During our assessment we were able to confirm that several considerations from last year's audit had been addressed and closed. Those procedures identified are described below:

Consideration 1A: Communication of ICD-10 Program Updates and Efforts

According to the ICD-10 program communication plan and from speaking with the Organizational Change Management workstream lead, communication was increased as the industry neared the go-live date of October 1st, 2015. Management issued newsletters, increased awareness during regularly scheduled departmental meetings, and provided daily email updates in the weeks preceding go-live. These efforts confirmed the risk consideration observed in the July 2015 report was properly addressed and mitigated.

Consideration 1B: Training and Education

Our assessment confirmed that the Organizational Change Management work stream deployed the proper tracking mechanism to ensure all Level 4 staff completed the required training. Although the training was never labeled as 'mandatory,' all staff completed the training and operational performance immediately following cut over proved this approach was effective. According to our findings, this risk consideration observed in the July 2015 report was properly addressed and resolved.

Consideration 2: Provider Documentation Improvements

Management made an executive decision not to implement a formal disciplinary or incentive program to curve provider documentation performance and query response rates. Despite this decision, management did confirm the modification of the medical record sign-off policy (#ADM1178) occurred, and continual efforts to monitor performance through key performance indicators was maintained. From these efforts, provider query response rates increased, and management confirmed that no provider documentation issues arose following go-live. Therefore, our assessment confirmed this risk consideration documented in the July 2015 report was properly addressed and closed.

Consideration 4: Improvements in Coder Feedback

It was observed through our interviews and review of the documentation provided, that the proper steps were taken to mitigate this risk consideration. Immediate action was taken following the issuance of the July 2015 report and changes were made to improve feedback to coders. Although the organization experienced issues immediately before go-live as a result of inadequate staffing, management expeditiously filled vacant spots and mitigated the issue. Performance metrics correlated with this area of operations stabilized at baseline levels approximately 180 days post go-live. These observations confirm that management took the appropriate action to address this risk consideration.

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