



Financial Impact Analysis with NAV-10™

A Readiness Solution That Takes You to the Bottom Line of ICD-10 Changes

STRONG IT™

Mitigate Risk in the Business Cycle

Will your organization take the next step in planning for ICD-10-based DRGs? For hospitals, health systems, insurers, agencies, and contractors, the U.S. will begin official use, on October 1, 2013, of ICD-10-CM for diagnosis coding and ICD-10-PCS for procedure coding for inpatient hospital reimbursement and records.

- *The change may be income, expenditure, and resource neutral in some areas; but, depending on your case mix, it may also create revenue or cost shifts for your organization.*
- *Examining these effects in advance is an especially important step for codes affecting highest cost or income areas. As part of its ICD-10 Readiness Solutions, ViPS not only provides for conversion to the new code sets but also translates these changes prospectively to the bottom line.*
- *ViPS has designed Financial Impact Analysis into the NAV-10 Code Translation Suite for long-term effectiveness. It provides concurrent system updates through annual ICD adjustments.*

By the time the healthcare system converts to ICD-10 diagnosis and procedure codes in 2013, providers, payers, and vendors will need to know more than just how past codes translate to new ones. Under the new codes, restructured Diagnosis-Related Groups (DRGs) may have a significant financial impact. Predicting how income or payment may change because of the new coding rules lets your organization prepare.

With ViPS' industry-leading NAV-10 Code Translation Suite, healthcare organizations can efficiently manage the new ICD-10 code conversions. And now, the system's Financial Impact Analysis module allows organizations to predict how the new code sets are likely to adjust revenue or obligations by DRG, and for the organization as a whole.

Planning Across Important DRGs

The NAV-10 Code Translation Suite provides the rules for transition from ICD-9 to ICD-10. Once these rules are understood and applied, the system allows for the prediction of the DRG that each claim will fall into. The system includes MS-DRG groupers but can easily be adapted to any of a variety of grouper algorithms or programs.

But providers and payers also want to know how payments for patients grouped under each adjusted DRG may change. Having a reimbursement equivalency applied as a standard against each group provides a simple but invaluable estimate of probable changes in revenue or costs that, in sum, can alter fiscal outcomes.

DRG	Description	Type	MDC	Count	Weight	Extended	Delta
DRG 9 053	SPINAL DISORDERS & INJURIES W/O CC/MCC	M	1	436	0.838	365.455	
DRG 10 093	OTHER DISORDERS OF NERVOUS SYSTEM W/O CC/MCC	M	1	173	0.669	115.754	-29.254
DRG 10 053	SPINAL DISORDERS & INJURIES W/O CC/MCC	M	1	170	0.838	142.494	0.0
DRG 10 965	OTHER MULTIPLE SIGNIFICANT TRAUMA W/O CC/MCC	M	24	60	0.978	58.686	8.394
DRG 10 052	SPINAL DISORDERS & INJURIES W CC/MCC	M	1	12	1.483	17.803	7.744
DRG 10 984	OTHER MULTIPLE SIGNIFICANT TRAUMA W CC	M	24	11	1.502	16.528	7.308
DRG 10 983	OTHER MULTIPLE SIGNIFICANT TRAUMA W MCC	M	24	8	2.768	22.149	15.443
DRG 10 983	EXTENSIVE O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS W/O CC/MCC	S	0	2	1.807	3.614	1.938

Financial Impact Analysis in the NAV-10 Code Translation Suite generates comparison reports of DRG assignments based on ICD-9 vs. ICD-10. As in this example, the reports provide detail on how claims within a data set will parse to different DRGs under ICD10. Further, the report gives a payment weight for each DRG, shows each group's equivalency in number of standardized DRG payments, and highlights the change from the original DRG in reimbursements.

ABOUT ViPS®

ViPS, a General Dynamics Information Technology Company, is a leading provider of healthcare information technology and informatics that helps governmental and commercial payers improve patient outcomes, enhance performance and reduce costs. Located in the Baltimore-Washington, DC area, ViPS has specialized exclusively in healthcare since 1979. The company's healthcare and data management expertise, premier technologies, multiple platforms and best-of-breed components cover a broad range of solutions from advanced data warehousing and data management . . . to fraud, waste and abuse prevention . . . to quality and efficiency measurement for clinical improvement and much more. ViPS delivers solid results, a proven track record, a quality-driven focus and unparalleled customer service.

You can learn more about our company, our services and our commitment to improve healthcare by visiting www.vips.com, emailing info@vips.com or calling **1-888-545-8477, ext. 8010**.

Straightforward Financial and Service Forecasts

Once the suite has established code translation, summary pages in Financial Impact Analysis permit the user to view the proportional reimbursement changes for a particular set of claims. The user can drill down several levels to see the exact ICD translations that may cause the shift in payments. Users can view data for a particular DRG in detail and scan according to different sets of claims. Financial Impact Analysis permits unlimited category mappings, according to computation of data sets across the new codes.

Discovering that the financial relevance of a particular DRG will remain stable under the new standard is useful to a healthcare organization. But determining in advance the relative contraction or expansion of important billing groups permits the organization to:

- look at budget implications and know the basis of diagnostic-group changes;
- shift resources accordingly;
- and adjust financial forecasting.

NAV-10 Financial Impact Analysis makes the purchase of the NAV-10 Code Translation Suite an even more valuable decision.

Meet ICD-10 Requirements Ahead of Deadlines

The switch to ICD-10 stands as one of the most significant healthcare administrative-process conversions in decades. The good news: It will make healthcare organizations better managers of resources, patient health, and information. The challenge: to integrate this conversion intelligently into fiscal planning. That's where ViPS eases the transition.

ViPS has first-hand knowledge of such initiatives. Over 30 years, it has supported federal and state agencies; partnered with large and small business system integrators; and worked with 70 of the top 200 health plans in the country. As an important player in the ICD-10 conversion efforts, ViPS understands the complexities of this process, and helps manage them for its customers.



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