

FINAL

2014 SUPPLEMENTAL BUDGET

ELECTRONIC MEDICAL RECORDS-ICD10

Request	FY14	FY15	13-15
FTE	0.0	0.0	0.0
GF-State	\$4,126,000	\$0	\$4,126,000
Total	\$4,126,000	\$0	\$4,126,000

DECISION PACKAGE SUMMARY

The Behavioral Health and Service Integration Administration (BHSIA) requests the balance of the funding be appropriated in the 2013-15 biennium, instead of the 2015-17 biennium, to complete implementation of the electronic medical record system compliant with the International Classification of Diseases Tenth Edition (ICD-10). By funding this request, BHSIA will be able to comply with the federal requirement for implementation of an ICD-10 billing system by October 1, 2014.

PROBLEM STATEMENT

The 2013-15 biennial budget authorized \$8,500,000 in funding for the ICD-10 project, of which \$4,374,000 was appropriated. The remainder of the funding was delayed based on an assumption that the project could be financed with a Certificate of Participation (COP). The project is not eligible for a COP because there is no security interest in the software. To be eligible, the software must be purchased and be owned by the purchaser, which is not the case for a Software-as-a-Service (SaaS) solution. A SaaS solution remains the vendor's property and it is the responsibility of the vendor to maintain the equipment, software, and system support functions.

All covered health care providers must implement the International Classification of Diseases - Tenth Edition by October 1, 2014 in order to bill Medicare, Medicaid, insurance, or any payer for medical services as mandated in 45 CFR Part 162. Implementing the system will positively impact the cash flow for the three state psychiatric hospitals (Child Study and Treatment Center, Eastern and Western State Hospitals) and 16 residential facilities (4 Residential Habilitation Centers and 12 Juvenile Justice and Rehabilitation facilities) paid through the Office of Financial Recovery's Residential Program System (RPS). Not implementing the system will risk the loss of \$100 million in payments supporting the DSHS state hospital operating budget.

PROPOSED SOLUTION

These resources, added to the current budget, will ensure full implementation of the system. Resources will purchase software, software configuration, software integration, transition, and training.

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The Software-as-a-Service (SaaS) solution is chosen to reduce implementation time, state Information Technology resources needed for support of a local implementation, and to easily stay current with continuous health care industry changes due to reform and standardization.

Four significant business impacts will be addressed during the implementation of this project:

--Hospitals staff will work with the vendor to determine which of the current Caché/VistA and custom built applications will sunset or be modified and remain after implementation;

--Pharmacy system will likely be integrated with the physician order entry functionality;

--Financial workers working within the Residential Program Systems (RPS) will need to modify their processes to the new systems payment and financial functionality;

--Configuration of the new system to capture paper medical record data and support required monitoring and reporting functionality. The Software-as-a-Service (SaaS) solution is chosen to reduce implementation time, state Information Technology resources needed for support of a local implementation, and to easily stay current with continuous health care industry changes due to reform and standardization.

EXPECTED RESULTS

The following performance measures were identified in the project charter. Each can be measured before and after implementation of the new solution.

--New integrated system implemented before October 2014;

--Full integration of patient, pharmacy, and billing data;

--Business processes are standardized between each hospital;

--Comorbidity charges are able to be captured and billed;

--All clinicians are trained in enhanced ICD-10-CM documentation requirements and in using the electronic medical record system;

--ICD-10-CM codes are captured for Axis I, II, and III diagnoses on all source documents from admission to discharge and this coded diagnostic data can be extracted for billing/analysis.

STAKEHOLDER IMPACT

Most stakeholders look forward to an integrated solution that reduces the duplication of efforts of supporting multiple systems and paper processes. There will be some reluctance and fear by some end-users about the time necessary to input information that impacts direct client care time which would be expected. Benefits of improved access and data quality for client care and decision support will be factors in addressing this fear. Critical users and leaders for key users of the system will be utilized to learn and share their experiences to champion the new system.