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As ICD-10 Looms Closer, Contingency Planning is Essential

Written by **Chuck Buck**

Joseph C. Nichols, MD

An implementation plan without contingency planning is most likely an incomplete plan, according to Joseph C. Nichols, MD.

Nichols, in a soon-to-be-released white paper, writes that contingency planning must "be an integral part of the implementation plan in order for it to reduce the risk of failure."

Expressing deep concern about such failure potentially affecting the healthcare industry, Nichols cites the transition to ICD-10 as "one of the greatest changes to healthcare information and data management in decades."

From his perspective as a consultant to providers, payors, and government agencies, Nichols writes that he frequently notices issues regarding testing, risk identification, and contingency planning.

As it relates to ICD-10, failure can be expected to manifest itself in the following ways, Nichols notes:

- Claims will not be paid
- Data will be unreliable
- Operations will be slowed
- Compliance requirements will not be met
- Customers or trading partners will be unhappy
- Predictability will diminish

"Failure is always relative and comes in all ranges, from catastrophic to minimal impact," Nichols wrote. "Failures can be (at) a major functional level or at some sub-system or sub-operational level. The culmination of these failures may result in an enterprise- or at least project-level failure."

Nichols further reports that "proper project planning, including risk management, contingency planning, and pre- and post-implementation testing is critical to avoid the catastrophic failures that jeopardize the healthcare system."

Against a backdrop of risk management, contingency planning is likely to gain more traction as the Oct. 1, 2014 deadline for completing implementation of ICD-10 rapidly approaches.

"Contingency planning should include a consideration of different options for different problems," Nichols wrote. "It requires a thorough understanding of all of the risk points, the potential impacts of failure at

these points, and a prioritized plan to trigger appropriate options given an understanding of both impact of failure as well as the potential impact of executing the selected option."

In Nichols' way of thinking, contingency planning is, in essence, the identification and management of a number of variables that could be described as risk factors.

"Contingency planning is basically the process of assigning options for action at various risk points," Nichols wrote, adding that "there is no one option that will work for all risks."

When it comes to fixing the problem, Nichols says there could be a number of different options — fix it, accept it, or any other option other than "do nothing."

"The 'do nothing' option is not part of contingency planning; it is simply the default option that occurs if planning is absent or deficient," Nichols wrote. "The 'do nothing' option unfortunately is one of the most common options. It is the default if no decision is made and there is no contingency plan in place. It may represent an unconscious or conscious attempt to avoid change. Sometimes vigorous activity or extensive contingency planning can be mistaken for real action but unless another option is executed, the 'do nothing' option is the default."

Clear and unambiguous options are the ones that Nichols recommends — the clearer, the better.

"Part of contingency planning is to clearly define the option, since vague options are sometimes worse than no option," Nichols wrote. "A vague option gives a sense that risk will be mitigated, with little evidence that it will."

While Nichols focuses attention on the use of "options" to fix problems, he also writes that such choices are themselves a form of an action plan.

"In the event there are problems with the original operational or system implementation at any level, options become a contingent plan of action," he wrote.

Nichols also advises readers that different "risk points" will require different options, and he goes on to list those which he believes should be considered when addressing a problem or potential failure:

- Fix the problem
- Accept the problem
- Bridge the problem
- Develop a workaround
- Revert to the past
- Do nothing and see what happens
- Declare real failure and find a new business

"In reality, any contingency plan may use any or many of these options to address all risk points or problems that may lead to failure," Nichols wrote – "hopefully excluding the last option," he added.

Nichols links contingency planning with implementation planning. According to Nichols, "contingency planning must be an integral part of the implementation plan in order for it to reduce the risk of failure. Dependencies, timelines and resourcing must be in synch with the overall project plan."

Finally, Nichols recognizes the need for testing in the implementation process — testing, he says, should be conducted throughout the entire implementation process to "identify where probes exist and when to launch options."

"Testing is not something that should only be done in the last hours prior to implementation, or worse during production," he concluded. "Late options lose their effectiveness quickly."

About the Author

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