



NEWS RELEASE

FOR IMMEDIATE RELEASE

TriZetto Survey Shows Progress by Payers Toward ICD-10, Notes Concerns About Provider Readiness

GREENWOOD VILLAGE, Colo. – May 19, 2011 – Survey results released today by The TriZetto Group, Inc. show that 93 percent of healthcare payers have chosen an approach for their core administration ICD-10 migration efforts, up from 75 percent in the third quarter of 2009, and that 86 percent of health plans are most concerned that providers will be unprepared for ICD-10 compliance and technically unable to submit claims using ICD-10 codes.

These were among the findings of the March 2011 study – *The March Toward Compliance: 2011 Survey Highlights 5010 and ICD-10 Progress and Continuing Challenges* – the fifth in a series of surveys by TriZetto, tracking payers' progress in migrating to HIPAA 5010 and ICD-10 compliance. TriZetto commissioned Gantry Group to conduct the ongoing study of 100 healthcare payers from across the United States.

“The vast majority of the country’s health plans have committed to the technical updates of the 5010 and ICD-10 mandates, signaling significant progress,” said Greg Larson, associate vice president of services product management at TriZetto. “Decisions on mapping strategies, updates to systems including core administration and care management, and plans to update some business workflows all point to great progress. Watch for some health plans to go beyond technical upgrades to reconfigure benefits plans and care programs, as well as provider contracts.”

The TriZetto survey says nearly half of payers (46 percent) plan to model the impact of ICD-10 on provider contracts and 33 percent are developing new payment models. Larson pointed out that modeling can help ensure that a plan’s claim payments in ICD-10 are the same as they

would have been in ICD-9, achieving financial neutrality. He also said that modeling the impact of ICD-10 positions health plans to renegotiate their contracts with providers. In addition, Larson noted that the 32 percent of payers that are reconfiguring benefit plans and workflows are taking significant steps to improve their automated claims-payment rates, a key metric of administrative efficiency.

“Forty-three percent of payers have updated their care management systems for ICD-10 compliance, which is laudable, and we’re counseling health plans to go further and update their utilization, case management and disease management programs to fully leverage the more granular ICD-10 data to drive transformational change,” Larson said. “Some likely will update their analytics capabilities, as well. Analytics will be instrumental to payers in mining the data to drive enhancements not just in care management, but in reporting, underwriting and virtually every element of the payers’ operations.”

Larson also said concern about provider readiness for ICD-10 was a new and troubling finding of TriZetto’s ongoing survey of payer organizations.

“In the third quarter of 2009, health plans were concerned primarily about vendor readiness,” he noted. “Now, payers are most concerned that providers will be unprepared to submit claims with the new code set. Just as worrisome is that only 9 percent of health plans have begun to on-board and test provider data for this capability. Slow provider uptake could delay the deployment of new healthcare reform initiatives such as accountable care organizations, patient-centered medical home and other emerging models that could improve both the cost and quality of healthcare in America.”

With regard to HIPAA 5010 compliance, a prerequisite for successful ICD-10 migration, Larson expressed encouragement that with less than eight months to the deadline, nearly half of payer organizations (47 percent) have built or mapped HIPAA 4010 to HIPAA 5010 files, although just 9 percent have completed 5010 trading partner on-boarding and testing.

“5010 mapping has huge ramifications on health plans’ ability to adjudicate claims,” he said. “TriZetto is counseling payers to go beyond technical upgrades for 5010 compliance and consider business process workflows and how claims data can be used to full strategic advantage.”

Additional key findings from TriZetto's latest survey of ICD-10 readiness:

- Health plans are markedly more receptive to vendors' assistance in meeting the October 2013 deadline for ICD-10 compliance: Compared to the third quarter of 2009, more payers are amenable to assistance with IT infrastructure modifications (57 percent, up from 47 percent); strategic planning (50 percent, up from 41 percent); care-management upgrades (49 percent, up from 22 percent); and testing (49 percent, up from 39 percent).
- Payers increasingly are moving toward upgrading core systems (65 percent), rather than buying new (14 percent).
- Nearly six in 10 payers have chosen a single, enterprise-wide ICD-9 to ICD-10 mapping/translation strategy.

TriZetto's complete, end-to-end ICD-10 solution, TriZetto Advantage 10 Services™, can help healthcare payers leverage HIPAA 5010 and ICD-10 data to power healthcare reform initiatives that help increase operational efficiency while improving the cost and quality of care. The process integrates the patent-pending TriZetto Advantage Framework and includes six stages of service that can help health plans translate ICD-10 goals into actionable project plans; complete the mapping crosswalk and system readiness; and leverage the data to build value-based benefit plans, more targeted care programs and collaborative provider relationships that leverage HIPAA 5010 and ICD-10 data.

About TriZetto

TriZetto provides world-class healthcare IT software and service solutions, including patented and patent-pending innovations, that drive administrative efficiency, improve the cost and quality of care, and increase payer and provider collaboration and connectivity. TriZetto's solutions touch half of the U.S. insured population and reach more than 21,000 physician practices representing more than 75,000 practitioners. The company's payer offerings include enterprise and component software, application hosting and management, business process outsourcing services and consulting that help transform and optimize operations. TriZetto's provider offerings through Gateway EDI, a wholly owned subsidiary, include advanced tools and proactive services to monitor, catch and fix claims issues before they can impact a practice. TriZetto's integrated payer-provider platform will enable the deployment of promising new models of post-reform healthcare. TriZetto is committed to the integration and convergence of technology systems that enable its vision of Integrated Healthcare Management, the

coordination of benefits and healthcare to drive more value from every healthcare dollar spent.
For more information, visit www.trizetto.com.

Media Contacts:

Loren Finkelstein
The TriZetto Group
303-542-2460
loren.finkelstein@trizetto.com

David Dinerman
Schwartz Communications
781-684-0770
trizetto@schwartzcomm.com

###