Remediation Plan Template

Version 1.0

**Revision History**

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# Background

The Remediation Plan Template provides State Medicaid Agencies (SMAs) with a framework to:

* Assist and support the selection of a remediation strategy;
* Communicate the chosen strategy and its implications to the appropriate stakeholders; and
* Support budget and/or funding requests.

CMS suggests that SMAs use this template when submitting Implementation Advanced Planning Documents (I-APDs) in order to facilitate their review.

# Steps for Determining the Remediation Strategy

1. Determine remediation strategy options
2. Define the strategy options
3. Develop a strategy scoring method
4. Evaluate criteria for each strategy
5. Scale and compare each strategy using the scoring mechanism
6. Choose a strategy

# Step 1: Determine Remediation Strategy Options

The SMA should determine possible remediation strategies that would allow the state to successfully implement ICD-10 by the compliance date. The Implementation Assistance Handbook explains four possible strategies;

1. Crosswalk reimbursement strategy (not preferred);
2. Minimal upgrade strategy;
3. Maximum upgrade strategy (preferred); and
4. Upgrade and crosswalk hybrid strategy.

Additional ICD-10 remediation strategies exist; however, this plan will discuss the four outlined in the Implementation Assistance Handbook. Table 1 describes the four remediation strategy examples.

Table 1: Example of Possible Remediation Strategy Descriptions

| **Strategy** | **Description** |
| --- | --- |
| **Crosswalk Strategy** | * Transform inbound ICD-10 business transactions to the ICD-9 equivalent using reimbursement mappings or crosswalks. This does not require updates to internal policies, processes, or systems to accommodate ICD-10 codes. * Business processes and systems continue to store ICD-9 codes and utilize ICD-9 rules, without full conversion to ICD-10 codes. |
| **Minimum Upgrade Strategy** | * Convert **SOME** SMA policies, processes, and systems to ICD-10 using the General Equivalence Mappings (GEMs) tool. The SMA translates policies and processes **PARTIALLY** by equivalent aggregation. * Accept, store, and process ICD-10 transactions from business partners, except where not applicable. * Update business rules in the MMIS to utilize **SOME** added granularity of ICD-10. * Translate ICD-9 business rules and policies to ICD-10 without considering the full benefits of ICD-10. |
| **Maximum Upgrade Strategy** | * Convert **ALL** SMA policies, processes, and systems to ICD-10 using the GEMs tool. The SMA translates policies and processes **FULLY** by equivalent aggregation. * Accept, store, and process ICD-10 transactions from business partners, except where not applicable. * Update **ALL** business rules in the MMIS to use the added granularity of ICD-10. * Translate ICD-9 business rules and policies to ICD-10 while considering the full potential benefits of ICD-10. |
| **Upgrade and Crosswalk Hybrid Strategy** | * Converts highly impacted or frequently referenced SMA policies, processes, and systems to ICD-10 using the GEMs tool. * For claims with ICD-10 codes that do not fall into the costly or frequently used category, an ICD-10 to ICD-9 crosswalk will be utilized. * Accept, store, and process ICD-10 transactions in critical areas from business partners. * The highly impacted or frequently referenced SMA policies, processes, and systems will not crosswalk from ICD-10 to ICD-9. All other transactions require a crosswalk from an ICD-10 code to ICD-9 * All other policies, processes, and systems are not updated to ICD-10. |

Table 2 is a table the SMA should use to identify and describe remediation strategies specific to the SMA.

Table 2: Template for Remediation Strategies Descriptions

| **Strategy** | **Description** |
| --- | --- |
| **Strategy 1** | Description 1 |
| **Strategy 2** | Description 2 |
| **Strategy 3** | Description 3 |

# Step 2: Define Strategy Options

The SMA should leverage a diagram to define the potential policy, process and system impacts for each potential remediation strategy. To best complete this task, the SMA should leverage the SMA ICD-10 Impact Analysis, which identifies policy, process and system impacts unique to the SMA.

Provided below are example remediation diagrams that visually explain the remediation strategies described in Table 1. The SMA may use Figure 1, Figure 2, Figure 3, and Figure 4, as example diagrams to use in developing and selecting a remediation strategy.

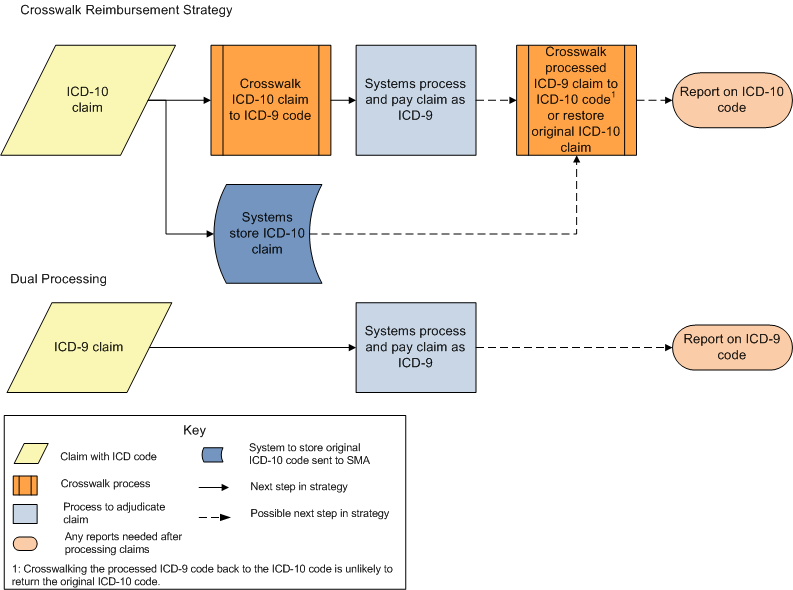


Figure 1: Crosswalk Reimbursement Strategy Diagram Example

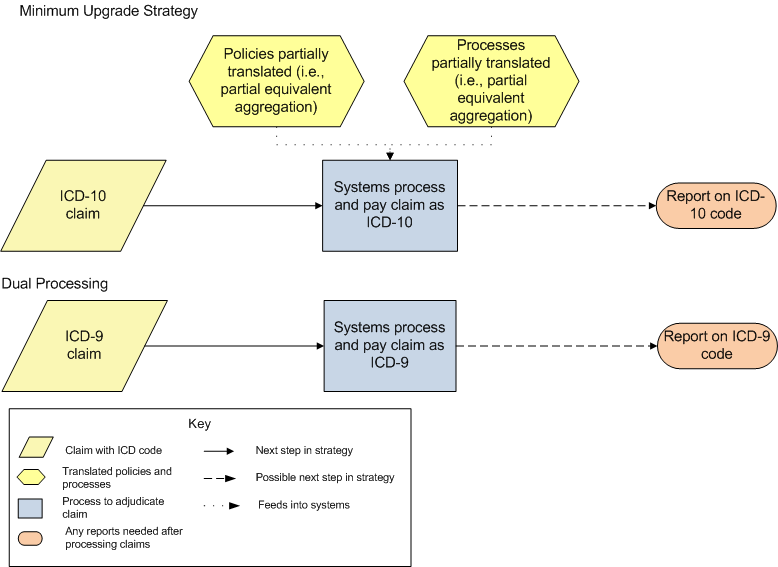


Figure 2: Minimum Upgrade Strategy Diagram Example

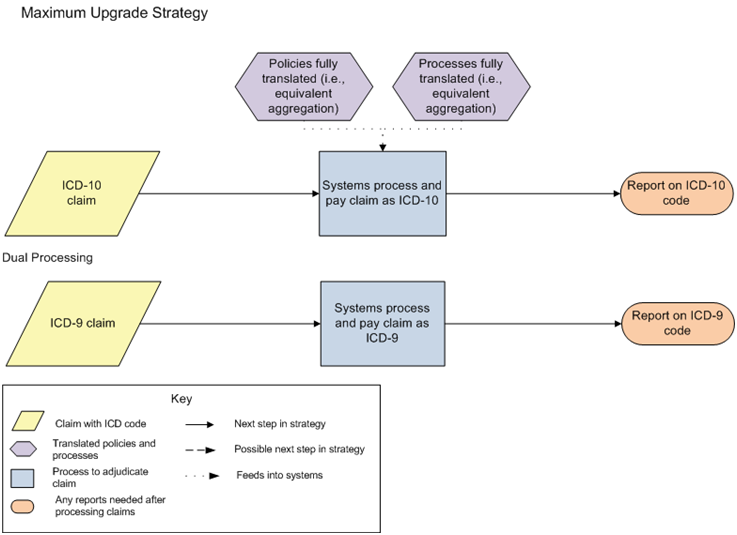


Figure 3: Maximum Upgrade Diagram Example



Figure 4: Upgrade and Crosswalk Hybrid Strategy Diagram Example

# Step 3: Develop a Strategy Scoring Method

The SMA should use the strategy scoring method to compare the remediation strategies. The SMA needs to develop the scoring criteria to evaluate the strategies and develop a scale and weight to evaluate each criterion. Using this scoring method, the SMAs will be able to apply common and consistent criteria in their decision making in their selection of a remediation strategy.

The scale may measure from one to ten, with one being undesired and ten being optimal. A weight for each criterion allows the SMA to account for the importance of each criterion.

When preparing an I-APD, it is necessary to include an analysis of the options evaluated and considered and the evaluation criteria. The following example and template would be useful to include in the I-APD.

Table 3 defines sample criteria and scoring the SMA could use to evaluate the remediation strategies.

Table 3: Example Criteria, Definitions, and Scoring

| **Criterion** | **Definition** | **Scale** | **Weight** |
| --- | --- | --- | --- |
| **Total Cost to the State and Funding** | This criterion factors in the costs to remediate the policy, process, and system. This criterion evaluates the percentage of Federally Financial Participation (FFP) and the total cost to remediate for the state. | 1 - Not Affordable  10 - Affordable | 20% |
| **Work Effort/Timing** | This criterion quantifies the work effort to implement the strategy. For an example of a detailed work effort analysis refer to the CMS ICD-10 Impact Analysis. This criterion allows the SMA to evaluate the work effort required to support remediation and whether internal/external resources are needed. In addition, the criteria evaluates whether based on the state’s competing priorities the schedule can be met to remediate the policy, processes and systems. | 1 - Maximum work effort  10 - Little work effort | 20% |
| **Risks** | This criterion factors in any risk implications during or after implementation of the remediation strategy. The scoring will allow the SMA to evaluate whether the SMA will be able to overcome the risks of the strategy. | 1 - Many risks  10 - No risks | 20% |
| **Advantages/ROI** | This criterion factors in the positive outcomes that the remediation strategy offers the SMA including qualitative benefits and return on investment.  For example, the ability to upgrade the system may remediate other existing system issues, enhancements to medical management, and quality of care reporting. In addition, this criterion should also identify when the benefits will be realized. | 1 - No Advantages  10 - Complete ICD-10 Advantages | 20% |
| **Dependencies** | This criterion factors in any reliance that the SMA’s strategy has on other SMA regulatory federal/state or system initiatives.  For example, the SMA needs to include the dependency of planning to meet ICD-10 compliance by completing an upgrade to a new MMIS. In this example, without a successful MMIS upgrade, the SMA misses the ICD-10 compliance deadline. This criterion should identifies how the remediation strategy is dependent on other initiatives. | 1 - Multiple dependencies  10 - Independent | 10% |
| **Sustainability** | This criterion factors accounts for whether the remediation solution is sustainable over a period of time.  For example, a crosswalk solution may only be sustainable for a 1 year period. This criterion addresses whether the SMA will have to do a major system update to remain ICD-10 compliant. | 1 -Unsustainable (less than a 12 month period)  10 - No additional system upgrade efforts | 10% |

Table 4 is a template for the SMA to use to define criteria and scoring that meets their own SMA needs.

Table 4: Template for Criteria, Definitions, and Scoring

| **Criterion** | **Definition** | **Scale** | **Weight** |
| --- | --- | --- | --- |
| **Criterion 1** | Definition for criterion 1 | Scale for criterion 1 | Weight for criterion 1 |
| **Criterion 2** | Definition for criterion 2 | Scale for criterion 2 | Weight for criterion 2 |
| **Criterion 3** | Definition for criterion 3 | Scale for criterion 3 | Weight for criterion 3 |
| **Criterion 4** | Definition for criterion 4 | Scale for criterion 4 | Weight for criterion 4 |
| **Criterion 5** | Definition for criterion 5 | Scale for criterion 5 | Weight for criterion 5 |

# Step 4: Evaluate Scoring Criteria

For each criterion that the SMA uses to evaluate the strategies, the SMA should determine the appropriate criteria evaluation information.

The evaluation criteria such as cost analysis, risk analysis, and work effort are included in an I-APD. Leveraging the criteria evaluations completed for determining a remediation strategy will eliminate additional work for the SMA to complete their I-APD.

Table 5 provides an example of the criterion evaluation information SMAs need to collect.

Table 5: Example of Criterion Evaluation Information

| **Criterion** | **Evaluation Needed** |
| --- | --- |
| Total Cost to the State and Funding | The SMA needs to complete cost estimates. Cost estimates for each strategy include costs for staff, materials, contractors, and tools. In addition, the state should recognize an estimate of expected FFP funds. |
| Work Effort/Timing | The SMA needs to identify the work effort for each strategy. Refer to the CMS ICD-10 Impact Analysis for guidance on how to calculate and determine work effort for each strategy. The SMA needs to develop a schedule for each strategy to define when activities will be occurring and when the strategies will be complete. This validates the feasibility of each strategy. The schedules need to include major milestones and milestone relationships. An example schedule is in the ICD-10 Implementation Guide in Section 6. |
| Risks | The SMA needs to identify risks for each strategy. Refer to the Risk Management/Assessment template in the ICD-10 Implementation Assistance Handbook to identify SMA specific risks for each strategy. |
| Advantages/ROI | The SMA needs to identify advantages and return on investment for each strategy as well as the timing those benefits will be received. |
| Dependencies | The SMA needs to determine if the successful implementation is reliant on factors outside of the ICD-10 Implementation. If so, the SMA needs to include the dependency and need to rate the likelihood of these factors inhibiting the successful implementation. |
| Sustainability | The SMA needs to determine the duration of time the remediation solution will sustain. The longer the solution works, the more sustainable the solution. |

Table 6 is a template for the SMA to use to evaluate each criterion. The SMA will need to evaluate the criteria to meet individual state needs.

Table 6: Template for Criterion Evaluation Information

| **Criterion** | **Evaluation Needed** |
| --- | --- |
| **Criterion 1** | Evaluation Needed for Criterion 1. |
| **Criterion 2** | Evaluation Needed for Criterion 2. |
| **Criterion 3** | Evaluation Needed for Criterion 3. |
| **Criterion 4** | Evaluation Needed for Criterion 4. |
| **Criterion 5** | Evaluation Needed for Criterion 5. |

# Step 5: Scale and Compare Each Strategy

After agreeing on the criteria, the SMA should create a decision matrix to evaluate and compare each strategy. Once the SMA collects criterion data, the SMA should complete the decision matrix and scale each strategy. In building the decision matrix there are three parts. Below there is an example of each step for the decision matrix and a corresponding template.

For the I-APD, the decision matrix will clearly explain the reasons, the selected strategy was chosen by the SMA and assist in justifying the funding being requested.

Figure 5 provides an example to score each criterion. The score should be a value from one to ten with ten being optimal. The scores in the example are strictly an example and have not had the appropriate analysis to evaluate each criterion for each criterion.

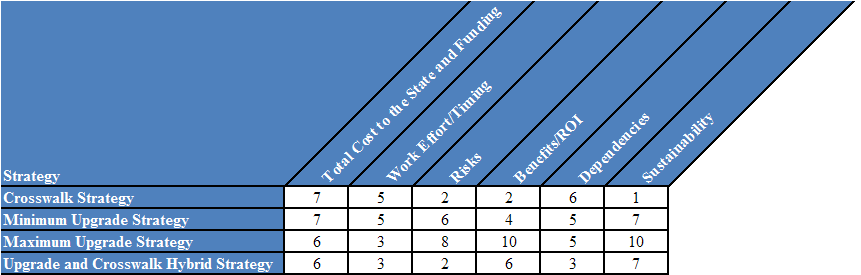


Figure 5: Criteria Scale Values Example

Table 7 provides a template for the SMA to populate its scale values for each strategy and criterion.

Table 7: Template for Criteria Weight Values

| **Strategy** | **Criterion 1** | **Criterion 2** | **Criterion 3** | **Criterion 4** | **Criterion 5** |
| --- | --- | --- | --- | --- | --- |
| **Strategy 1** |  |  |  |  |  |
| **Strategy 2** |  |  |  |  |  |
| **Strategy 3** |  |  |  |  |  |

The next step is for the SMA to calculate the score for each strategy and complete the decision matrix. To populate Table 9, for each strategy multiply each criterion weight by the corresponding criteria scale to obtain a score for each criterion as shown in Equation 1. The SMA determined the weight for each criterion in step 3. The criterion weight will be the same for each strategy. The SMA determined the criterion score in step five. An example can be found in Figure 6: Criterion Score Example and the template in Table 7.

Equation 1: Criterion Score

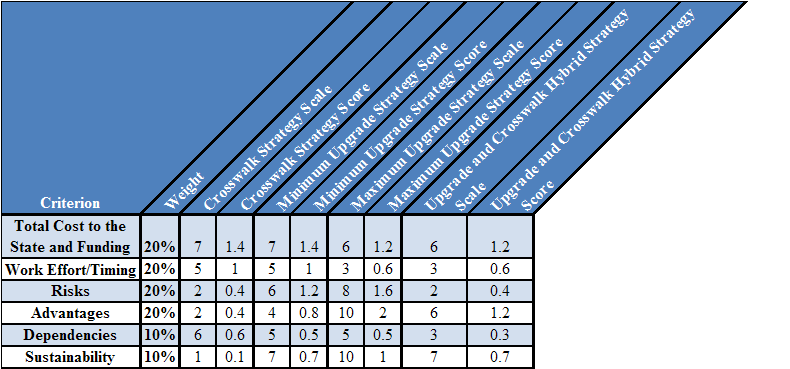


Figure 6: Criterion Score Example

Table 8: Template for Criterion Scores

| **Criterion** | **Weight** | **Strategy 1**  **Scale** | **Strategy 1**  **Score** | **Strategy 2 Scale** | **Strategy 2 Score** | **Strategy 3 Scale** | **Strategy 3 Score** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Criterion 1** | **X%** |  |  |  |  |  |  |
| **Criterion 2** | **X%** |  |  |  |  |  |  |
| **Criterion 3** | **X%** |  |  |  |  |  |  |
| **Criterion 4** | **X%** |  |  |  |  |  |  |
| **Criterion 5** | **X%** |  |  |  |  |  |  |

After populating all the criterion scores, sum the scores to arrive at a total score for each strategy as shown in example in Figure 1. Based on the table below, the remediation strategy with the best overall score is the Maximum Upgrade Strategy.

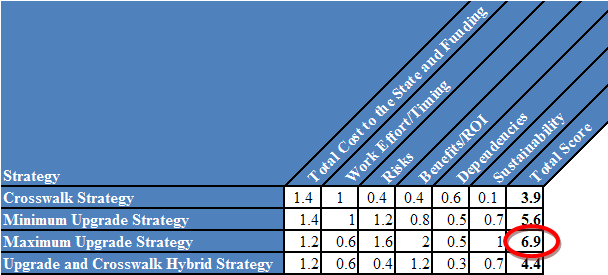


Figure 7: Decision Matrix Example

A template is created for the SMA in Table 8.

Table 9: Template for Decision Matrix

| **Strategy** | **Criterion 1 Scale** | **Criterion 2 Scale** | **Criterion 3 Scale** | **Criterion 4 Scale** | **Criterion 5 Scale** | **Total Score** |
| --- | --- | --- | --- | --- | --- | --- |
| **Strategy 1** |  |  |  |  |  |  |
| **Strategy 2** |  |  |  |  |  |  |
| **Strategy 3** |  |  |  |  |  |  |
| **Strategy 4** |  |  |  |  |  |  |

# Step 6: Choose a Strategy

The SMA should verify that the strategy with the best score will provide the SMA with the best implementation solution. In the example, the Maximum Upgrade Strategy would be the chosen strategy.