

# CONSULTANT'S CORNER



## ICD-10 PREPAREDNESS – IS YOUR PHYSICIAN PRACTICE FINANCIALLY PREPARED?



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Being prepared for ICD-10 is not just about training for this new diagnosis coding - it also is about preparing financially for this significant change. With the implementation of ICD-10 comes the stark realization that compliance may bring unanticipated expense. In addition to obvious spending to provide training and educational tools for coding staff and healthcare providers, there can be tangential impacts such as technology costs, staffing needs, and "cash reserves."

Recent predictions recommend a minimum of six-month cash reserves in order to fund a potential cash shortage with the implementation of ICD-10, which goes into effect October 1, 2014. Cash reserves

are recommended in the event of an immediate cash decrease due to non-payment of claims caused by inaccurate ICD-10 coding or even technology and payer issues related to the conversion.

It is unusual for physician practices of any size to retain cash. However, now is the time for physicians to strategically plan by budgeting savings or investment plans to maintain reserves and proactively work with tax advisors to develop the best way to do so without unwanted tax implications.

If you have questions regarding IDC-10 preparedness, please contact me or one of our qualified professionals at Crosslin & Associates.

