

ICD-10 Transition Strategies and Solutions for Providers

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2012 Mega Conference



Objectives



- Provide overview of **regulation**
- Explain **why** transition will occur and the benefits
- Share how ICD-10 is related to **other regulatory changes**
- Highlight the impact ICD-10 will have on **finance and operations**
- Underscore other **BA readiness**
- Address **work force** issues
- Explain the key role **physicians** have
- Describe the importance of timely and accurate **data management**

ICD-10 Regulation



- Published January 16, 2009
 - http://www.cms.hhs.gov/TransactionCodeSetsStands/02_TransactionsandCodeSetsRegulations.asp
- Effective October 1, 2013
 - ICD-10-CM (diagnoses) will be used by all providers in every health care setting
 - ICD-10-PCS (procedures) will be used for hospital claims for inpatient hospital procedures
 - ICD-10-PCS will not be used on physician claims, even those for inpatient visits

ICD-10 Regulation



Date of service for ambulatory and physician reporting

- Ambulatory and physician services provided on or after 10-1-13 will use ICD-10-CM diagnosis codes

Date of discharge for hospital claims for inpatient settings

- Inpatient discharges occurring on or after 10-1-13 will use ICD-10-CM and ICD-10-PCS

CMS Billing Guidance Transmittal 950 CR 7492

<http://www.cms.gov/transmittals/downloads/R950OTN.pdf>

Bill Type	Type of Service	Claims Processing Requirement	Use FROM or THROUGH
11x	Hospital IP	Discharge date is on/after 10-1-13	THROUGH
13x	PPS Outpatient	Split claims – All ICD-9 for services performed in Sept	FROM
18x	Swing Bed	Discharge date is on/after 10-1-13	THROUGH
21x	SNF Part A	Discharge date is on/after 10-1-13	THROUGH
22x	SNF Part B	Split claims – All ICD-9 for services performed in Sept	FROM
71x	RHC	Split claims – All ICD-9 for services performed in Sept	FROM
72x	ESRD	Split claims – All ICD-9 for services performed in Sept	FROM
85x	CAH outpatient	Split claims – All ICD-9 for services performed in Sept	FROM

Why is ICD-9-CM Being Replaced?



Developed in
the 1970s

Used for
many
purposes
than it was
developed for

US is the
only
industrial
nation that
has not
upgraded to
ICD-10

Hampers the
ability to
compare
costs and
outcomes

Cannot
support the
US transition
to an
interoperable
health data
exchange

Benefits of ICD-10



- **Reimbursement**

- More accurate and fair reimbursement
- Better justification of medical necessity
- Few erroneous and rejected claims
- Reduced opportunities for fraud and improved fraud detection capabilities
- Increased sensitivity when making refinements in application such as grouping and reimbursement methodologies

Benefits of ICD-10



- **Health Information Technology**

- ICD-10 is needed to fully realize the benefits of interoperable health data exchange
- Facilitate electronic data retrieval
- Expanded computer-assisted coding technologies

- **Quality Measurement**

- Better data for evaluating and improving quality of care
- Improved ability to measure outcomes, efficacy, and costs of new medical technology
- Improved ability to determine disease severity for risk and severity adjustment
- Specifies reasons for patient non-compliance

Benefits of ICD-10



- **Organizational Monitoring & Performance**
 - Cost containment
 - More accurate trend and cost analysis
 - Improved ability to analyze trend and cost data
 - More effective monitoring of resource and service utilization including degree of difficulty for procedures
 - Reduced submission of medical record documentation
 - Reduced reliance on manual medical review
 - Improved coding accuracy including detailed data on injuries and accidents

Benefits of ICD-10



- **Public Health**

- Enhanced public health surveillance
- Better able to track and respond to global health threats
- Facilitate international comparisons of quality of care and global sharing of best practices

Benefits of ICD-10



- **Research**

- Code analysis is essential to research
- Data could be used in more meaningful way to better understand complications, better design of clinically robust algorithms, and better tracking of outcomes
- Greater detail offers the ability to discover previously unrecognized relationships or uncover phenomenon such as incipient epidemic early
- Expanded injury research and successful injury prevention strategies

Regulatory Relationships



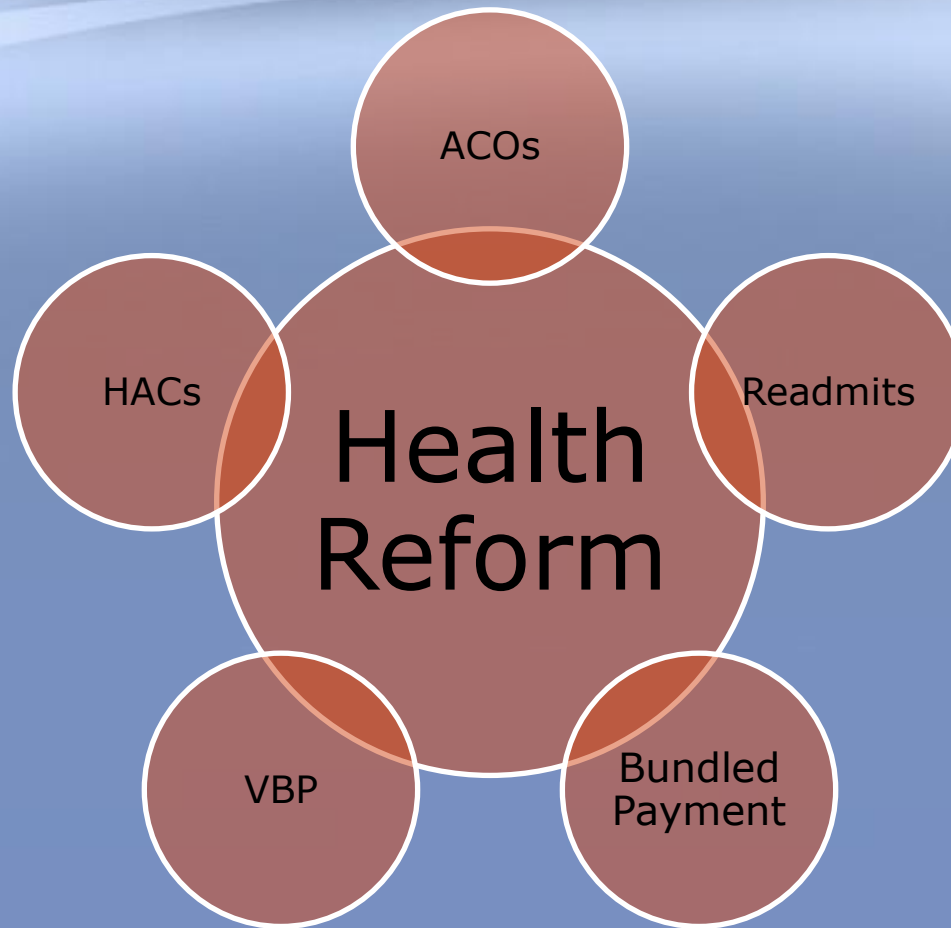
HIPAA –
5010 and
others



Meaningful
Use of
EHRs

ICD-10
Transition

Regulatory Relationships with ICD-10





Impact on Operations

HIPAA 5010 Compliance



How's it going?

Are claims passing through with a typical number of edits/denials?

Are you getting paid?

How is the cash flow?

ICD-10's Day of Reckoning



“A seemingly smaller but inevitably important milestone – **HIPAA 5010** – stands between healthcare entities and ICD-10, both on the calendar and in IT back offices. And that deadline promises to measure the industry’s progress, or lack thereof, toward the forthcoming code sets.” “The proof will be Jan 1, 2012,” said Robert Tenent, senior policy advisor for MGMA.

Government HealthIT September 28,
2011

ICD-10's Day of Reckoning



“We’re watching **HIPAA 5010** unfold and trying to gauge where that is,” said George Arges, senior director of the health data management group at AHA. “With respect to that implementation timeline, that is the key to whether or not our members will be ready for ICD-10 or whether the industry will be ready by the Oct 1, 2013 deadline.”

“If **5010** does not get the kind of testing and does not reach a successful critical exchange on Jan. 1, 2012 in a way that it should, and if people are still struggling to get their **5010** transactions up and running one or two months after that deadline,” Arges added, “that’s going to be a problem.”

Impact of Change

- Presents both opportunities and challenges
- Scope and complexity are significant
- Coded data are pervasive compared to 30 years ago
- ICD-10 transition requires substantial changes affecting many **systems, processes, and people**



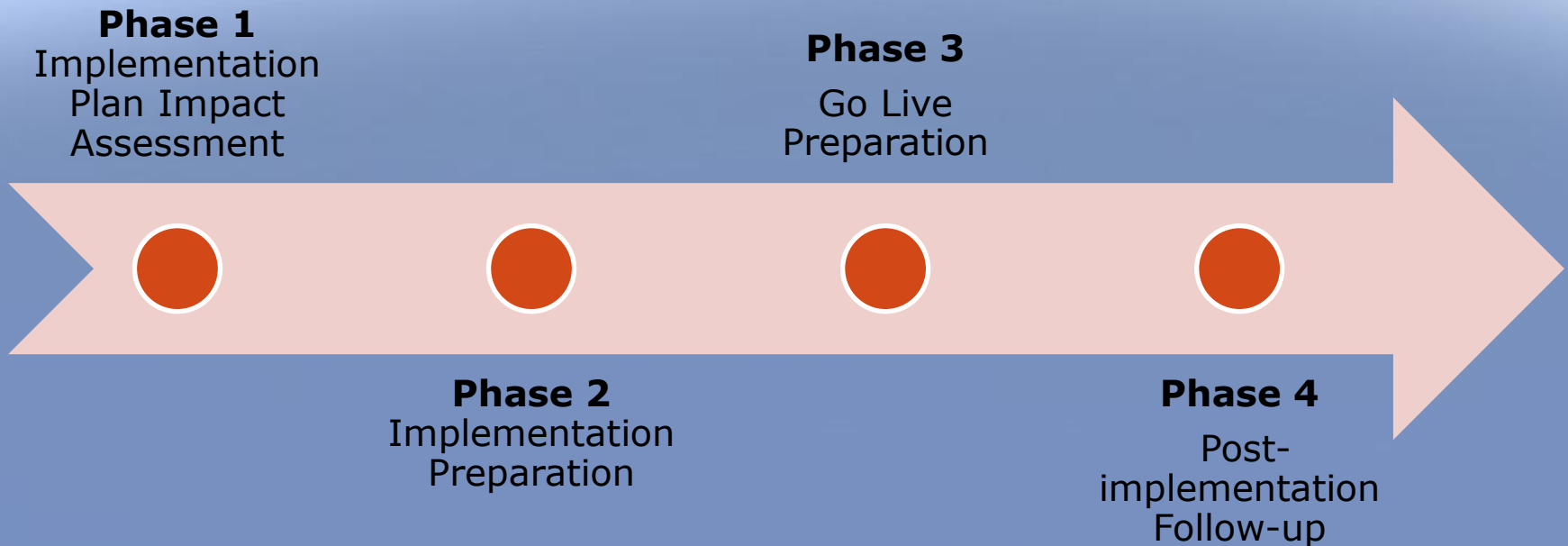
Don't Delay!



It is critical to begin if you have not already done so.

Early initiation of the planning process, intense preparation, adequate education, and proper testing will result in a smoother transition and earlier realization of benefits.

AHIMA's Planning and Preparation Checklist



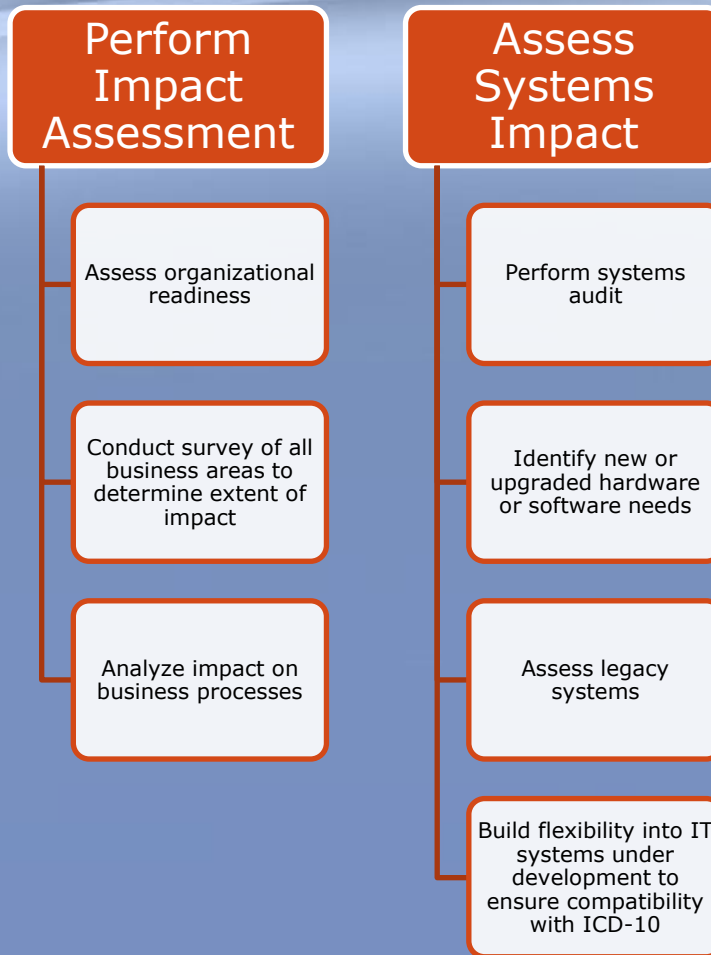
Suggested Timeline

<http://www.ahima.org/downloads/pdfs/resources/checklist.pdf>

- Phase 1 1st quarter 2009 – 2nd quarter 2011
- Phase 2 1st quarter 2011 – 2nd quarter 2013
- Phase 3 1st quarter 2013 - 3rd quarter 2013
- Phase 4 4th quarter 2013 – 4th quarter 2014

Length of each phase will depend on the type, size and complexity of the organization. The phases may overlap.

Phase 1 – 1st QTR 2009 – 2nd QTR 2011



Systems/Applications Likely to be Affected



- Advanced beneficiary software
- Billing
- Case management system
- Claims submission
- Clinical data reporting
- Clinical department systems
- Compliance monitoring systems
- Databases
- DRG grouper
- Electronic health record
- Encoder software
- Financial systems
- Hospital information system
- Interface engines



More Systems Likely to be Affected

- Inpatient rehab facility patient assessment instrument
- Managed care (HEDIS) reporting system
- Medical abstracting system
- Medical necessity
- Outpatient code editor
- Pharmacy system
- Reports
- State birth registration system
- State reporting system
- Test ordering systems
- Utilization management



Phase 1 – 1st QTR 2009 – 2nd QTR 2011



Conduct Coding Gap Analysis

Assess coding professionals' knowledge in biomedical sciences

Refresh coding staff knowledge as needed on basis of assessment results

Assess Quality of Medical Record Documentation

Evaluate samples of various types of medical records to determine whether documentation supports level of detail found in ICD-10

Implement documentation improvement strategies where needed

Coding and Documentation

- Nonspecific codes are still available when necessary
- The goal is to always work toward better documentation
 - Avoid misinterpretation by third parties (auditors, payers and attorneys, etc.)
 - Justify medical necessity
 - Provide a more accurate clinical picture of the quality of care provided
 - Support current and future initiatives aimed at balancing the quality/cost equation



Word of Caution



Issues related to inconsistent, missing, conflicting, or unclear documentation must still be resolved by the provider – both today under ICD-9 as well as in the future with ICD-10

Phase 1 – 1st QTR 2009 – 2nd QTR
2011



Determine Training Plan

Who will
need
education?

What type
and level of
education
will they
need?

How will
the
education
be
delivered?

When will
training
occur?

Coder Training



Intensive Coder
Training

6-9 months
prior to
implementation

Inpatient vs
Outpatient
Coders

Inpatient

Outpatient

Hours to Train

16 hours for
ICD-10-CM

24 hours for
ICD-10-PCS

16 hours for
ICD-10-CM

Lead Coders, Supervisors, CDI Specialists, Data Analysts



- Recommend early training
 - To assess documentation needs for ICD-10
 - To determine changes in production
 - To determine if existing staff has skills to code in ICD-10
 - To project changes in case mix
 - To assist with managed care contract changes due to ICD-10
 - To recommend strategies for longitudinal data analysis



Data Users Requiring ICD-10 Education



- Coders
- Physicians
- Other HIM personnel
- Senior management
- Information technology
- Quality management
- Utilization management
- Accounting
- Business office
- Auditors and consultants
- Patient access and registration
- Registrars (cancer, birth)
- Clinical department managers
- Ancillary departments
- Data analysts
- Researchers
- Epidemiologists
- Performance improvement
- Corporate compliance
- Data quality management
- Data security
- CDI staff
- Payer contract managers

Training Considerations



- Physicians – code sets, documentation improvement
- Coders – A&P assessments, code sets
- Business office/revenue cycle staff – billing/claims denials
- Quality staff – core measures, other reporting
- Patient registration – admitting diagnoses
- Lab and radiology – medical necessity software
- Utilization/case management – prior auths

Develop ICD-10 Budget



Software
modifications

Education

Hardware/software
upgrades

Staff time

Temporary or
contract staffing

Consulting services

Testing-related
costs

Report redesign

Reprinting of paper
forms

Data conversion

Maintenance of dual
code sets

Other???????

Determine Business Associate Readiness



Assess BA readiness

- Systems vendors
- Payers

Determine vendor readiness and timelines for upgrades

- What upgrades are needed?
- What costs are involved?
- Will upgrades be covered by existing contracts?

Determine Business Associate Readiness



When will upgrades or replacement systems be available for testing and implementation?

What customer support and training will they provide?

How will their products/services accommodate both ICD-9 and ICD-10?

How long will their products accommodate both code sets?

Phase 2 1st QTR 2011 – 2nd QTR 2013

Implementation Preparation

- Provide training on use of GEMS
- Determine impact on longitudinal data analysis
 - Will legacy data need to be converted? How?
- Determine which data will be linked by using mapping applications and which data will be maintained separately according to the source code set

Continue to Assess and Improve Coding and Documentation

- Assess quality of medical record documentation
- Implement documentation improvement strategies as needed
- Monitor impact of changes
- Coders should continue to gain familiarity with ICD-10 code sets and coding guidelines (not intensive coding education) and improve skills in areas identified in gap analysis

Complete Tasks Identified in Phase 1



Follow-up on Impact Assessment

- Implement systems changes
- Modify or develop policies/procedures, reports, and forms
- Provide education to users
- Implement and monitor CDI strategies
- Reengineer processes and work flows
- Complete internal testing
- Begin external testing

Additional Steps

- Refine project plan, timeline, and budget
- Assess potential reimbursement impact
- Develop strategies to minimize problems and maximize opportunities
- Assess impact of:
 - Decreased coding productivity
 - Decreased coding accuracy

Complete Tasks Identified in Phase 1



Additional Implementation Steps

Follow-up on readiness status of business associates

Develop contingency plan for continuing operations if critical systems issues or other problems occur during go-live

Develop communication plan

Provide senior executives and stakeholders with updates

Financial Impact

- Conduct a finance assessment
- Develop a budget
- Plan for costs of implementation
- Consider amount and type of potential revenue loss
- Consider cash flow issues
- Consider consequence of poor preparation



Finance Assessment



What managed care contracts will need to be renegotiated; how will the hospital/health system monitor contract compliance and track reimbursement for accuracy?

What will be the impact to AR and Cash flow?

What will be the impact to financial reserves and working capital?

- Will we need to open a line of credit?

How will dual payment processing under ICD-9 and ICD-10 impact financial reporting?

How will ICD-10 impact grant and other research funding?

What financial resources, in terms of capital and operational dollars, are required to implement ICD-10?

Managed Care Contracts



Entity	Number	Contracts per Entity	Range of Total	Hours per Contract by Payer and Provider	Total Hours	Average Salary per Hour*	Total Cost of Negotiation
Hospitals	5,000	10 - 20	50 - 100,000	10 - 20	500,000 - 2 million	\$40	\$20 - 80 million
Provider Organizations	20,000	7 - 15	140 - 300,000	4 - 8	560,000 - 2.4 million	\$30	\$17 - 72 million
Individual Physicians	145,000	5 - 15	725,000 - 2.2 million	2 - 4	1.5 - 8.8 million	\$30	\$45 - 264 million
Totals	170,000	5 - 20	915,000 - 2.6 million	2 - 20	2.6 - 13.2 million		\$82 - 416 million

*Represents blended salary estimates of contracting, support, hospital and physician office staff, weighted with physician, legal and management.

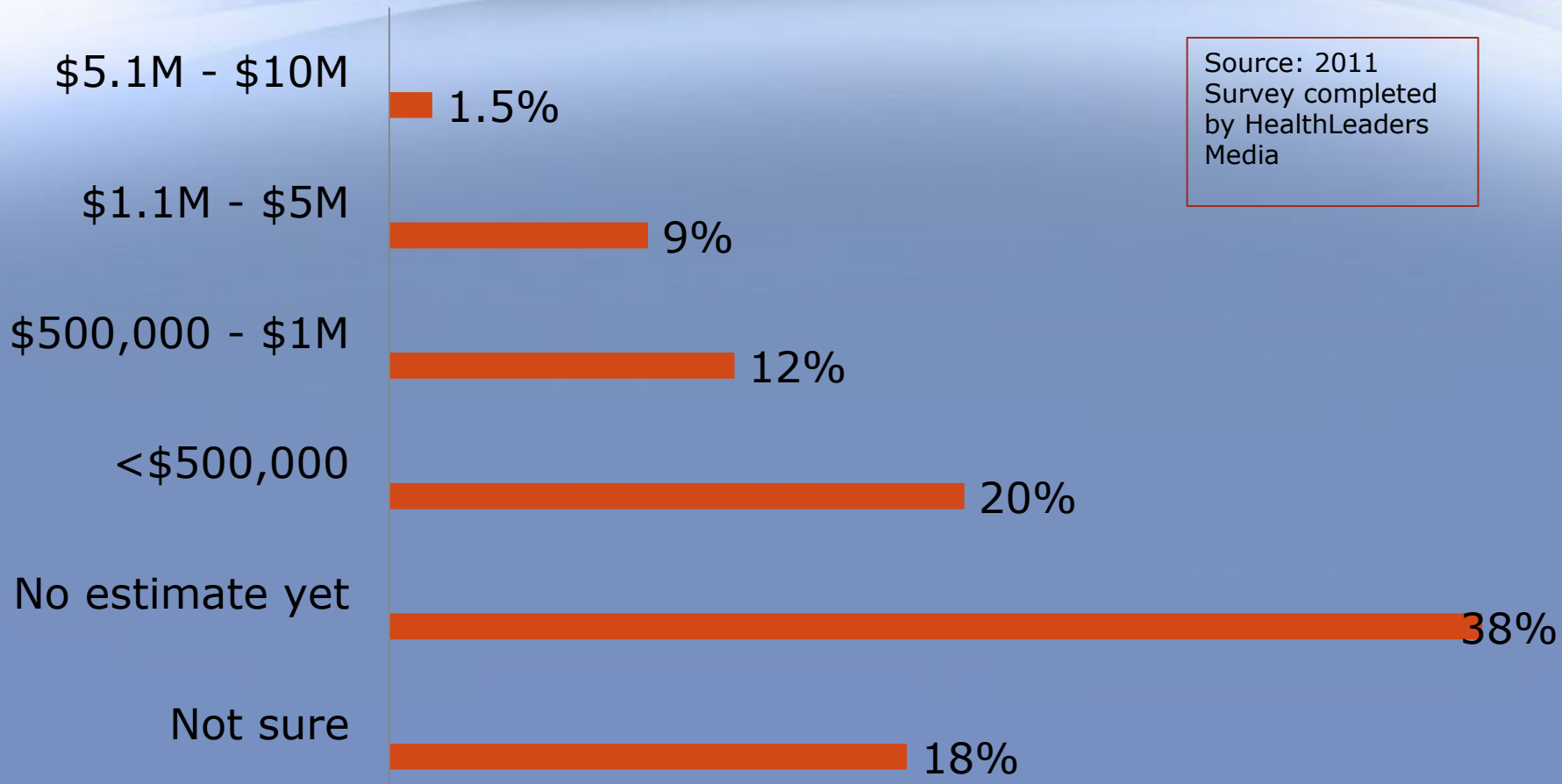
Budget Items for Success



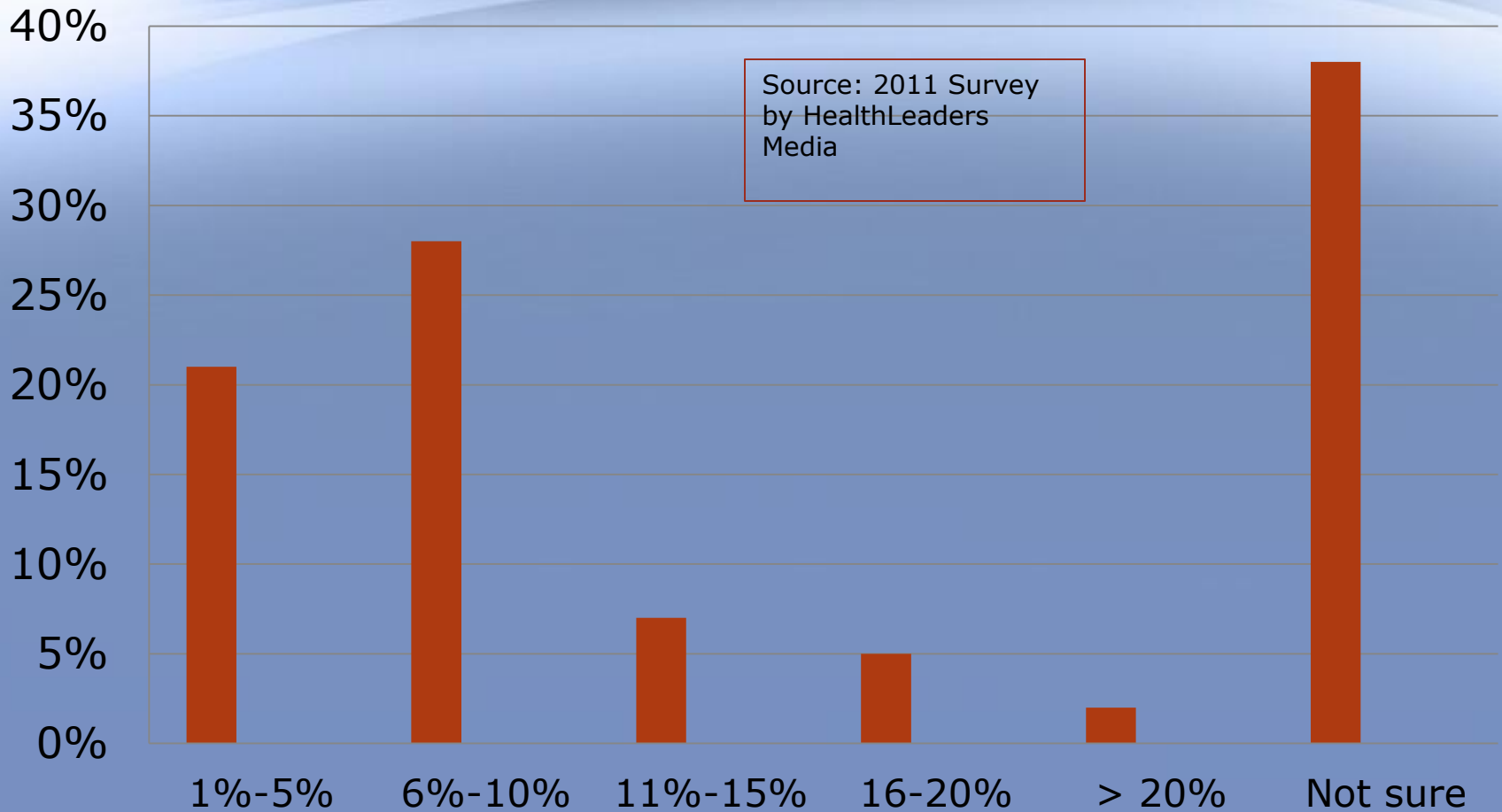
- **Commit** to a hospital/system-wide budget
- Conduct an **assessment** and develop an ICD plan
- Manage to plan by having a **governing body** for accountability
- Commit to providing **resources** for success (hardware and software, training, and testing resources)
- **Engage vendors**, payers and trading partners – know their plan
- **Test the skills** of staff and develop training plans, for coders, physicians & data users
- **Provide auditing** of records for provider documentation integrity reviews
- Customize your results with your own **data trending** and mapping
- **Establish a database** for modeling financial reimbursement, monitoring key performance indicators, and negotiating contract terms
- **Have a workforce plan** with expertise and knowledge in ICD-10 – use technology and resources as needed

Plans for Cost of Implementation-

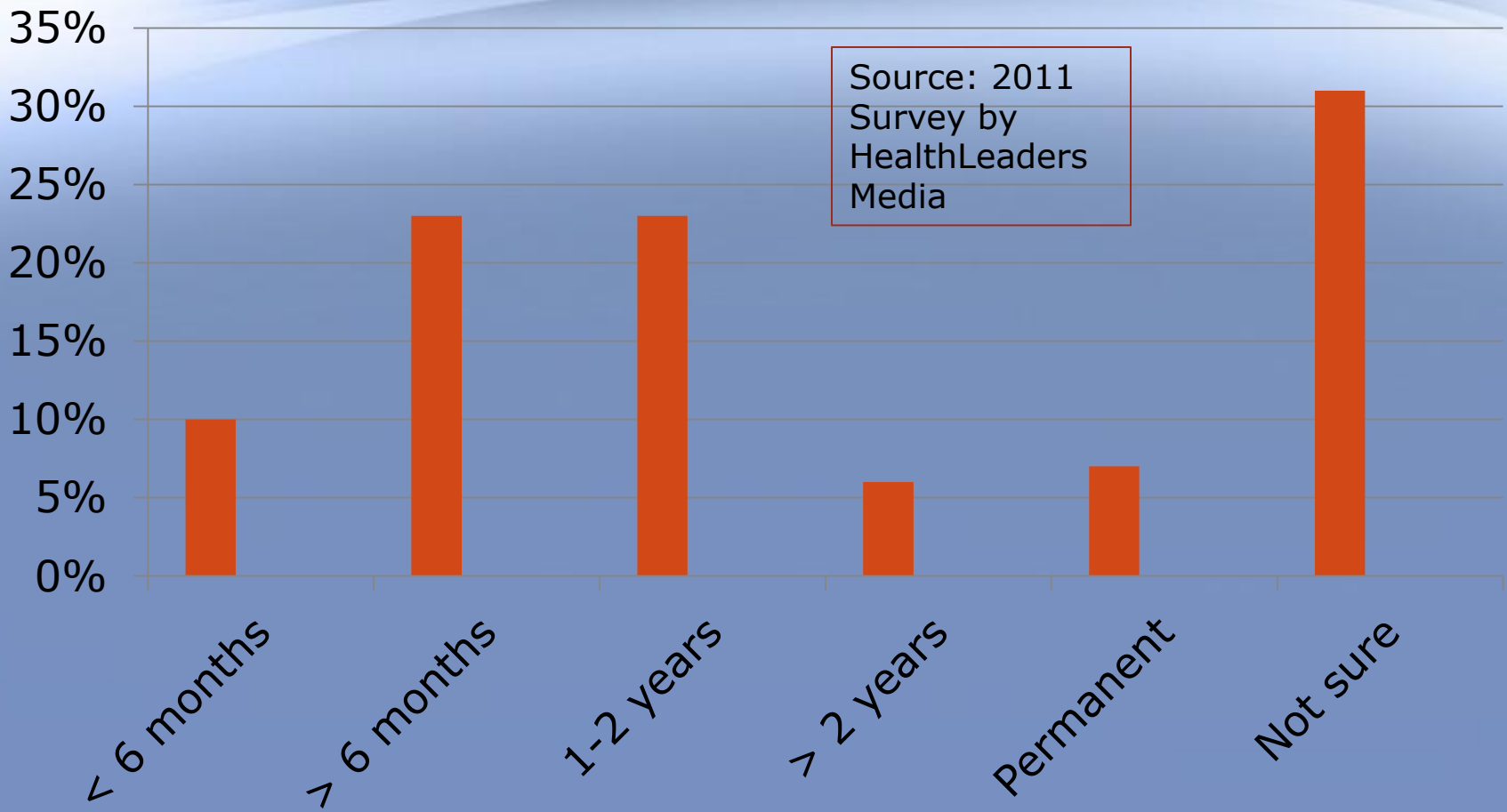
What is your organization's projected cost to be ICD-10 ready by 2013 (including labor, hardware, software, training, consultants, etc.)?



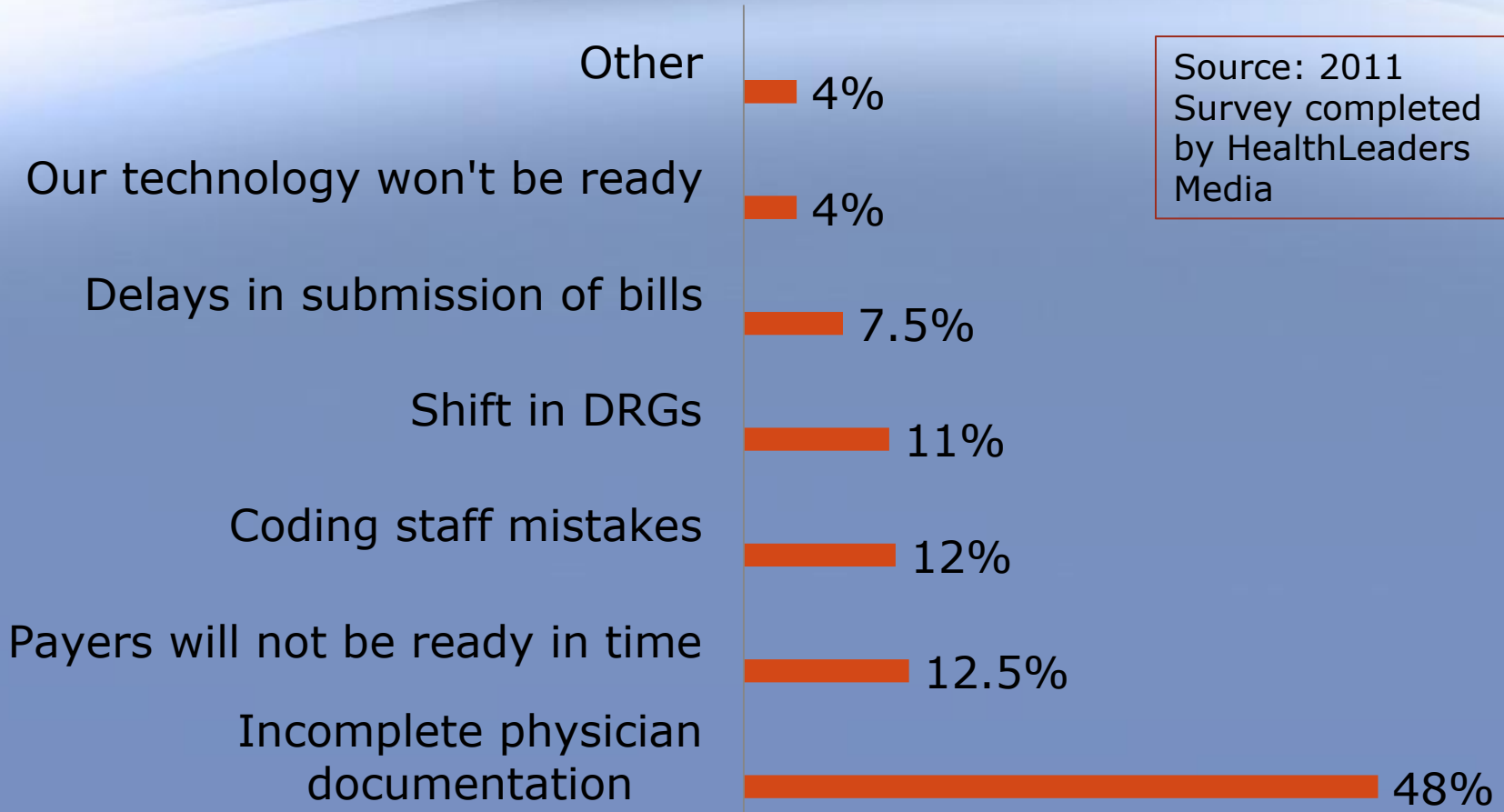
Revenue Loss – How much revenue does your facility anticipate losing?



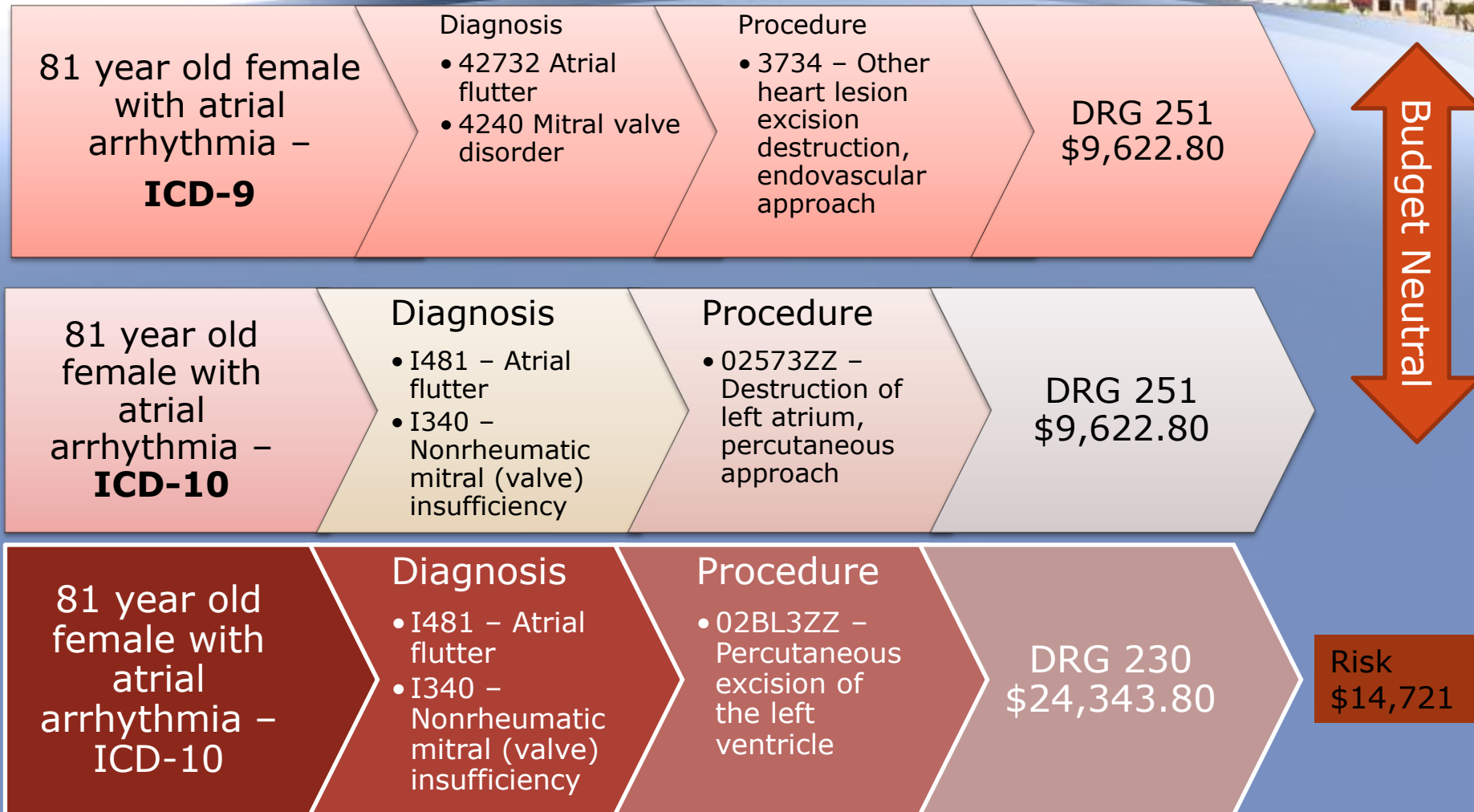
Revenue Loss – How long do you expect revenue losses to last?



Revenue Loss – Select the top reason you expect to see a decrease in your revenue.



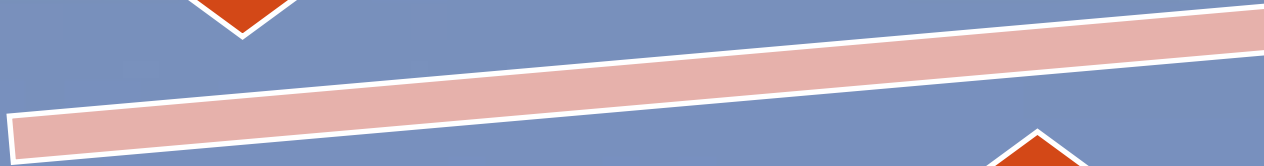
Potential Shift in MS-DRG Example



Cash Flow Management



Coding
production
Cash flow



Claims denials
& rejections
AR days
AR dollars



Consequences of Poor Financial Preparation



- **Cash flow** will slow in 2013 and 2014
- Possible **reductions** in inpatient **payments** due to unbundling of diagnoses and procedures
- Overall **revenue loss**
- **Return on investment** in question
- Impact on **margins** long-term
- Negative affect on **VBP program**
- **Publically displayed data** may negatively influence potential customers

Workforce Risk



- **Greatest Challenge Associated with ICD-10 Conversion per HIMSS Vantage Point Survey**
 - Lack of staffing resources (33%)
- Job transitions/Retirement
 - Aging workforce
 - Shortage of ICD-10 coding skills requiring years to master
 - Increased stress = "*search for greener pastures*" (work environment, pay, benefits)

Work Force Mitigation



- Understand, value and invest in your people
- Consider temporary additional staff for the initial transition
 - Help bridge initial decreased productivity
 - Better able to absorb attrition
 - Reduce stress (stress=mistakes)
- Plan for retirements
- Provide A&P assessments and training now

In-demand Skills for HIT/HIM Professionals



ICD-10/5010 expertise. Moreno said with the movement to reach the audit function and compliance right in front of us, the demand in the market place for professionals is at an all-time high. “More and more organizations are beginning to road map themselves in ICD-10 migration,” he said. “Everyone understands what ICD-9 is and what it means to generically migrate to ICD-10, but there are few who have actually made the transition or are in the process of doing so.” Moreno said he’s seeing requests and demands both on the payer and provider side, as well as large government organizations looking for skilled professionals. This includes those with expertise in project management, program management, and coding. “Those are the three pretty major areas for people who understand ICD-10, and frankly, in this country, there isn’t a lot of experience in that space.”

Guillermo Moreno, VP of Recruiting for Experis Healthcare

6 most in-demand skills for HIT professionals in 2012

<http://www.healthcareitnews.com/news/6-most-demand-skills-hit-professionals-2012?topic=06,08,13,18,24>

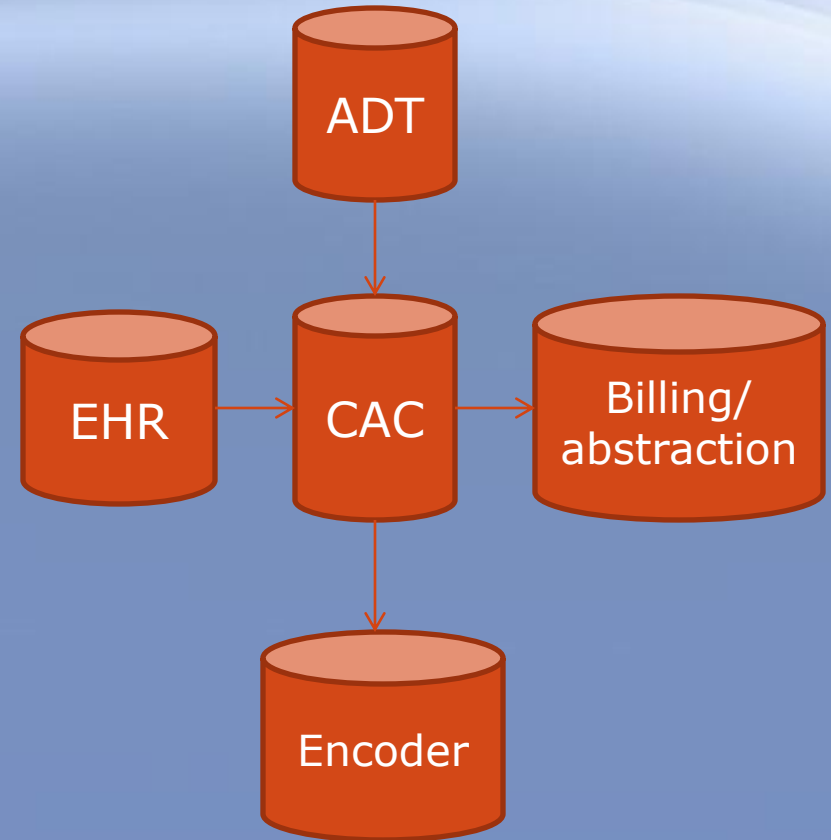
Consider Technology Aids



- Evaluate computer-assisted coding
 - <http://www.ingenix.com/news-events/press-releases/489/>
 - <http://www.medquist.com/Portals/0/whitepapers/Coding%20Productivity%20Whitepaper.pdf>
 - http://librar7.ahima.org/xpedio/groups/public/documents/ahima/bok1_048947.pdf

Computer-assisted Coding

“The use of computer software that automatically generates a set of medical codes for review/validation and or use based on clinical documentation provided by healthcare practitioners.”



Measures of CAC Use



Impact on Productivity

- What is the difference between a traditional coding process compared to automated suggested used of codes presented for validation

Accuracy of Results

- CAC software links the resulting codes back to the documentation supporting the code assignment.
- This facilitates clinician/auditor review and correction when required.

Reliability

- Systems are able to “learn,” so identified errors are corrected and stay corrected for greater reliability.

Measures of CAC Use



Consistency of Coding Patterns

- Consistency is fostered by knowledge base and decision support tools built into the workflow and readily available at the press of a button.
- Because the rules and guidelines are readily available in the same system consistent results are achieved.

Transparency

- For reviews, the transparency for what documentation the code is based on is assured since the system displays the code source and additional information related to the code.

Benchmarks

- Benchmarks can be set for each measure for comparison over time to monitor and evaluate the value and efficiency of the system and to justify the ROI.

ICD-10-CM Impact on Clinicians



Challenges

- **Clinical documentation will need greater specificity**

Benefits

- Codes are specific to type of complication and in some cases linked to specific procedures
- Ability to use specific coded data for Present on Admission and Potentially Preventable Readmission determinations in future payments
- Greater specificity for P4P programs and Medical Necessity

Role of Physicians

- Engage early in process
- Participate in clinical documentation improvement assessment
- Support a documentation review
- Ensure physician documentation tools are reviewed for ICD-10 readiness
- Create ICD-10-CM/PCS documentation awareness

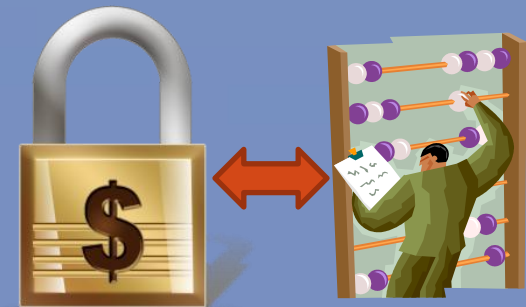


John Smith, MD
Physician
Liaison' ICD-10
Implementation

Participate in the Clinical Documentation Improvement Assessment



- What plans are underway to assess the clinical documentation for ICD-10?
 - Select high volume MS-DRGs or diagnoses per specialty
 - Select high dollar MS-DRGs or diagnoses
 - Select high volume/high dollar outpatient diagnoses and procedures
- Concentrate initial improvement efforts on areas with issues



Support a Documentation Review



- Expert coding professional's review of sample records
 - Analyze the frequency of nonspecific ICD-9-CM code assignments as principal diagnosis and compare the differences in physician clinical documentation detail needed for the same disease category in ICD-10
 - Same method can be used for current outpatient testing services data to assess ordering diagnoses documentation

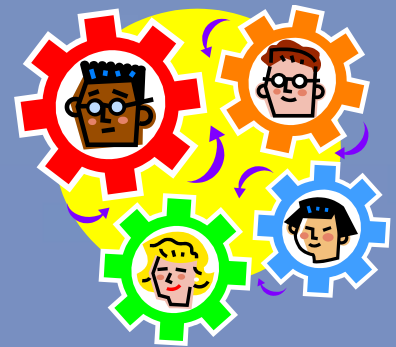
Review Physician Documentation Tools



- Assess *electronic documentation tools*, including **natural language processing**, planned or used for physician documentation of procedural encounters that will include ICD-10 PCS detail
- Begin a systemic review for code category detail of any **clinical document templates** for H&Ps, progress notes, consults, commonly performed IP procedures, and EHR smart text availability
- Assess **disease-specific protocols** that could provide an opportunity to enhance the clinical detail

Work Flow Analysis of the Query Process

- Prepare for any potential increase in queries
- Reduces delays in the revenue cycle
- Increases physician satisfaction
- Provides valuable post implementation educational direction for physicians



Data Management



Translation

- To provide all reasonable alternatives in the target system for the complete meaning of the code in the source system

Mapping/Crosswalk

- To provide a best option in the target system for each code in the source system. The definition of “best” depends on the use of the map and may reply on external reference data.

What are the GEMs?

General Equivalence Maps

- GEMs developed by CMS as a tool to assist with conversion between ICD-9 and ICD-10
- Intended to be used to “help” translate codes while converting applications
- **NOT** intended to code patient records
- Mapping can be identical, approximate, or no match
- One to one and one to many maps and combinations
- Bidirectional between both code sets



Mapping Options

Exact Match

ICD-9 ↔ ICD-10

No Map

ICD-9 ← STOP → ICD-10

Approximate one to one matches

ICD-9 → ICD-10

ICD-10 → ICD-9

Approximate one to one matches – multiple codes/single selection

ICD-9 → ICD-10
ICD-9 → ICD-10
ICD-9 → ICD-10

ICD-10 → ICD-9
ICD-10 → ICD-9
ICD-10 → ICD-9

GEMs Example – Multiple Codes Single Selection

ICD-9 Procedure Code	ICD-9 Procedure Description
84.01	Finger Amputation
ICD-10 Procedure Code	ICD-10 Procedure Descriptions
0X6N0Z0	Detachment at R Index Finger, Complete, Open Approach
0X6ZN0Z1	Detachment at R Index Finger, High, Open Approach
0X6N0Z2	Detachment at R Index Finger, Mid, Open Approach
0X6P0Z0	Detachment at L Index Finger, Complete, Open Approach
0X6P0Z1	Detachment at L Index Finger, High, Open Approach
0X6P0Z2	Detachment at L Index Finger, Mid, Open Approach
0X6P0Z3	Detachment at L Index Finger, Low, Open Approach
0X6Q0Z0	Detachment at R Middle Finger, Complete, Open Approach
0X6Q0Z1	Detachment at R Middle Finger, High, Open Approach
0X6Q072	Detachment at R Middle Finger, Mid, Open Approach
0X6Q073	Detachment at R Middle Finger, Low, Open Approach

Data System Changes

- Identify all systems/databases that contain ICD codes
- Recognize how codes are exchanged
- Pinpoint where validation occurs
- Determine changes needed
- Clarify what additional validation will be needed
- For applications that combine I9 and I10 data, determine how mapping will occur
- For external reporting, determine what changes will be needed for I10 codes – discharge/service dates are critical!



Review Data Definitions/Code Sets



Data Definition Review

- Understand the objective of the analysis/report to insure ICD-10 code set will still define the correct population (numerator, denominator, exclusions)

Code Set Review

- Determine how I9 to I10 code set changes will be identified
 - Manual
 - Use of mapping tool
 - Reconciliation

Evaluate Output



Measures and reports used for trending

Measures used for public reporting/payment incentives

October 1, 2013 implementation – how will you handle calendar year reports?

Studies that span I9 and I10 code sets – data definitions for both periods will be needed

Take Aways

- 2013 is the beginning. If you get behind you stay behind.
- Preparedness is the only defense – invest, partner, collaborate.
- Budget for possible reduced cash flow and higher denial rates 2013-2015.
- Manage the data.
- Don't forget the benefits!





- To bring together stakeholders from health care, payer and vendor organizations to collaborate in the planning and implementation of the ICD-10 coding nomenclature.
- To share tools across organizations that will help in the planning, implementation and post-implementation process.
- To provide other resources for senior managers in health care organizations that will help them lead their staff and medical staff through this transition and remain financially viable.
- To provide adequate education resources for technical staff to learn and successfully implement the ICD-10 coding system in their organizations.
- To provide post implementation monitoring and reporting tools for hospitals and clinics.

Other Resources



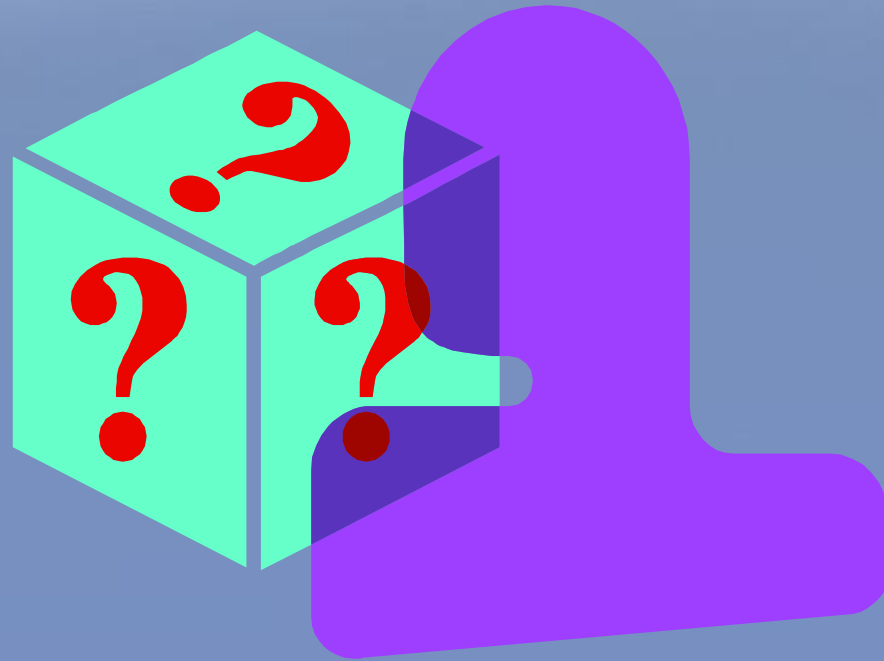
- **AMA** - <http://www.ama-assn.org/ama/pub/physician-resources/solutions-managing-your-practice/coding-billing-insurance/hipaahealth-insurance-portability-accountability-act/transaction-code-set-standards/icd10-code-set.page>
- **AHA** - <http://www.ahacentraloffice.com/>
- **AHIMA** - <http://www.ahima.org/icd10/>
- **AAPC** - <http://www.aapc.com/icd-10/>
- **CMS** - <http://www.cms.gov/ICD10/>
- **NCHS** - <http://www.cdc.gov/nchs/icd/icd10.htm>
- **WHIMA** - <http://www.whima.org/ICD10/ICD10.html>

[LIGHTER SIDE]



"ICD-10 has already ruined 2013 for me and it's not even 2012 yet."

Questions



Contact Information



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