

ICD-10 Readiness and Implementation SCHFMA

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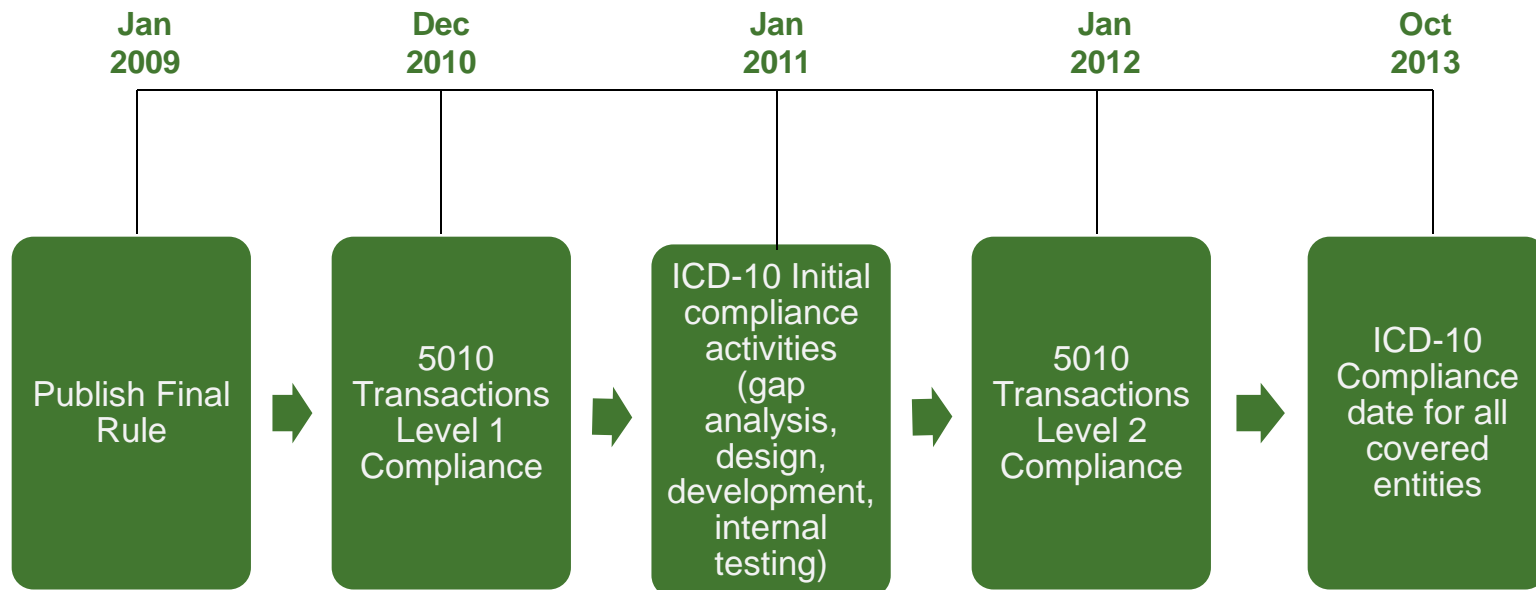
Agenda

- ICD – 10 - Background and timeline
- 5010 -Technical aspects of change
- Impact on Stakeholders
- Planning and implementation
- Risks and benefits
- Discuss progress, constraints and early lessons learned

Healthcare Reform Initiatives Comparison Timeline

	2010	2011	2012	2013
5010	Development and Level I Compliance	Testing with external partners and Level II Compliance	January 1 Compliance Date	Maintenance
ICD 10	Planning includes Impact Assessment, GEMS Use	Development with Policy and Contract Conversions	Internal Testing Complete, Training	October 1 Compliance Date
HITECH/EMR	Selection			
	Implementations and process changes to qualify for incentives			
	HIE with regional center development and implementation			
Government Mandates	Privacy and Security/RAC/Healthcare Reform			

ICD-10 Compliance Timeline



Definitions

- ICD-10 - CM – Clinical Modification
 - Replaces ICD - 9- CM Volumes 1 and 2
- ICD-10 - PCS – Procedural Coding System
 - Procedural Classification for inpatient only
 - Replaces ICD - 9 Volume 3
- No impact on CPT (Current Procedural Terminology) or HCPCS (Healthcare Common Procedural Coding System)

Why the Change from ICD-9?

- More than 30-years old with limited ability to accommodate new procedures and diagnoses
- Limited in use for emerging issues such as pay for performance or bio-surveillance
- Lacking in specificity and detail
- Limited in use for data analysis
- U.S. is one of the only industrialized countries not using ICD-10

Benefits of ICD-10

- Supports interoperability and exchange of data
- Supports reporting of quality data and increases coding accuracy
- Gives the U.S. the ability to measure data internationally
- Ensures more accurate reimbursement, particularly for new procedures

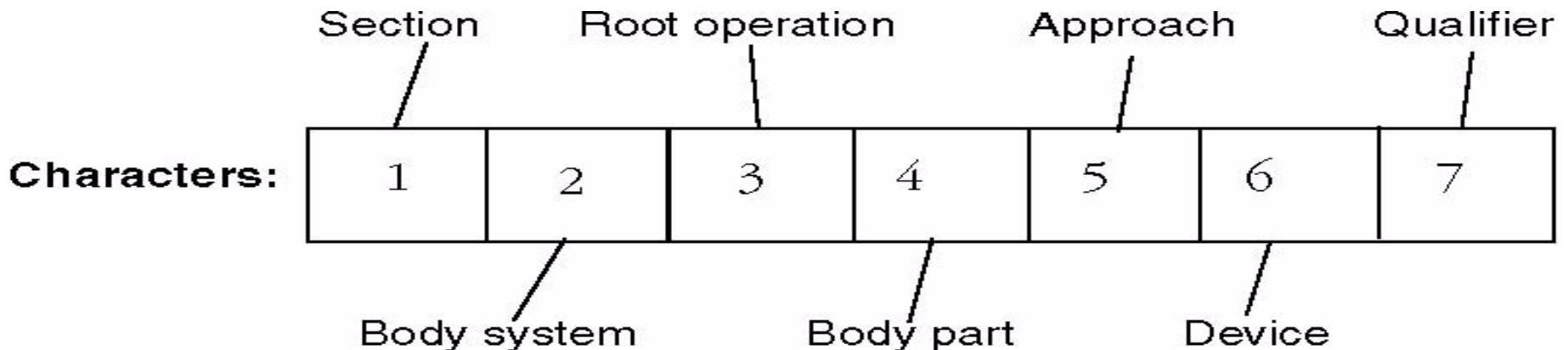
Comparing ICD-9 to ICD-10

- **ICD-9-CM**
 - 14,315 Diagnosis codes
 - Numeric Codes
 - 3-5 Characters
- **ICD-9 Procedure Codes**
 - 3838 Codes
 - All numeric
 - 4 characters
- **ICD-10-CM**
 - 69,099 Diagnosis Codes
 - Alpha numeric codes
 - 3-7 characters
- **ICD-10-PCS**
 - 71,957 Codes
 - Alpha Numeric
 - 3-7 Characters
 - No decimals

ICD-10 Code Structure

0SRC0JZ Right Knee Joint Replacement

<input type="checkbox"/> 0	Medical Surgical	Section
<input type="checkbox"/> S	Lower Joint	Body System
<input type="checkbox"/> R	Replacement	Root operation
<input type="checkbox"/> C	Knee Joint, right	Body part
<input type="checkbox"/> 0	Open	Approach
<input type="checkbox"/> J	Synthetic Substitute	Device
<input type="checkbox"/> Z	No Qualifier	Qualifier



SOURCE: <http://www.shopingenix.com/upload/pdf/3213/ITPC3213.pdf>

Comparison of Formats for the Procedure Codes

ICD -9 Procedure Code	ICD -10 Procedure Codes
39.50 Angioplasty	0DN90ZZ Release of duodenum, open approach
39.31 Suture of artery	0F03ZX Excision of liver, percutaneous approach, diagnostic
47.01 Laparoscopic appendectomy	02PS0CZ Removal, extraluminal device from pulmonary vein, right open

Source: AMA Fact Sheet 2 June 2, 2010



ICD-9 to ICD-10 Example

Patient	ICD-9-CM Code	ICD-10-PCS Code
Patient A lacerates the digital artery on the right index finger which requires suture repair	39.31 Suture of Artery	03QD0ZZZ Repair right hand artery, open approach
Patient B is stabbed in the chest lacerating the thoracic aorta requiring an open chest procedure to suture the aorta	39.31 Suture of Artery	02QW0ZZZ Repair Thoracic Aorta, open approach

5010

- Current version is 4010
 - It has been around for a number of years
 - Becoming increasingly unable to support the changing healthcare landscape
- A new version of a series of HIPAA-mandated standard “electronic data interchange” (EDI) transactions for a wide range of healthcare activities
 - Claims submission
 - Remittance advices
 - Eligibility inquiries
 - Claim status inquiries
 - Authorization requests
- 5010 will be able to support ICD-10 codes, which will be required as of October 1, 2013

Why You MIGHT Even Consider Getting *EXCITED* About 5010

- Great opportunity for automating and optimizing many aspects of your current revenue cycle processes
 - More detailed eligibility inquiry responses
 - Better claim-status reporting
 - More robust authorization requests
 - Improved detail on remittance records pertaining to denials
 - Smoother processing of secondary claims
- Put the latest information right into a patient's record through automated tools to take advantage of the power of these transactions
- Consistency in reporting for financial, clinical and quality-improvement initiatives



Health Care Transaction Types to be Changed in 5010

- 270/271 - Eligibility/Benefit Inquiry/Response
- 278 – Referral Certification and Authorization
- 837 – Health Care Claim Transaction
- 835 – Remittance Advice Transaction
- 276/277 – Claim Status Inquiry/Response
- 834 – Benefit Enrollment and Disenrollment
- 820 – Health Plan Premium Payments

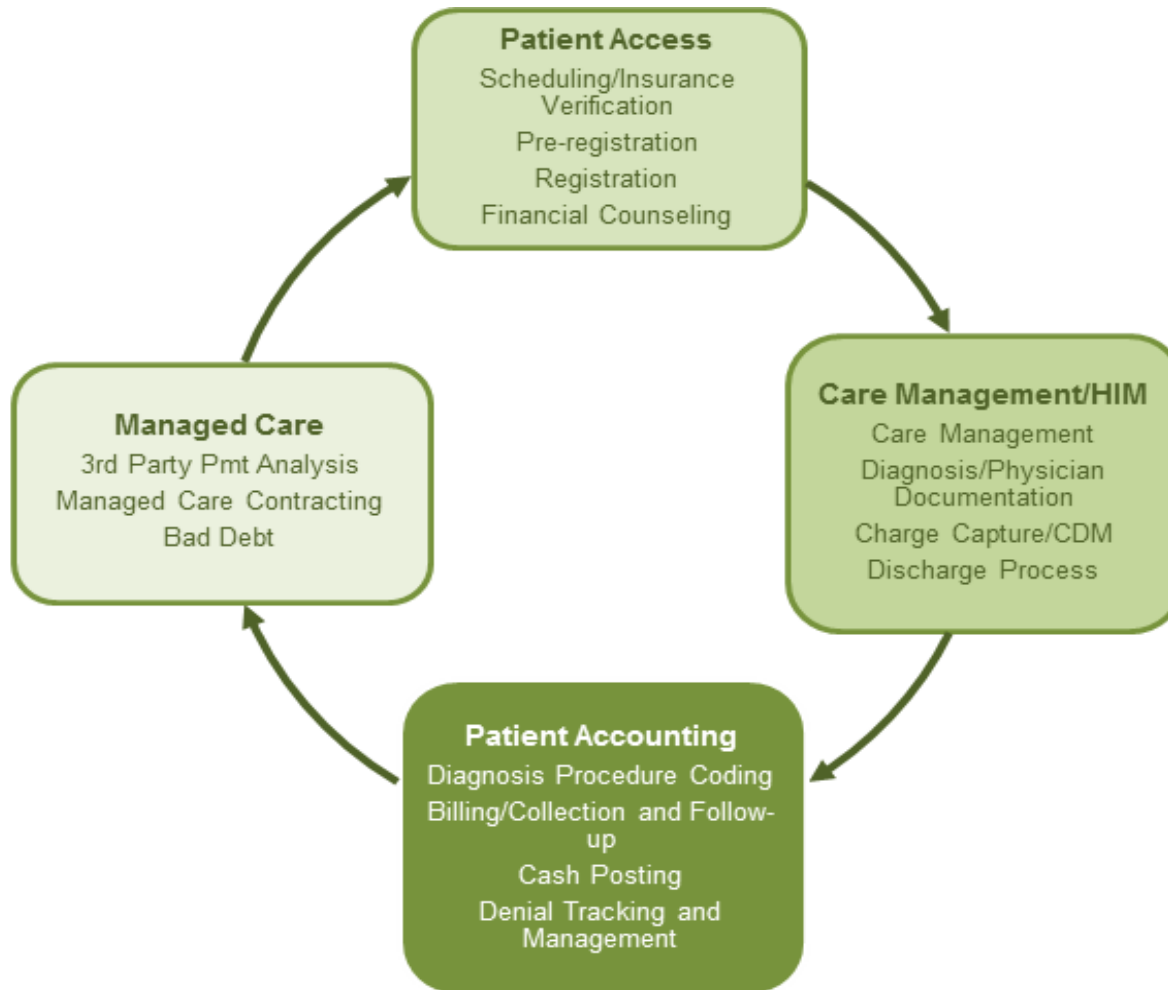
Revenue Cycle

- Patient Access
 - Pre-admissions and admissions
 - Eligibility, referrals and authorizations
- HIM and clinical
 - Documentation
 - EMR workflow
 - Coding, encoding and grouping
- Charge entry, billing and claims
 - Contracting
- Receivables and remittances
 - Cash application and payment posting
- Reporting

5010 Migration is not a “Standalone” Project

- Consider 5010 migration in the context of:
 - How the organization is going to move to the new ICD-10 format
 - How the organization can leverage the new 5010 capabilities to improve revenue cycle process and achieve a greater level of automation and efficiency
 - Impacts on *meaningful use*, *healthcare reform*, and *pay-for-performance* and *quality-type* arrangements

Service / Revenue Cycle



Project Planning for ICD - 10

Overall Plan

- Gap analysis
- Action plan and timeline
- Strategy

Technology

- Vendor readiness and agreements
- System upgrades and replacement requirements
- Testing plans

Financial Planning

- Budget
- Model reimbursement for impact on A/R
- Financial reporting
- Bring A/R days as low as possible

Training and Education

- Human Resource needs
- Communication plan
- All staff training

Reporting, Crosswalks and Mapping

- Reimbursement and contracting impacts
- Analytics and business intelligence
- Reporting changes

Developing Your Plan

- Complete a gap analysis
- Build your team
- Determine who owns the process
- Build your strategy
- Identify business processes affected by the changes
- Recruit physician champions
- Employ change management strategies



Technology

- Complete a comprehensive systems audit
- Vendor readiness and agreements
- Testing plans with timeline and requirements
- Assess the capacity of your IT staff
- Determine replacement and remediation strategies
 - Identify systems at risk for dual capabilities
 - Storage capacity

Financial Planning

- Budget
 - Increased staffing support
- Model reimbursement for impact on accounts receivable
 - DRG grouper analysis
 - Identify major payers
- Financial reporting
- Bring A/R days as low as possible
- Prepare for remediation after go-live

Training and Education

- Determine types of training required
 - Detailed assessment of your staff
 - IT and systems training
 - ICD -10 technical training
 - Coders, physicians, nursing staff, clinicians and researchers
 - General training
 - Finance, registration, IS, Compliance, ancillary services, physician practice staff, data quality and risk management
 - Assess learning styles and develop training appropriately

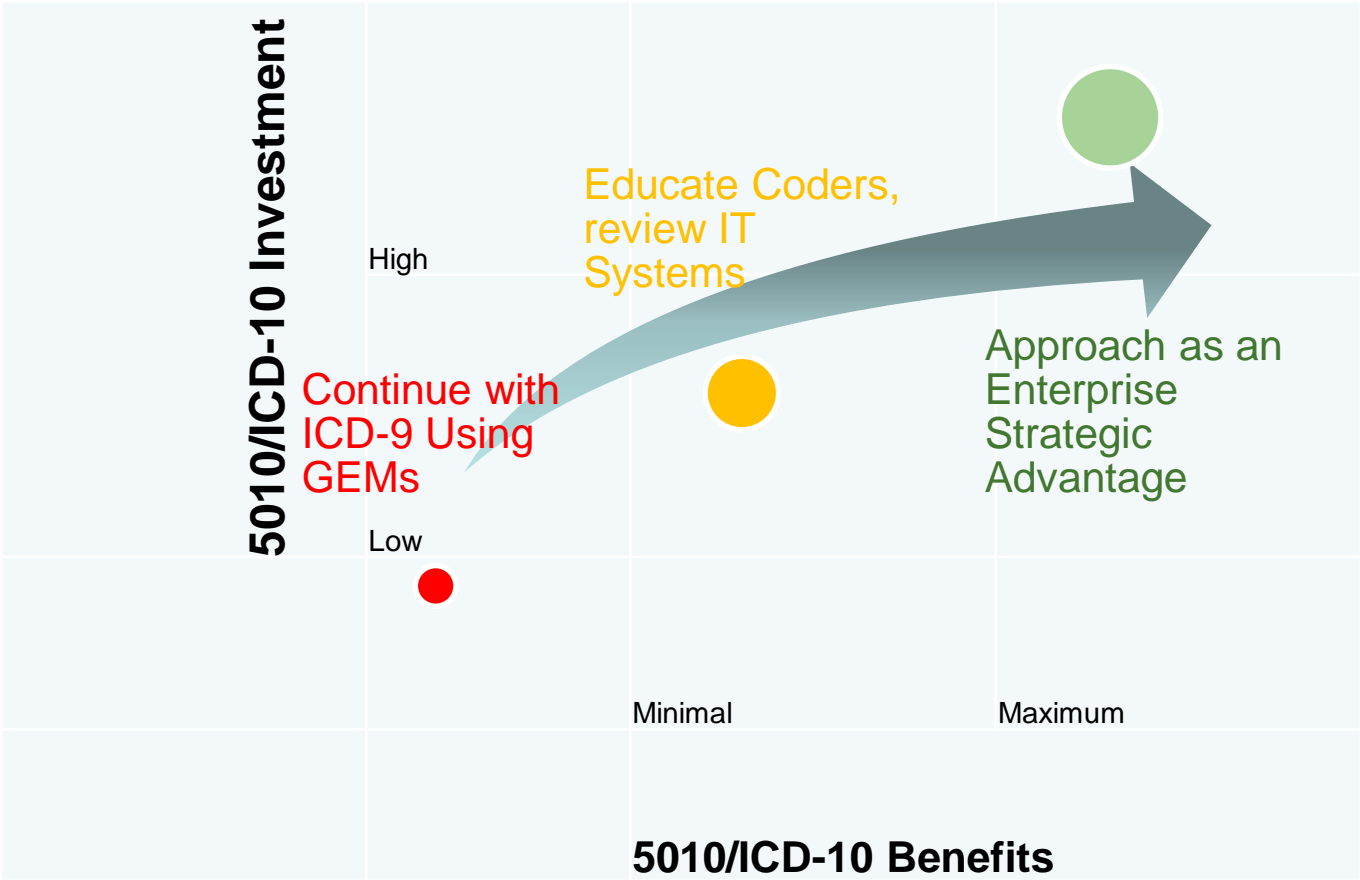
Physician Leadership

- Identify your physician champions
 - They can lead with clinical documentation
 - Educate your physicians or other healthcare providers on the additional detail required to be documented in the medical record in order to assign ICD-10-CM codes
 - Physicians need *awareness training* on new super bills
 - Tie training to meaningful use requirements

Reporting, Crosswalks and Mapping

- Reimbursement and contracting impacts
- Reporting changes
- Collaborate with payers
- Determine transition for databases
- Validate mapping for impact and risk
 - Variations on MS-DRG groupers can vary significantly

Select the Right Strategy with the Right Options



Implementation Concerns

- Project Management/Ownership
- Budget
- Extensive personnel training
- Improved clinical documentation
- Hardware and software changes and opportunities
- Vendor capacity for change
- Potential cash flow disruption
- Strategy with other healthcare reform initiatives
- Financial and systems implications of dual processing of ICD -9 and ICD -10
- Payer readiness

Risks

- Industry experience predicts:
 - Six-month learning curve, decreased coding productivity
 - Increased claim rejections and denials
 - Increased delays in processing authorizations
 - Increased delays in reimbursement
- Vendor capabilities and schedules
- Discontinuity in data structures
- Competition for resources

Benefits and Leverage

- **Process Improvement**
 - Revenue Cycle re-engineering
 - Increased efficiencies
- **Transaction Exchange Infrastructure**
 - Improved data for strategic planning and value based purchasing
- **Quality Measure Reporting**
 - Improved clinical documentation
 - More granular data for measuring provider caseloads
- **Tie into Meaningful Use training**

Conclusion

- Healthcare Reform, ARRA/HITECH supports the need for 5010 and ICD-10
- Develop a fully integrated program
 - Clearly understand and communicate the impact of the changes
- Non-compliance can jeopardize reimbursements and all clinical and business operations
- This is the final rule with a solid timeline
- If you have not started, **start now**

Words of Wisdom

- Take the time now to prepare so that YOU do not get assigned ICD-10 code Z566 or ICD-9 code V621
 - ICD-10 Code Z566 = Other physical and mental strain related to work
 - ONLY maps to ICD-9 code V621 = Adverse effects of work environment



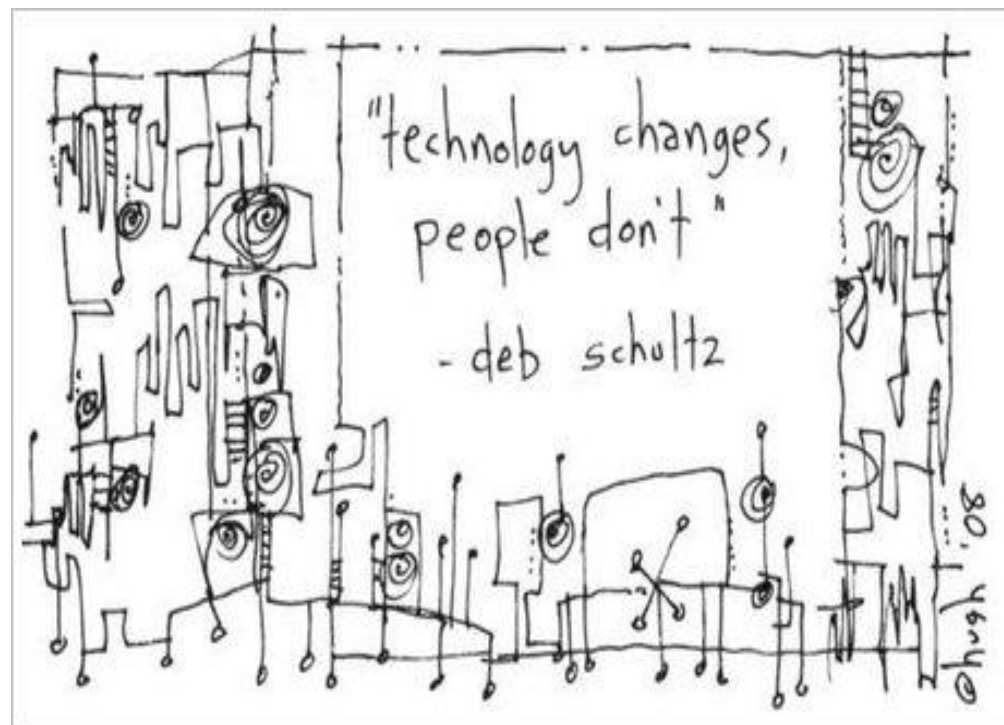
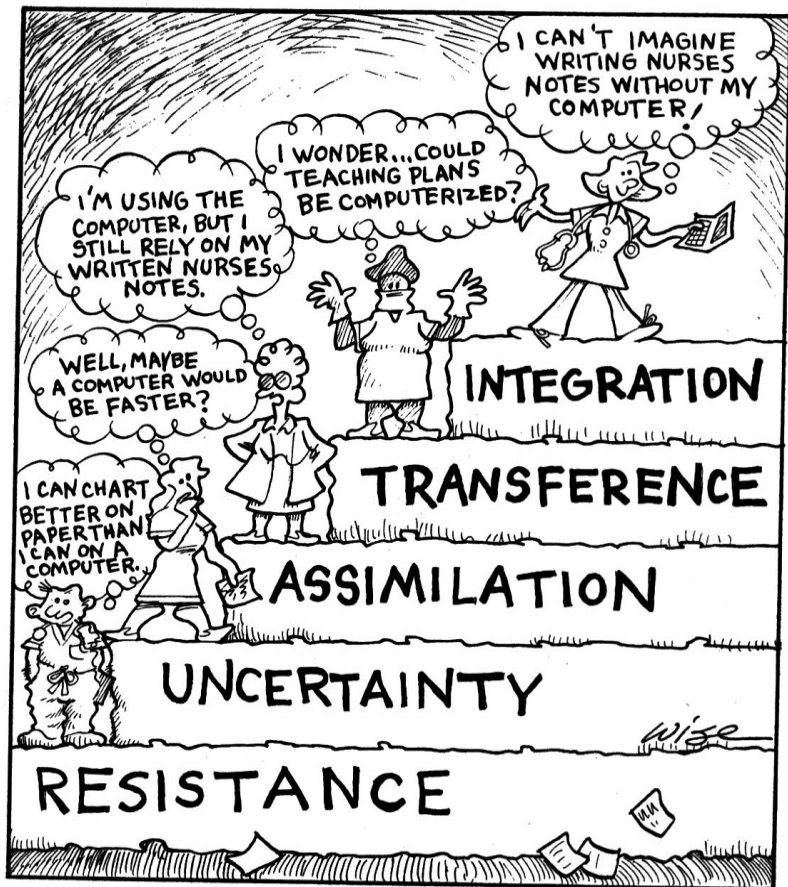
Thank You

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Resources

- American Health Information Management Association
 - www.ahima.org
- MGMA Checklist for transition
 - <http://www.mgma.com/policy/default.aspx?id=39682>
- CMS website
 - <http://www.cms.gov/ICD10/>
- Link to the rule:
 - <http://edocket.access.gpo.gov/2009/pdf/e9-743.pdf>

Resources

- Medicare comparison of the current and new formats:
 - <http://www.cms.hhs.gov/ElectronicBillingEDITrans/>
- Project Plan
 - www.nchica.org/HIPAAResources/timeline.htm
- CMS Web site for industry wide information, including upcoming free educational seminars:
 - http://www.cms.hhs.gov/Versions5010andD0/40_Educational_Resources.asp