Protect Revenue and Be Ready for ICD-10-CM

Presented by:

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Objectives

• ICD-10 Implementation Process
  – Planning
  – Communication
  – Testing
  – Training

• Documentation for ICD-10
  – Medical Necessity
  – Increase Documentation
Implementation Process

Where Are We Today?

Transition Strategies

Where We Want to Be October 1, 2015
Implementation Process

ICD-10 Implementation Schedule

2014

OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC

PLANNING

COMMUNICATION

TESTING

TRAINING

Implementation Deadline
October 1, 2015
Implementation Process

PLANNING

• Implementation strategies
• Cross-functional team
• Create timeline
• Conduct risk assessment
• Comprehensive budget
  – Possible systems affected
  – Financial Impact
Collateral Damage

From Bay News 9

Universal Health Care layoffs will have ripple effect in downtown St. Pete.

Some 800 employees lost their jobs at the company's headquarters at 100 Central Avenue. Their loss will impact such local businesses as a Subway shop, Fortunato's Italian Market, the Lucky Dill, Z Grille, Bull Fitness and Detroit Liquors.

"It's bad," Subway manager James Clayton told the Tampa Bay Times. "They're 50 percent of my business. I don't know how this is going to play out. I'll start ordering less food and making less bread."
Implementation Process

COMMUNICATION & AWARENESS

• Strategic plan
• Collaboration
• Tools & checklists
• Information dissemination
• Evaluate vendors
Implementation Process

Impact of Implementation

• Increase in number of codes available
• Greater specificity
• Depends on:
  – Coders: having a greater foundational knowledge of Anatomy & Physiology
  – Clinicians: Increased quality of medical record documentation
• Complicated mapping
• Decrease in revenue
  – Denials: expected to increase from 100-200%
IMPLEMENTATION PROCESS

TESTING

- Develop test plan
- Hardware/software changes
- Identify test data
- Define test scenarios
- Conduct internal/external testing
Implementation Process

TRAINING

• Education & training plan
• Evaluate knowledge
• Type of training
• Educational resources
• Documentation improvement opportunities
Types of Problems to Expect

Let’s track a claim to see what to expect!
Provider Coding

- Physician diagnosis
- Physician charts diagnosis
- Physician is unable to code so simply writes the description – did he remember to state right or left?
- If abdominal tenderness is it of the left lower quadrant, the left upper quadrant, periumbilic, the right lower quadrant, the right upper quadrant?
Provider Coding

• Physician productivity decreases and less patients seen per day
• Patients upset due to long waits
• Claim rejected due to incorrect diagnosis coding and lack of medical necessity
• Loss of or delay of revenue due to unpaid claim
New mapping by the clearinghouse to the insurance provider will be required. The clearinghouse will have to be capable of transmitting claims with both ICD 9 codes and ICD 10 codes. Edits at the clearinghouse will result in a large number of rejected claims even though the claim was submitted correctly. The result is a delay in reimbursement as clearinghouses work through the multiple mapping issues that will occur.
Key Points to Remember

• Documentation is critical in appropriate selection of E/M
• ICD-10 requires changes at the core of healthcare business, especially how patient care is documented
• If providers are not documenting concisely for reimbursement, they are putting themselves at unnecessary risk for not supporting medical necessity
  – Medical necessity is the principal criterion for payment in addition to the individual requirements of a CPT® code.
  – Documentation should support the intensity of patient evaluation and treatment level of each service
Document for ICD-10

Clinical Documentation

- Documentation analysis
- Analyze ICD-9 frequency data
- More precise documentation
- Reimbursement losses & lack of compliance
Why Change?

ICD-10-CM incorporates much greater clinical detail than ICD-9-CM. The modern classification system will provide much better data needed for:

- Measuring the quality, safety, and efficacy of care;
- Reducing the need for attachments to explain the patient’s condition
Designing payment systems and processing claims for reimbursement;
Conducting research, epidemiological studies, and clinical trials;
Setting health policy;
Operational and strategic planning;
Designing health care delivery systems;
Monitoring resource utilization;
Improving clinical, financial, and administrative performance;
What Changes Occur with ICD-10?

<table>
<thead>
<tr>
<th>ICD – CM 9</th>
<th>ICD-CM 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5 Digits;</td>
<td>3-7 Digits;</td>
</tr>
<tr>
<td>First digit is alpha (E or V) or numeric (alpha characters are not case sensitive);</td>
<td>Digit 1 is alpha; Digit 2 is numeric;</td>
</tr>
<tr>
<td>Digits 2-5 are numeric; and</td>
<td>Digits 3-7 are alpha or numeric (alpha characters are not case sensitive); and</td>
</tr>
<tr>
<td>Decimal is used after third character</td>
<td>Decimal is used after third character</td>
</tr>
<tr>
<td>14,400 Codes</td>
<td>69,368 Codes</td>
</tr>
<tr>
<td>3,800 Procedure Codes</td>
<td>72,000 Procedure Codes</td>
</tr>
</tbody>
</table>
Documentation for ICD-10

• **Episode of Care**
  
  *Example:* A seventh character extension identifies the encounter type:
  
  ‘A’ – initial encounter
  ‘B’ – subsequent encounter
  ‘C’ – sequela

• **Greater Specificity**
  
  *Example:* Dysphagia for barium swallowing study (R13.1-)
  
  R13.10  Dysphagia, unspecified
  R13.11  Dysphagia, oral phase
  R13.12  Dysphagia, oropharyngeal phase
  R13.13  Dysphagia, pharyngeal phase
  R13.14  Dysphagia, pharyngoesophageal phase
  R13.19  Other dysphagia
Documentation for ICD-10

• Laterality
  
  *Example*: Acute Otitis Media
  – ICD-9: 381.00
  – ICD-10: Left or Right Side? Acute, Chronic, or Recurrent?
  – Documentation Change: Patient has an acute onset of serous otitis media of the right ear, which is recurrent. ICD-10: H65.04

• Combination Codes
  
  *Example:*
  M47.20: Other spondylosis with radiculopathy, site unspecified
  M47.21: Other spondylosis with radiculopathy, occipito-atlanto-axial region
  M47.22: Other spondylosis with radiculopathy, cervical region
  M47.23: Other spondylosis with radiculopathy, cervicothoracic region
  M47.24: Other spondylosis with radiculopathy, thoracic region
  M47.25: Other spondylosis with radiculopathy, thoracolumbar region
  M47.26: Other spondylosis with radiculopathy, lumbar region
  M47.27: Other spondylosis with radiculopathy, lumbosacral region
  M47.28: Other spondylosis with radiculopathy, sacral and sacroccocygeal region
Documentation for ICD-10

- Documentation Hotspots by Condition
  - Diabetes mellitus
  - Injuries – Fractures
  - Drug underdosing
  - Cerebral infarctions
  - AMI
  - Neoplasms
  - Musculoskeletal conditions
  - Pregnancy
Implementation Process

SUMMARY

• Prepare and establish production and go-live environments
• Monitor impact of ICD-10
• Initiate corrective measures as needed
• Deliver on-going support
• Maintain open lines of communication
# Possible Cost for This Physician Practice

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow for 3 Months</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Training Staff for ICD 10</td>
<td>$4500.00</td>
</tr>
<tr>
<td>Accountant time for additional budgeting</td>
<td>$1000.00</td>
</tr>
<tr>
<td>Employ coder/auditor to review claims prior to submission.</td>
<td>$45/hr.x32 hrs. x 3 months = $4320.00</td>
</tr>
<tr>
<td>Budget overtime and extra billing staff to work rejections for 3 months.</td>
<td>$14/hr.x40 hrs./week x 4 weeks/month x 3 months + $6720.00</td>
</tr>
<tr>
<td>Budget for clearinghouse charges that are double the normal due to rejections, remittance notices, re-filings, rejections, etc. x 3 months.</td>
<td>$250 x 3 months = $750</td>
</tr>
<tr>
<td>Amount practice will need to borrow on have on hand in bank. (Does not include additional software if upgrade needed.)</td>
<td>$312,790.00</td>
</tr>
<tr>
<td>Software Upgrade if Needed</td>
<td>Add an additional $10,000.</td>
</tr>
</tbody>
</table>
Web Resources

• CMS: www.cms.hhs.gov/ICD10
• CDC: www.cdc.gov/nchs/icd.htm
Questions?

THANK YOU FOR ATTENDING!!!

PMI’s Discussion Forum:
www.pmiMD.com/pmiForums/rules.asp
CMS ICD-10 Quick Start Guide

The ICD-10 Quick Start Guide is now available to help providers get ready for ICD-10. The Quick Start Guide outlines 5 steps health care professionals should take to prepare for ICD-10 by the October 1, 2015, compliance date. ICD-10 is rapidly approaching, but there is still time to get ready. Additional resources are also available on the Provider Resources page and on the Road to 10 tool.

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Logos

This official CMS ICD-10 logo (displayed on the top of this page) signifies that these materials were developed by CMS, and are intended for general industry use.

CMS materials intended solely for providers in the Medicare Fee-for-Service program feature the Medicare Learning Network logo.
Provider Resources

ICD-10 Compliance Date: October 1, 2015

The ICD-10 transition will affect every part of your practice, from software upgrades, to patient registration and referrals, to clinical documentation and billing. With the compliance date quickly approaching, now is the time to get ready.

CMS Releases ICD-10 Quick Start Guide

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CMS Releases ICD-10 Infographic

The CMS ICD-10 infographic highlights 5 steps to transition to ICD-10 with links to more details. This infographic offers a simple, step-by-step plan for how to prepare for ICD-10 by October 1, 2015. It can be posted to websites and social media platforms if you would like to share it with colleagues. The infographic can also be broken down into individual steps:

Step 1: Make a Plan
Step 2: Train Your Staff
Step 3: Update Your Processes
Step 4: Talk to Your Vendors and Health Plans
Step 5: Test Your Systems and Processes

CMS Releases “Road to 10” Online Resource for Small Practices

Jumpstart your ICD-10 transition with “Road to 10,” an online resource built with input from providers in small practices.

“Road to 10” includes specialty references and gives providers the capability to build ICD-10 action plans tailored for their practice needs.

CMS Releases Two ICD-10 Videos

CMS has released two animated shorts that explain key ICD-10 concepts:

- “Introduction to ICD-10 Coding” gives an overview of ICD-10’s features and explains the benefits of the new code set
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