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MANAGEMENT CONSULTING



SETT HEALTHCARE ADVISORS, LLC.

Optimizing the business of healthcare

The ICD-10 Tug of War

Engage Your Physicians now to Combat Revenue Reduction

PRESENTED BY

Anita Archer, CPC, AHIMA Approved ICD-10/PCS Trainer & Ambassador
Director, Regulatory & Compliance
Hayes Management Consulting

Ajit Sett,
Chief Executive Officer, Sett Healthcare Advisors, LLC
Chief Client Officer, DOCTUS Group

Presenter Bio's



Anita Archer, CPC, is Director of Regulatory and Compliance at Hayes Management Consulting. She is an AHIMA approved ICD-10-CM/PCS Trainer and Ambassador. Anita has more than 30 years of experience in the healthcare industry is focused on ICD-10 preparedness, revenue cycle optimization and business process improvement.



Ajit Sett is CEO of Sett Healthcare Advisors LLC, a consulting firm serving healthcare provider enterprises, technology solution vendors and private investment firms. He is also CCO of the DOCTUS Group, focused on offshore support resources for revenue cycle, coding and IT functions. Ajit's areas of expertise include excellence in revenue cycle operations and systems; excellence in care transition, care coordination and patient engagement; M&A due diligence support; and value based payment analytics.



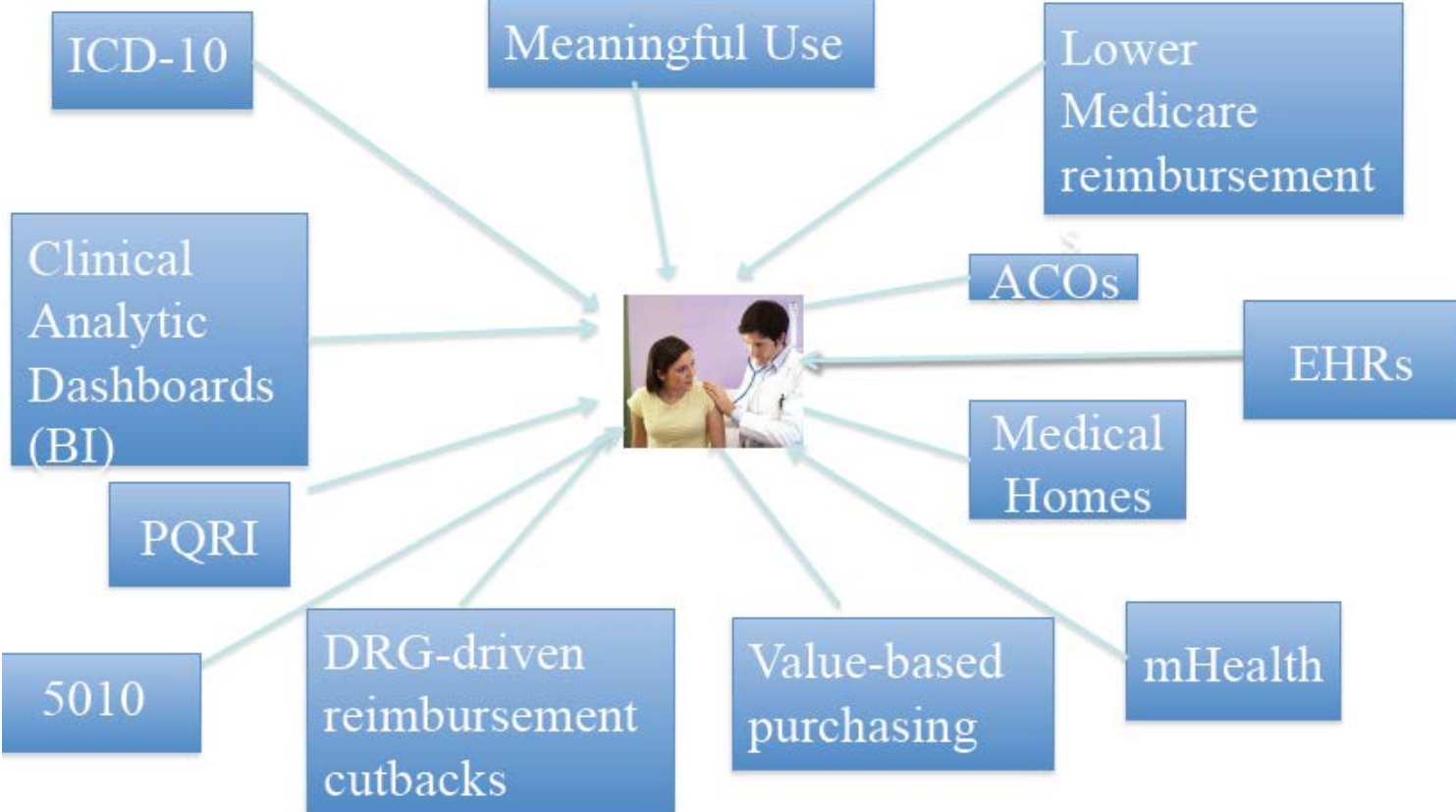
Today's Topics



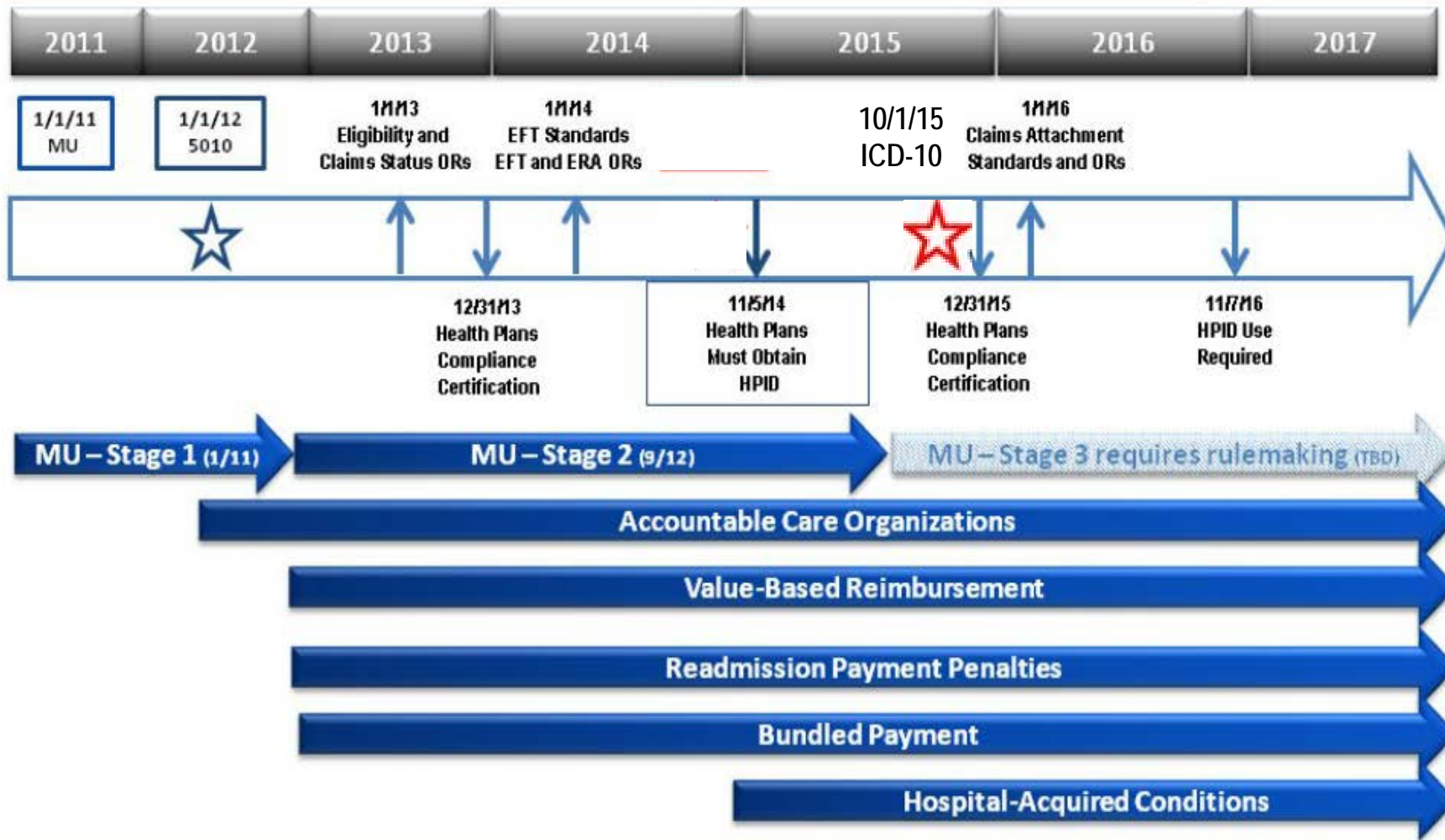
- 1 Government Healthcare Mandates
- 2 ICD-10 implementation efforts
- 3 Operational Impact
- 4 Strategies for Physician Engagement
- 5 Provider Support Strategies
- 6 Q & A



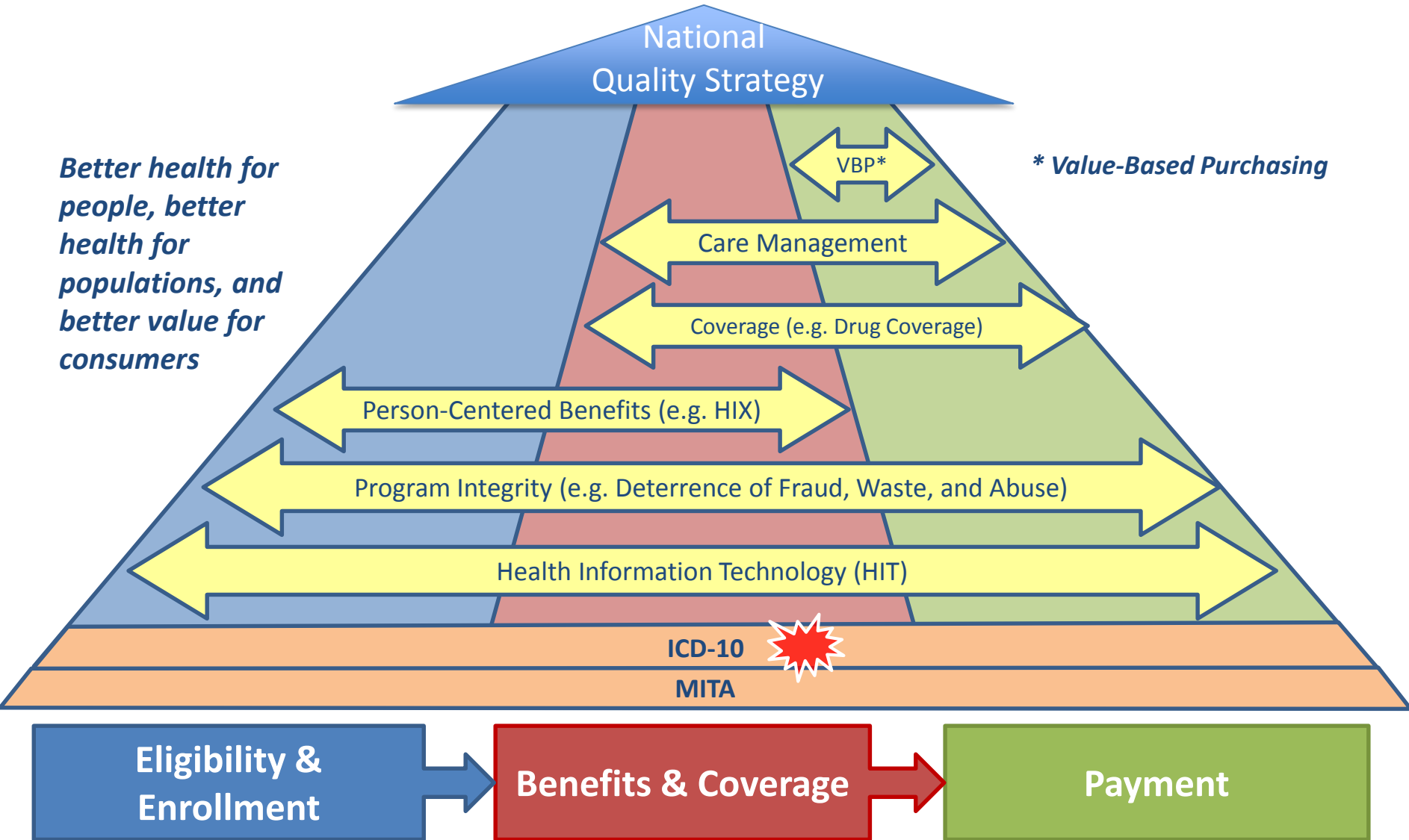
Convergence of Healthcare Initiatives



Healthcare Landscape – Rulemaking & Effective Date



National Quality Strategy



ORS, LLC.

A Physician's perspective



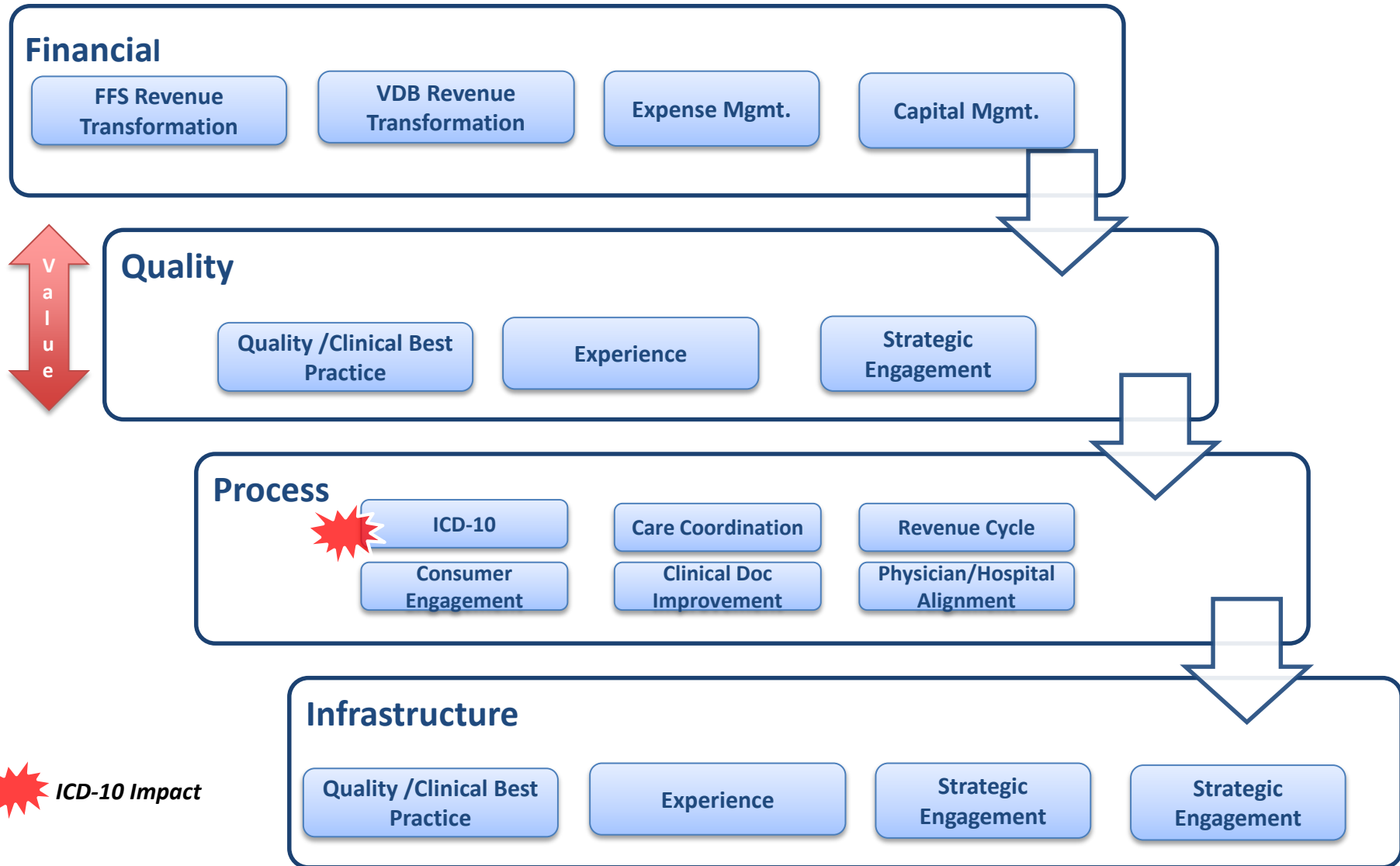
“The current transfer of information is still way too dependent on electronic means that were good 30 years ago... we need to start looking at how we're going to get better information and data transfer to providers to get back to taking care of our patients better.”



Terence Cahill, MD Family Medicine




Population Health Management



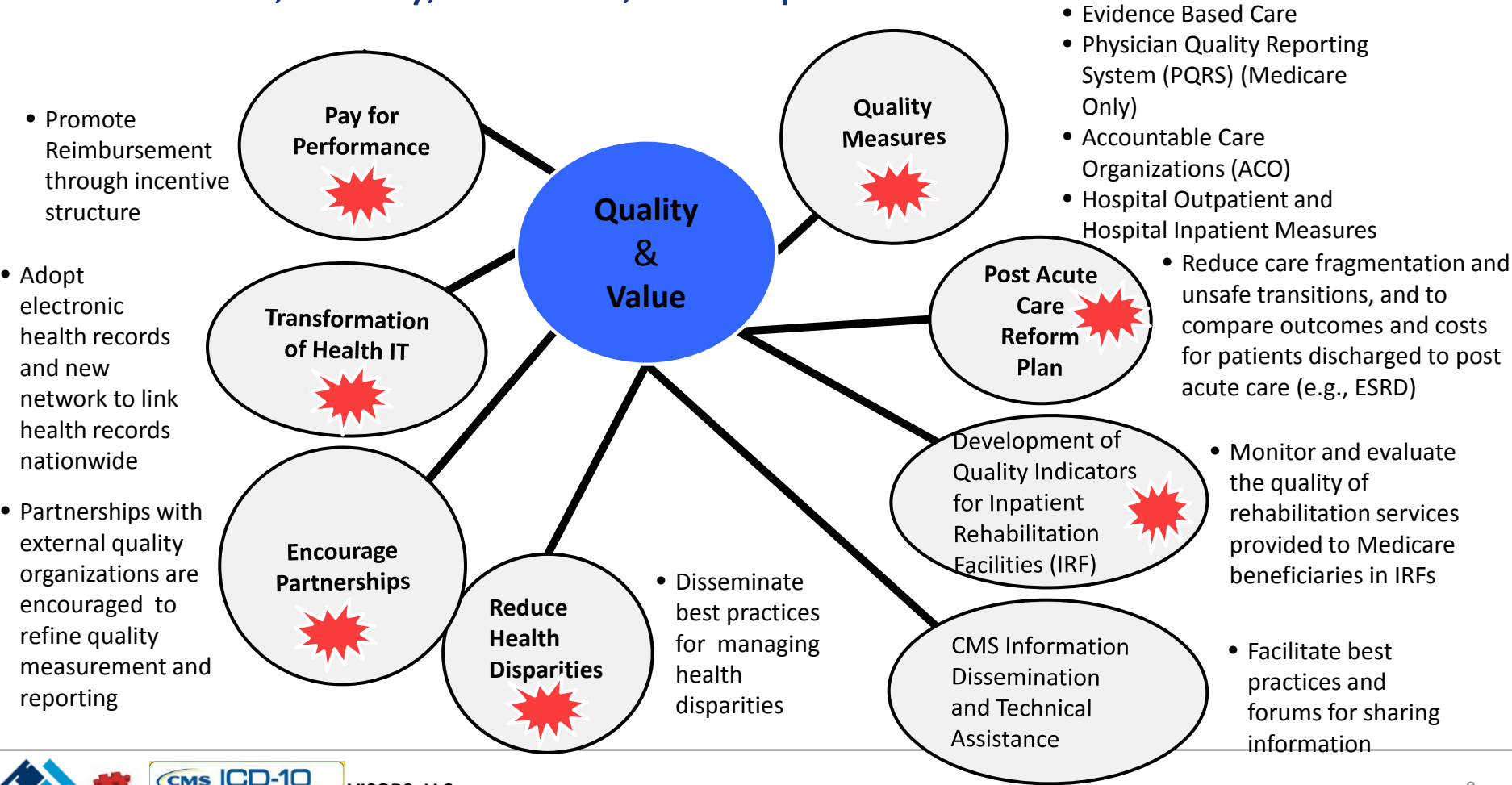
 **ICD-10 Impact**



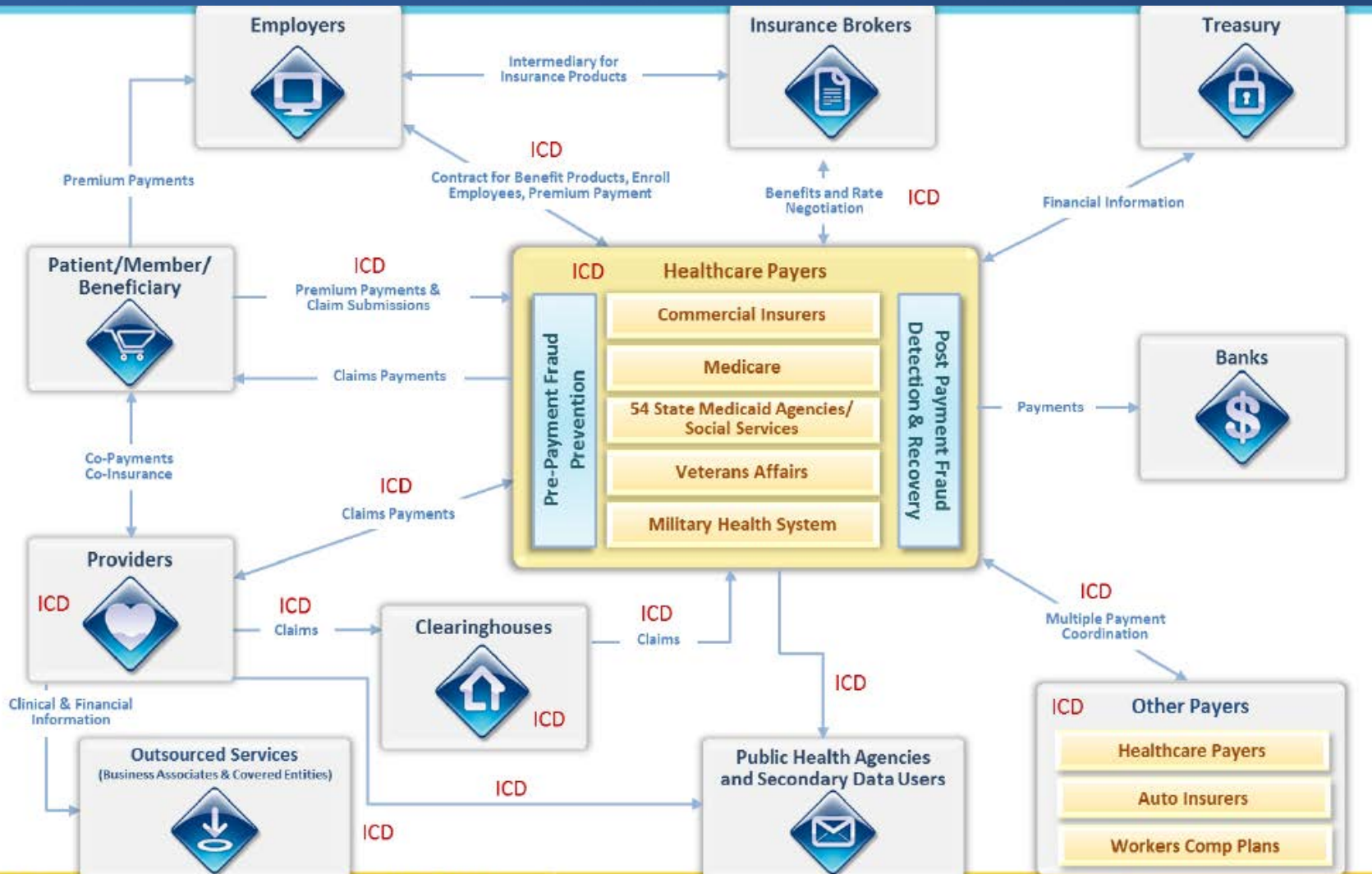


 ICD-10
Impact/Opportunity

CMS' Quality Strategy aims to promote safe, effective, patient-centered, timely, efficient, and equitable care.



ICD-10 Impact Across the Industry



Physicians See Benefits to ICD-10





It's about good patient care

While there is a sense that the documentation needed to support ICD-10 is an unnecessary burden to clinicians, there is really nothing new about documentation requirements. Documentation is all about what we were taught in medical school: we were taught that part of evaluating a patient should include observing and documenting key aspects of the patient's presenting condition. There are many parameters that are important to assess and document, depending on the nature of each condition



*Source: The Role of the Clinician in Capturing Accurate Data
Joseph C Nichols MD, Principal*

Best Practices: Health Condition Categories

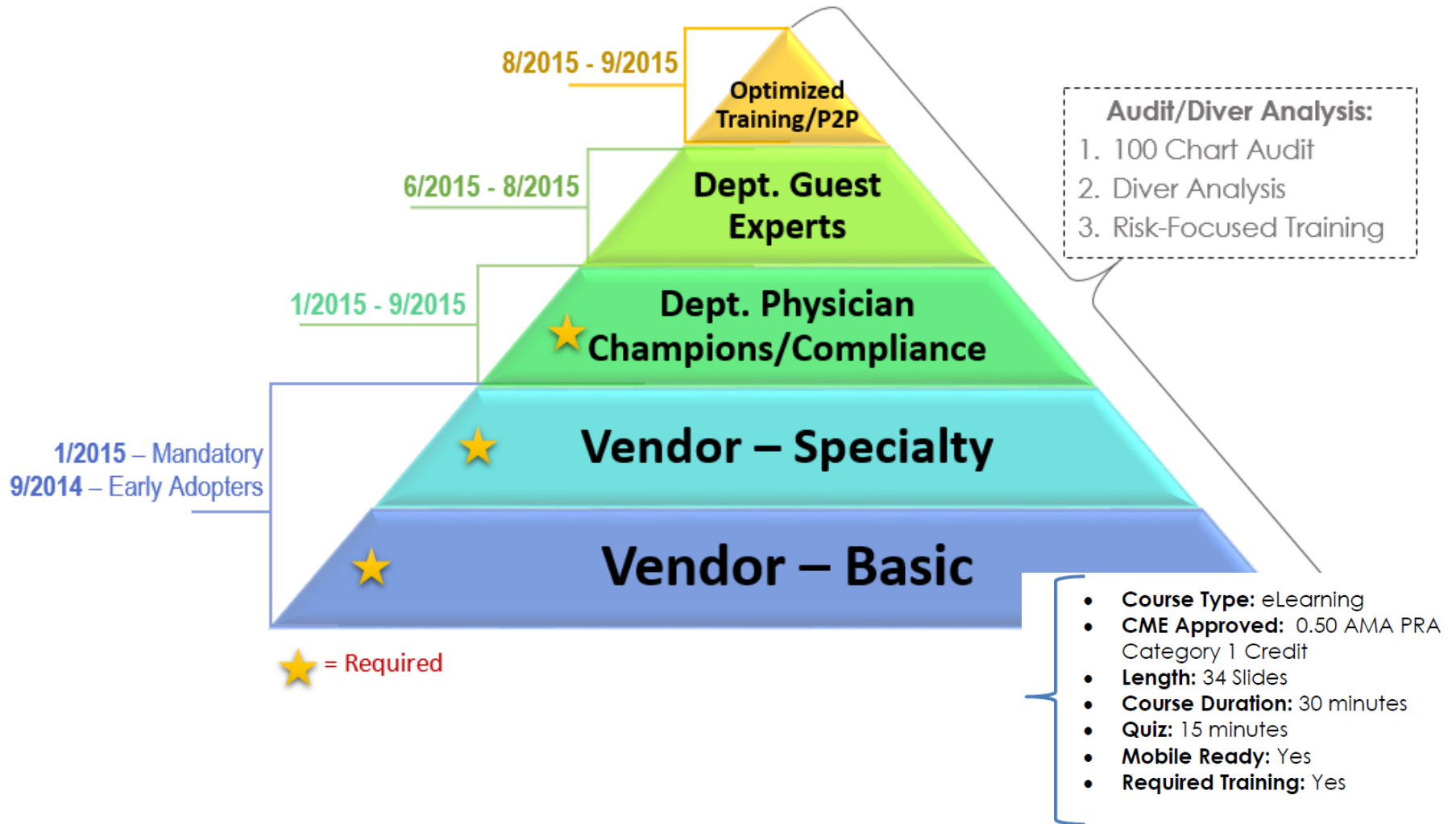


- Affective Disorders
- Anxiety Disorders
- Attention Deficit Disorders
- Autism Spectrum Disorders
- Schizophrenia
- Substance Abuse
- Coronary Heart Disease
- Heart Failure
- Hypertension
- Myocardial Infarction
- Cleft Lip/Palate
- Cerebral Palsy
- Diabetes Mellitus
- Hemophilia
- Leukemia
- AIDS/HIV
- Hepatitis
- Lung Cancer
- Brain Injury
- Chronic Dementia
- CVA
- Epilepsy
- Fetal Maturity/Development
- High Risk Pregnancy
- Asthma
- COPD
- End-Stage Renal Disease
- Male related Conditions
- Female related Conditions
- Hip Fracture

- Defines 30 health conditions and code sets universally important to State Medicaid Agencies
- Informs ICD-10 transition business and operational requirements
- End users: Medical staff, policy personnel, coding professionals, coding auditors, reporting and business analysts

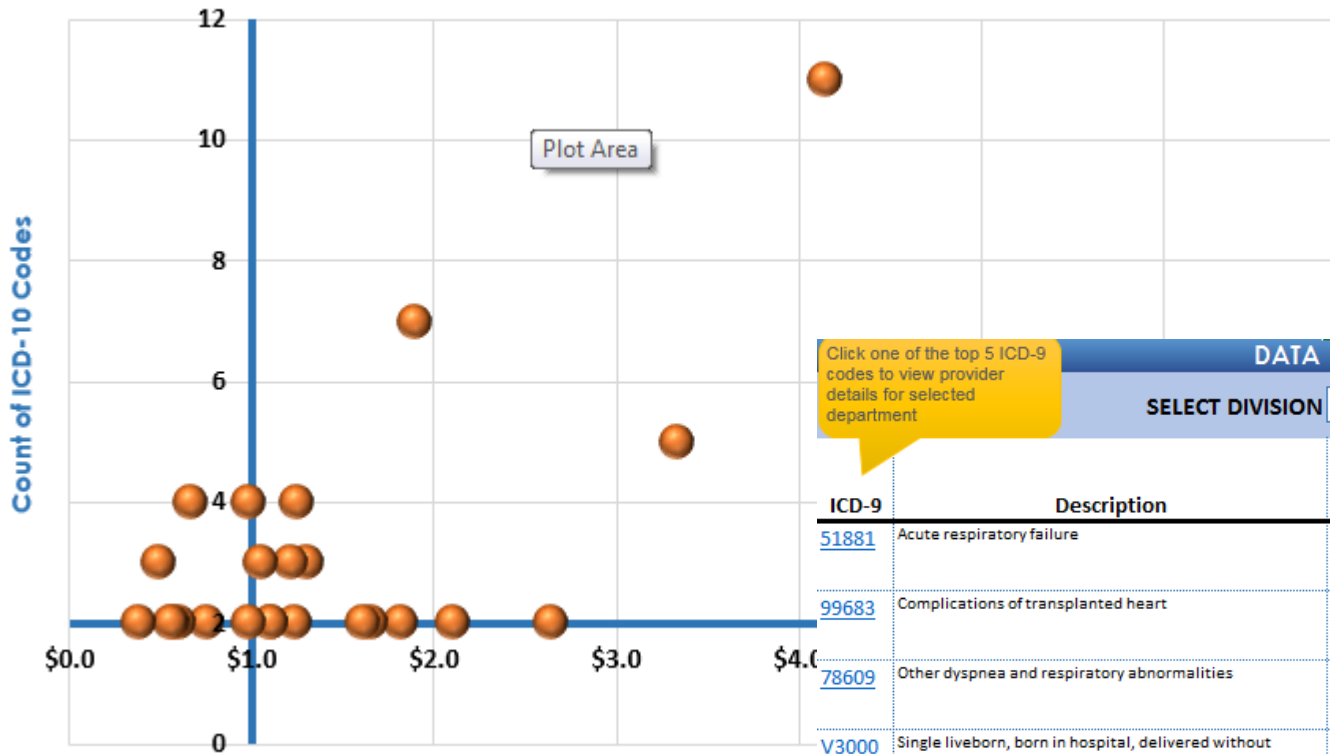


Physician Training Strategy





PEDIATRICS DEPT (ICD 10 Codes vs. Charges)



DATA					
		SELECT DIVISION <input type="text" value="PEDIATRICS-DEPT"/>			
ICD-9	Description	Units	WORK RVU	ICD-10 Options	Charges
51881	Acute respiratory failure	5509	37672.07	6	5,865,201
99683	Complications of transplanted heart	6819	12334.79	11	4,150,225
78609	Other dyspnea and respiratory abnormalities	3343	20343.4	5	3,335,790
V3000	Single liveborn, born in hospital, delivered without mention of cesarean delivery	10894	18270.61	2	2,645,480
V202	Routine infant or child health check	17561	10858.58	2	2,102,083



CDI Education Tools



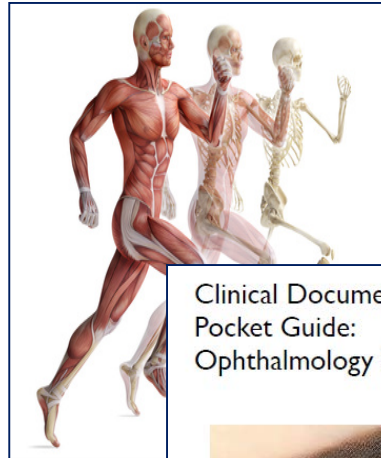
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Clinical Documentation Pocket Guide®: General Services

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Clinical Documentation Tips®: Injury, Poisoning, & External Causes

Clinical Documentation Pocket Guide: Orthopedic Services



Clinical Documentation Pocket Guide for Wound Care



Clinical Documentation Pocket Guide: Ophthalmology Specialty

Improved Physician Documentation






Improved physician documentation:
The KEY communication tool
critical for continuity of patient care
between healthcare team members
must be clear & concise
must accurately reflect severity of
illness
Supports medical practice, data
collected and code selection
Improved code selection results in
improved rate reimbursement

If you want to engage physicians, the process has to be effective & efficient. It's got to take a few seconds instead of a few minutes.



Best Practice – Get Physician Buy-in



-  Get to know your physician's culture
-  Make it practical with minimal impact to daily routine
-  Outline how data will be provided
-  Make education convenient and mobile
-  Use a combination approach, eLearning, internal and peer to peer
-  Communicate WIIFM effectively



Dual Coding



Dual Coding refers to the coding of both ICD-9-CM/PCS and ICD-10-CM/PCS and it helps with:



- Preparation for ICD-10 Transition: Practice dual coding throughout the organization.
- Increased Coder Productivity: Practicing in both sets will give the coder familiarity which will increase speed in coding records.
- Increased Coder Confidence: Practicing on actual patient charts now, will help minimize the productivity impact when the transition occurs
- Revenue Reimbursement: Conduct pre-billing audits on dual coded claims to identify individual and system wide gaps.
- Coder Refresher Training: This can allow coding managers to assess their coder's readiness status and make changes where appropriate





We expect organizations to see several key pressures on their coder staffing level over the next year:

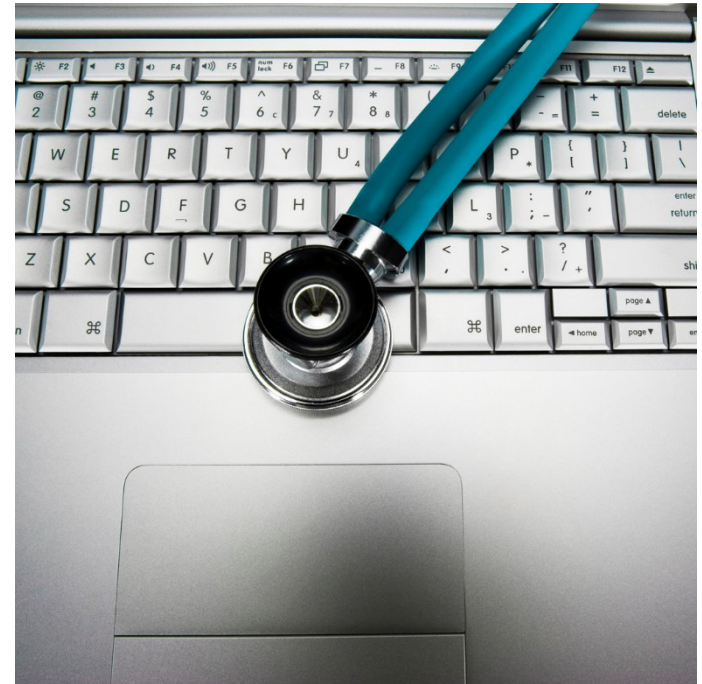
- ICD-10 is anticipated to cause a temporary drop in coding productivity of 50% and a permanent drop of 20%
- The best trained and most experienced coders will be recruited heavily by the national coding outsourcing firms.
- The overall salary of experienced coders will rise significantly as competition heats up for those resources.
- Some smaller percentage of coders will choose to leave the workforce rather than re-train for ICD-10



Computer Assisted Coding (CAC)



- Optimizing CAC to improve ICD-10 code assignments
- Interpreting CAC utilization to improve coding and revenue cycle outcomes
- Coders' jobs will evolve from data entry to more critical activities, such as information management, auditing, capturing hand-written notes and following up on CAC-prompted physician queries, to name a few.

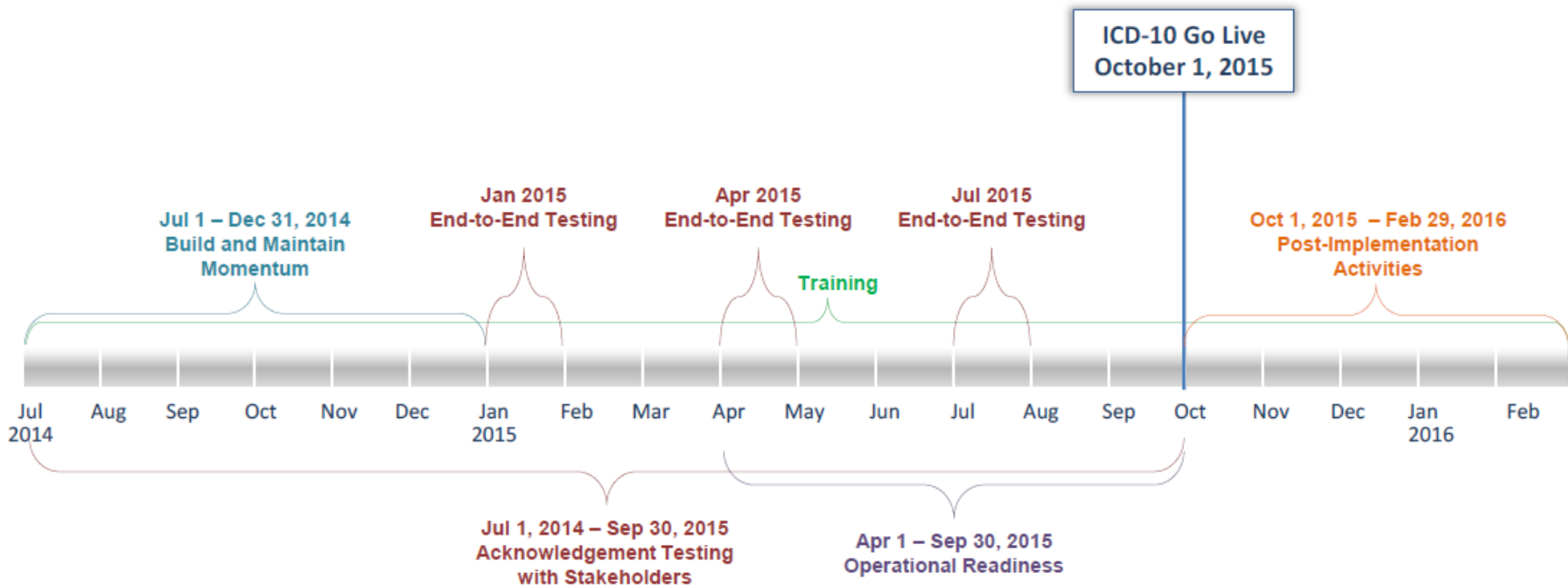




- » EHR/CPOE Transformation, Consider implementing “front end” ICD10 terms (SNOMED and MU) in problem lists/templates and other electronic documentation.
- » Integrate documentation elements and education into current workflows
- » Rework queries, forms and templates
- » Provide additional educational materials, collateral and visual documents
- » Collaborate with coders, CDI specialists and case managers
- » Provide face to face physician education
- » Continue the education of key groups, especially coding and clinical documentation staff.



Now is the Time to Prepare Compliance Date October 1, 2015



Revenue Cycle Focus here



Impact: Reimbursement



- » ICD.9 to ICD.10 Diagnosis has approximately 82.7% 1-1 mapping match.
- » ICD.9 to ICD.10 Procedure has approximately 92.4% 1-1 mapping match.
- » Less than 1% mapping relationship from ICD.10 to ICD.9.
- » Analysis indicates specific specialty impacts to reimbursement.



Three Specialty Examples (65 high risk DRGs)



Examples of types of **cardiology** procedures that are likely to experience substantial variation:

- » Endovascular Valve replacements valvuloplasty coded using 3505 in ICD-9 PCS codes – low risk of change in ICD-10 maps to one of 4 possible codes – typically high \$\$ and financial risk, but low frequency
- » Artherectomy – coded using 1756 in ICD-9, high mapping risk maps to over 50 codes in ICD-10. Low risk from a financial perspective, but involved a high productivity risk if the documentation is not specific enough

Data Source: Edifecs



Three Specialty Examples



» Examples of types of Neurosurgery procedures that are likely to experience substantial variation:

- 64 INTRACRANIAL HEMORRHAGE OR CEREBRAL INFARCTION W M
- 56 DEGENERATIVE NERVOUS SYSTEM DISORDERS W MCC
- 82 TRAUMATIC STUPOR & COMA, COMA >1 HR W MCC
- 54 NERVOUS SYSTEM NEOPLASMS W MCC
- 65 INTRACRANIAL HEMORRHAGE OR CEREBRAL INFARCTION W C
- 91 OTHER DISORDERS OF NERVOUS SYSTEM W MCC
- 27 CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES
- 92 OTHER DISORDERS OF NERVOUS SYSTEM W CC
- 57 DEGENERATIVE NERVOUS SYSTEM DISORDERS W/O MCC
- 472 CERVICAL SPINAL FUSION W CC
- 86 TRAUMATIC STUPOR & COMA, COMA <1 HR W CC
- 26 CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES
- 491 BACK & NECK PROC EXC SPINAL FUSION W/O CC/MCC

» Services that are likely to experience variation:

- ICD-9 PCS – 3931 – Clipping of aneurysm maps to 76 different codes in I-10 6 of those relate specifically to cerebral aneurysm of the intracranial artery or vein
- ICD-9 PCS – 0221 – Insertion or replacement of EVD -> Maps to 3 ICD-10 codes – depending on approach can have different codes in I-10

Data Source: Edifecs



Three Specialty Examples



- » Within Orthopaedics, the services that are at the risk of greatest variation fall within the following categories:
 - 482 HIP & FEMUR PROCEDURES EXCEPT MAJOR JOINT W/O CC/M
 - 494 LOWER EXTREM & HUMER PROC EXCEPT HIP,FOOT,FEMUR W/
 - 469 MAJOR JOINT REPLACEMENT OR REATTACHMENT OF LOWER E
 - 490 BACK & NECK PROC EXC SPINAL FUSION W CC/MCC OR DIS
 - 493 LOWER EXTREM & HUMER PROC EXCEPT HIP,FOOT,FEMUR W
 - 513 HAND OR WRIST PROC, EXCEPT MAJOR THUMB OR JOINT PR
 - 505 FOOT PROCEDURES W/O CC/MCC
 - 481 HIP & FEMUR PROCEDURES EXCEPT MAJOR JOINT W CC
 - 488 KNEE PROCEDURES W/O PDX OF INFECTION W CC/MCC
 - 496 LOCAL EXCISION & REMOVAL INT FIX DEVICES EXC HIP &
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- » ICD-9 PCS 8151 – Total hip replacement – maps to 34 ICD-10 codes – variation depending on device
- » ICD-9 PCS 8154 – Total knee replacement – maps to 30 ICD-10 codes variation depending on device
- » ICD-9 PCS 7936 – Reduction of tibia and fibula fracture – maps to 8 ICD-10 codes depending on type of fixation (Internal/ Intermedullary), and bone type

Data Source: Edifecs



Financial & Reimbursement Impact: 300 Bed Hospital Example



ICD10 Budget

- » Capital \$800K
- » CDI \$200K (\$150K R)
- » HIM \$800K (\$500K R)
- » Training and Operations \$800K (\$50K R)

- » Total \$2.6M

- » \$700K[®] Recurring

Impact To Reimbursement with Early Adoption Of ICD.10

- » 3.5M Missing Documentation
- » 3.5M Documentation Improvement
- » 500K Contracting
- » 600K Denials/Payment Errors
- » 200K Coding Errors

- » 1.3M to 4.8M

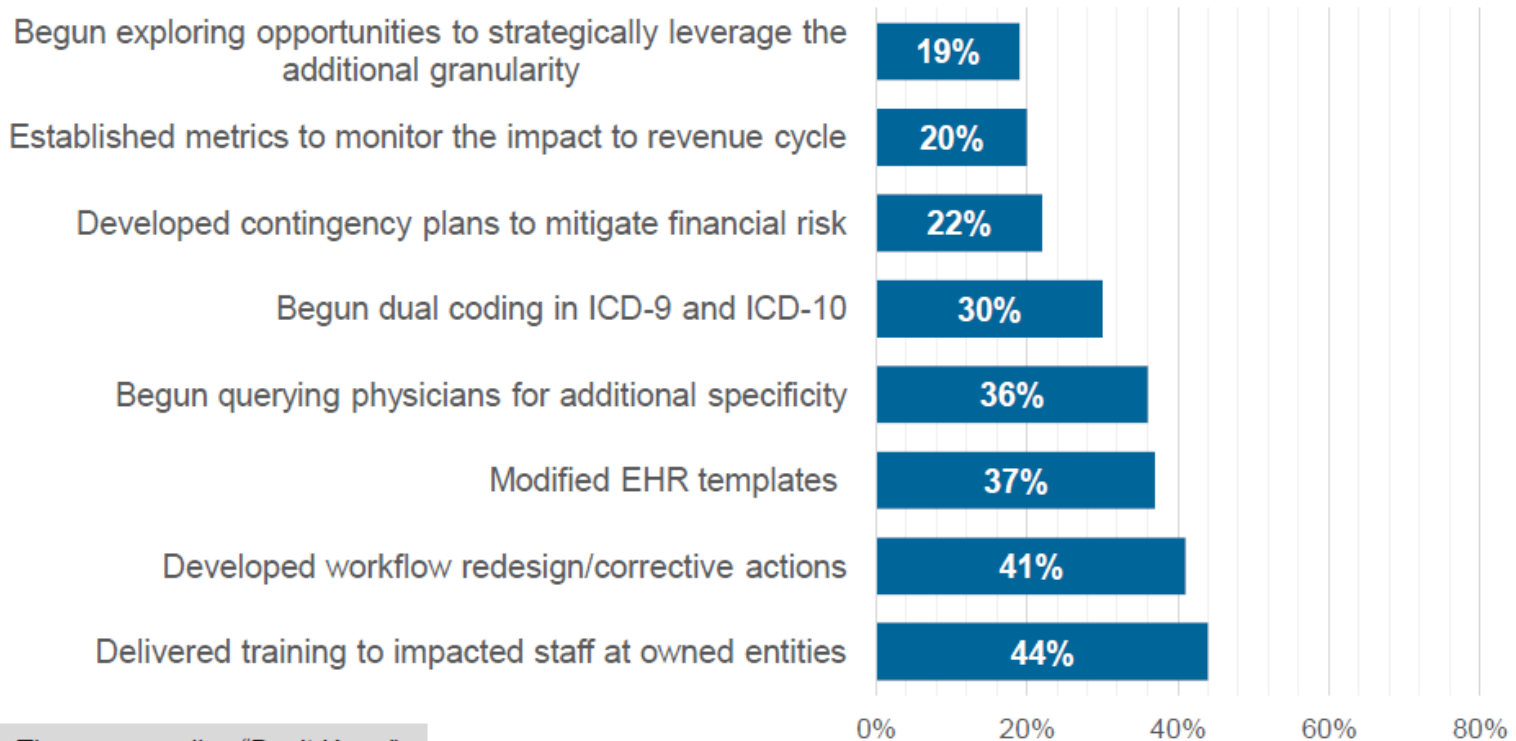




- » Continue to track current and identify any additional Revenue Cycle KPIs.
- » Review all contracts for ICD-9/10 language. Determine if ICD-10 language needs to be incorporated into contracts as they are renewed.
- » Implement DRG analytical tools no later than end of 2014 and create baseline metrics, use to improve current ICD9 processes.
- » Plan on creating a process to review future appointments past Oct 2015. Start the review process by 3Q 2015.
- » Improve Denials Management process by implementing appropriate software, if needed, and improving workflow. Create a RI team to oversee and manage process improvement.
- » Continue to improve current ICD-9 processing



Your organization has completed the following...



Those responding "Don't Know" excluded from the analysis.

Source: HFMA's Revenue Cycle ICD-10 Readiness Survey Sponsored by 3M HIS



Useful ICD-10 References



➤ [CMS Road to -10 Resources](#)

<http://www.roadto10.org/quick-references/>

➤ [AHIMA ICD-10-CM/PCS Implementation Toolkit](#)

http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_049431.hcsp?dDocName=bok1_049431

➤ [HIMSS ICD-10 PlayBook](#)

<http://www.himss.org/library/icd-10/playbook?navItemNumber=13480>

➤ [**MLN Matters® Special Edition Article SE1325**](#), “Institutional Services Split Claims Billing Instructions for Medicare FFS Claims that Span the ICD-10 Implementation Date”

➤ [**MLN Matters® Special Edition Article SE1408**](#), “Medicare FFS Claims Processing Guidance for Implementing ICD-10 – A Re-Issue of MM7492”

➤ [**MLN Matters® Special Edition Article SE1410**](#), “Special Instructions for ICD-10 Coding on Home Health Episodes that Span October 1, 2015”



Coding Scenario – Actual case



Zak slipped and fell attempting to avoid some glass tower decorations that were sitting on the kitchen floor. He hit his head on the granite kitchen counter top and had an open laceration of approximately 2” and required 15 stitches on his forehead. It was his initial encounter to the ER

ICD-10-CM Diagnosis

1. Laceration without foreign body of other part of head, initial encounter
S01.81XA
2. Fall on same level from slipping, tripping and stumbling with subsequent striking against other sharp object
W01.118A initial encounter

ICD-10-PCS Procedure

1. Repair Face Skin, External Approach
» Procedure Code **0HQ1XZZ**



Questions



Anita Archer, CPC

aarcher@hayesmanagement.com

Ajit Sett

asett@SettHealthcareAdvisors.com

ajit@doctususa.com





Thank You!