The ICD-10 Tug of War
Engage Your Physicians now to Combat Revenue Reduction

PRESENTED BY
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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

- ICD-10
- Clinical Analytic Dashboards (BI)
- PQRI
- DRG-driven reimbursement cutbacks
- Meaningful Use
- Value-based purchasing
- Lower Medicare reimbursement
- ACOs
- Medical Homes
- EHRs
- mHealth
Better health for people, better health for populations, and better value for consumers

National Quality Strategy

- VBP*
- Care Management
- Coverage (e.g. Drug Coverage)
- Person-Centered Benefits (e.g. HIX)
- Program Integrity (e.g. Deterrence of Fraud, Waste, and Abuse)
- Health Information Technology (HIT)

ICD-10
MITA

Eligibility & Enrollment

Benefits & Coverage

Payment

* Value-Based Purchasing
"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

**Financial**
- FFS Revenue Transformation
- VDB Revenue Transformation
- Expense Mgmt.
- Capital Mgmt.

**Quality**
- Quality /Clinical Best Practice
- Experience
- Strategic Engagement

**Process**
- ICD-10
- Consumer Engagement
- Care Coordination
- Clinical Doc Improvement
- Revenue Cycle
- Physician/Hospital Alignment

**Infrastructure**
- Quality /Clinical Best Practice
- Experience
- Strategic Engagement

**ICD-10 Impact**
CMS Quality Strategy

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

- Evidence Based Care
- Physician Quality Reporting System (PQRS) (Medicare Only)
- Accountable Care Organizations (ACO)
- Hospital Outpatient and Hospital Inpatient Measures

- Reduce care fragmentation and unsafe transitions, and to compare outcomes and costs for patients discharged to post acute care (e.g., ESRD)

- Monitor and evaluate the quality of rehabilitation services provided to Medicare beneficiaries in IRFs

- Facilitate best practices and forums for sharing information

- Promote Reimbursement through incentive structure

- Adopt electronic health records and new network to link health records nationwide

- Partnerships with external quality organizations are encouraged to refine quality measurement and reporting

- Disseminate best practices for managing health disparities

- Encourage Partnerships

- Transformation of Health IT

- Pay for Performance

- Quality Measures

- Post Acute Care Reform Plan

- Development of Quality Indicators for Inpatient Rehabilitation Facilities (IRF)

- CMS Information Dissemination and Technical Assistance

- ICD-10 Impact/Opportunity
ICD-10 Impact Across the Industry
Physicians See Benefits to ICD-10

- Driving Value Based Quality
- Fostering Teamwork & Collaboration
- Improving the Health of Populations Served
- Empowering the Doctor-Patient Relationship

eHealth & ICD-10: Improving the Practice of Medicine

MLN Connects
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 Infection
- 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

- **Vendor – Basic**
  - 1/2015 – Mandatory
  - 9/2014 – Early Adopters
  - Required

- **Vendor – Specialty**
  - 1/2015 – 9/2015
  - Course Type: eLearning
  - CME Approved: 0.50 AMA PRA Category 1 Credit
  - Length: 34 Slides
  - Course Duration: 30 minutes
  - Quiz: 15 minutes
  - Mobile Ready: Yes
  - Required Training: Yes

- **Dept. Physician Champions/Compliance**
  - 6/2015 – 8/2015
  - Required

- **Dept. Guest Experts**
  - 8/2015 – 9/2015
  - Required

- **Optimized Training/P2P**
  - Audit/Diver Analysis:
    1. 100 Chart Audit
    2. Diver Analysis
    3. Risk-Focused Training
Data Analytics

PEDIATRICS DEPT (ICD-10 Codes vs. Charges)

Click one of the top 5 ICD-9 codes to view provider details for selected department.

<table>
<thead>
<tr>
<th>ICD-9</th>
<th>Description</th>
<th>Units</th>
<th>WORK RVU</th>
<th>ICD-10 Options</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>51881</td>
<td>Acute respiratory failure</td>
<td>5509</td>
<td>37672.07</td>
<td>6</td>
<td>5,865,201</td>
</tr>
<tr>
<td>99883</td>
<td>Complications of transplanted heart</td>
<td>6819</td>
<td>12334.79</td>
<td>11</td>
<td>4,150,225</td>
</tr>
<tr>
<td>78509</td>
<td>Other dyspnea and respiratory abnormalities</td>
<td>3343</td>
<td>20343.4</td>
<td>5</td>
<td>3,335,790</td>
</tr>
<tr>
<td>V3000</td>
<td>Single liveborn, born in hospital, delivered without mention of cesarean delivery</td>
<td>10894</td>
<td>18270.61</td>
<td>2</td>
<td>2,645,480</td>
</tr>
<tr>
<td>V202</td>
<td>Routine infant or child health check</td>
<td>17561</td>
<td>10858.58</td>
<td>2</td>
<td>2,102,083</td>
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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.
<table>
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<th>ICD-10</th>
<th>Best Practice – Get Physician Buy-in</th>
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<tbody>
<tr>
<td></td>
<td>Get to know your physician’s culture</td>
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<td></td>
<td>Make it practical with minimal impact to daily routine</td>
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<td></td>
<td>Outline how data will be provided</td>
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<td>Make education convenient and mobile</td>
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<td>Use a combination approach, eLearning, internal and peer to peer</td>
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<td>Communicate WIIFM effectively</td>
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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.
Coders Retention

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.
Optimization & Support

- 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

ICD-10 Go Live
October 1, 2015

Jul 1 – Dec 31, 2014
Build and Maintain Momentum

Jan 2015
End-to-End Testing

Apr 2015
End-to-End Testing

Jul 2015
End-to-End Testing

Post-Implementation Activities

Jul 1, 2014 – Sep 30, 2015
Acknowledgement Testing with Stakeholders

Apr 1 – Sep 30, 2015
Operational Readiness
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 that 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
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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- 497 LOCAL EXCISION & REMOVAL INT FIX DEVICES EXC HIP &

- 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
Revenue Cycle

» 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
Progress to Date

Your organization has completed the following...

- Begun exploring opportunities to strategically leverage the additional granularity: 19%
- Established metrics to monitor the impact to revenue cycle: 20%
- Developed contingency plans to mitigate financial risk: 22%
- Begun dual coding in ICD-9 and ICD-10: 30%
- Begun querying physicians for additional specificity: 36%
- Modified EHR templates: 37%
- Developed workflow redesign/corrective actions: 41%
- Delivered training to impacted staff at owned entities: 44%

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**

- **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 SE1410**, “Special Instructions for ICD-10 Coding on Home Health Episodes that Span October 1, 2015”
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

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Thank You!