ICD-10 Readiness for Private Practice and Hospitals
Presenter Lisa Asbell, RN ICD 10 Specialist

Are You Ready?
Purpose of Today’s Seminar

#1. To motivate you to fully engage your organization in the ICD-10 transition.

#2. To give you information that is easy to understand so that you get started with your ICD 10 transition.
ICD 10 Myths

- My EMR company is going to do it
- It’s all about coding and IT
- It’s going to be delayed again
- It’s part of ObamaCare
- It’s nothing to worry about now
- We can do it ourselves
ICD-10: Where do I start?

The History and Facts about ICD-10

10 Steps to ICD-10 Readiness for Private practice and Hospitals
Know the foundation and background for ICD-10-CM

- Definitions of the new ICD-10 terminology
- Regulatory requirements that drive ICD-10
- Numerous delays that created a disservice to our providers
- Why immediate ICD-11 adoption is unlikely
- Why CMS is committed to ICD-10-CM
Background & History

What is ICD-10? The biggest change in HEALTHCARE in Over 30 years.

1996 – HIPAA - Regulations for privacy, security, unique identifiers and electronic transactions and code sets.
2000 – HHS final rule names standard transactions to be used by covered entities. Covered entities are providers, payers and clearinghouses who conduct specific administrative transactions electronically.

ICD-10

ICD-10-CM – Replaces ICD-9 Diagnosis Code set

> ICD-10-CM will be used to identify diagnosis codes across all health care settings.

Every organization in America will be impacted by ICD 10 and must make the transition.

Department of Health and Human Services (HHS)

August 24, 2012 Final Rule announced.

HHS released a final mandate rule that everyone covered under HIPAA codes starting October 1, 2014.
Hoping ICD-10 doesn’t happen or is delayed is not going to be a successful strategy.

ICD-10 is not going to be delayed again. WHY?

- The US is one of the last major countries to adopt ICD-10. By doing so, our data will be consistent when describing diseases, morbidity, and mortality.
- An enormous amount of money and time have gone into preparation for ICD-10, leading up to the ability to support performance based care.
- Farzad Mostashari, MD, the National Coordinator for Healthcare IT, reaffirmed at the HIMSS ICD-10 Forum in June that there will be no extension of the deadline.
What’s wrong with ICD 9?

1. Code length and alphanumeric structure limits the number of new codes that can be created.

2. Many ICD-9 categories are already full.

3. Codes lack specificity and details to streamline automation.
   1. The lack of detail limits the payers & others to analyze information.
   2. Limits operations, reporting, and analytics processes
   3. Lacks specificity to process claims and reimbursement accurately i.e. complexity and severity

4. Inconsistent with current medical organizations.
ICD 10 Benefits

- Usage of current medical terminology
- Usage of codes with greater specificity and detail
- Improved coding based on advancements in healthcare
- Improved healthcare measurement & reporting with lesser rejected claims
- Improved data exchange and patient care by collecting more descriptive data resulting in improved payment
- Providing codes to allow comparison of mortality & morbidity data, thereby making better clinical decisions
How ICD-10 Increases Specificity

**ICD-9**
- 3-5 characters in length
- Approximately 18,000 codes
- First digit may be alpha (E or V) or numeric; Digits 2-5 are numeric
- Limited space for adding new codes
- Lacks detail and laterality
- Difficult to analyze data due to non-specific codes
- Codes do not adequately define needed for medical research
- Does not support interoperability because

**ICD-10**
- 3-7 characters in length
- Approximately 114,000 available codes
- Digit one is alpha; Digits two and three are numeric; Digits 4-7 are alpha or numeric
- Flexible for adding new codes
- Very specific; has laterality
- Specificity improves coding accuracy and richness of data for analysis
- Detail improves the accuracy of data used for medical research
What is in ICD-10 that was not in ICD-9?

**Example: Lynda fractures right wrist. A week later she fractures left wrist.**

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-CM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does not differentiate between right versus left</td>
<td>Differentiates between right and left</td>
</tr>
<tr>
<td>It requires additional documentation</td>
<td>It specifies initial versus subsequent encounter</td>
</tr>
<tr>
<td></td>
<td>It describes routine &amp; delayed healing; nonunion or mal-union</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ICD-9 Codes</th>
<th>ICD-10 Translation Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>814.00</td>
<td>The 6 translation options contain more specific information about disease complication</td>
</tr>
<tr>
<td>Closed fracture of unspecified carpal bone</td>
<td>Fracture of unspecified carpal bone, right wrist, initial encounter for closed fracture</td>
</tr>
<tr>
<td></td>
<td>Fracture of unspecified carpal bone, right wrist, subsequent encounter for fracture with routine healing</td>
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<tr>
<td></td>
<td>Fracture of unspecified carpal bone, right wrist, subsequent encounter for fracture with delayed healing</td>
</tr>
<tr>
<td></td>
<td>Fracture of unspecified carpal bone, right wrist, subsequent encounter for fracture with nonunion</td>
</tr>
<tr>
<td></td>
<td>Fracture of unspecified carpal bone, right wrist, subsequent encounter for fracture with mal-union</td>
</tr>
<tr>
<td></td>
<td>Fracture of unspecified carpal bone, right wrist, sequela</td>
</tr>
</tbody>
</table>
Coding for Diabetes Mellitus

Under series 250, coders will find **10 different subcategories** that further define and refine the patient’s actual condition.

250.0, diabetes mellitus without mention of complication
250.1, diabetes with ketoacidosis
250.2, diabetes with hyperosmolarity
250.3, diabetes with other coma
250.4, diabetes with renal manifestations
250.5, diabetes with ophthalmic manifestations
250.6, diabetes with neurological manifestations
250.7, diabetes with peripheral circulatory disorders
250.8, diabetes with other specified manifestations
250.9, diabetes with unspecified complication

These codes require a fifth digit to indicate whether the diabetes is controlled or uncontrolled, type 1 or type 2.

In ICD-10-CM, there are 5 different categories that are further subdivided. Those categories are:

E08, diabetes mellitus due to underlying condition
E09, drug or chemical induced diabetes mellitus
E10, type 1 diabetes mellitus
E11, type 2 diabetes mellitus
E13, other specified diabetes mellitus
E14, unspecified diabetes mellitus

- Diabetes codes in ICD-10-CM can have up to 6 characters.
- The first 3 characters represent the category.
- The 4th character identifies the manifestations or complications.
- The 5th and 6th characters identify specific types of manifestation.

There are a total of 318 codes for diabetes mellitus, including gestational diabetes mellitus.
Experts Weigh In

Physicians may be ICD-10 compliant, but if they abuse the “other” or “unspecified” codes, payment will not occur if a more specific alternative exists.”

David Winkler
Michigan Blue Cross’ Director of Technical Program Management

“Payers are ready. We have been ready. Our fear is that providers won’t be.”

Annie Boynton - United Healthcare

“Coding productivity is going to be cut by 40% initially.”

Jeri Leong- Past President of AAPC
Hospitals must help providers!

- If your providers fail, you fail!
- It’s as important for providers to get paid, as it is your hospital to get paid.
- Physician engagement is EVERYTHING
- Providers must be concerned with their staff, CM and PCS coding as well as CDI
- The need staff training as well
- Their entire practices must make the same transition as your facility but on a smaller scale
- In a recent study 80% of providers said they thought the hospital where they have privileges would provide transition information and assistance.
10 Steps to ICD-10 Readiness
# ICD-10 Timeline

## ICD-10 Timeline for Small-Medium Practices at a Glance

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
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<th>2014</th>
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<th>2014</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
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<tr>
<td><strong>PLANNING</strong></td>
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<tr>
<td>Identify resources</td>
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<td>Create project team</td>
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<td>Assess effects</td>
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<td>Create project plan</td>
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<tr>
<td>Secure budget</td>
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<td><strong>COMMUNICATIONS</strong></td>
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<tr>
<td>Inform staff</td>
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<tr>
<td>Contact vendors</td>
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<tr>
<td>Contact payers</td>
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<tr>
<td>Monitor vendor prep</td>
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<td>Monitor payer prep</td>
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<td><strong>TESTING</strong></td>
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<td>High-level training for test team</td>
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<td>Level 1: internal</td>
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<td>Level 2: external</td>
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<td><strong>COMPREHENSIVE TRAINING</strong></td>
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<tr>
<td>Documentation</td>
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<tr>
<td>Coding</td>
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**Source:** www.cms.gov

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**DEADLINE:** OCT 1, 2014

**DEADLINE:** OCT 1, 2015

**DEADLINE:** OCT 1, 2016

**Ongoing practice before “go live”**

January 2013
10 steps to get your organization ready for ICD-10

1. **Hire or Designate a Project Manager**
   - Designate a team!
   - Identify and appoint an **ICD-10 Project Manager** responsible for making business, policy and technical decisions.
   - Ensure & establish clear communication channels between physicians, clinics and payers.
   - Evaluate a revenue cycle management company as a partner to remove some of the burden from your team.
Managing the Project

- You should know that this may take a couple of hundred hours in legwork.
- You should plan to start now and invest 5-10 hours a week until October 1, 2014.
- There are dozens of steps to do and many involve contacting vendors.
- You will need a team, even if your organization is small and you only have 1 or 2 other staff to assist you in this project.
- Team assignments may include:
  - Contacting Vendors or investigating vendor options
  - Putting together a Training plan
  - Assisting with an impact assessment
  - Assisting you with a budget
  - Communication plan
  - Assisting with IT issues
2. Perform an impact or gap assessment

• Identify potential changes to existing work flow and business processes.
• Determine if you are going to outsource your billing.
• Collect information on current use of ICD-9 and a list of staff members who need ICD-10 resources and training. Staff training will most likely involve billing and other financial personnel, coding staff, clinicians, management, and IT staff, if applicable.
• Evaluate the effect of ICD-10 on other planned or on-going projects (e.g., Version 5010 transition, EHR adoption, and Meaningful Use).
• For large practices and hospitals you will need to outsource this process.
An Impact Assessment will help:

- Understand all impacted areas with ICD 10
- Will help you address the areas and assign tasks to make the ICD 10 transition smoother
- Gather information for budgeting
- Help you in managing and prioritizing the project of transition to ICD 10
Areas of Impact

- Clinical Staff - Nurses, Administration Staff, Billers and Coders
- Documentation - Physicians increase in codes and requirements
- Third Party Payer
- Health Plans
- Billing/ Coding companies - Clearinghouses
- Training
- Hardware and software PM software and EHR
- Coding
- Productivity
- Internal Office Processes: forms, scheduling, superbills, lab, radiology, PT, OT, and DME, referrals, insurance verification, pre-authorizations, surgery scheduling, performance measure reporting.
- Clinical Areas
- Other software systems you may have
3. Get Leadership Engagement

YOU MUST GET PROVIDER “BUY IN”

• Educate your organization’s physicians and senior personnel.
• Key personnel must understand:
  ➢ Scope and impact of ICD-10 conversion
  ➢ Importance of ICD-10 readiness
  ➢ Firm deadline for 100% compliance
• Identify knowledge and training champions
• Communicate accomplishments and setbacks related to ICD-10 implementation and key milestones
4. Staff Training

AHIMA estimates that on average coders should focus 16 hours of coding training on ICD-10 CM & 50 hours on ICD-10 systems.

- Additional time may be needed to refresh anatomy & physiology fundamentals.
- Learn foundational knowledge before more intensive training.
- Down time during training and organization time.
- Plan weekly, monthly, and yearly implementation goals.
- Assess impact on your organization, systems, processes, staff and productivity.
- Start your ICD-10-CM training by assessing your coders’ preparedness.
  - Test coding staff on basic anatomy & physiology
  - Quizzes – identifies areas in which further training may be needed
  - Start early and conduct ongoing assessments so that all of your coders will be ready

There is a trend to use professional billing services due to staff training and productivity concerns.
10 steps to get your organization ready for ICD-10

5. **Documentation = Physicians!**
   - Begin providing them education now so that they are fully prepared on what will be required for appropriate documentation for correct ICD-10 code assignment.
   - Customize the training for physicians based on their medical specialty.

**Documentation Basics**

- The medical record can be compared to a story book of the patient.
- Does the documentation paint the complete picture of the patient?
- Any documentation – the good, the bad and the ugly does affect ALL: the hospital, the provider, the payer, and specifically, the patient.
- The basics of just understanding the documentation requirements are critical.
6. **Contacting Vendors**

- Identify the need for any new contract(s)
- Determine which existing vendor(s) will be affected by the ICD-10 transition
- Define vendor(s) requirements to support implementation of ICD-10 (will vary by vendor)
- Determine vendor dependencies in the organization’s critical business paths
- Determine how vendor(s) will be involved in the ICD-10 implementation project
- Establish a vendor communication plan
- Confirm vendors understand business requirements and an accountable delivery plan
Questions for Vendors on Readiness

- If so, what is the cost? ____________________________
- When will you know what the costs are and how soon can we get an answer about that? ____________________________
- What is the transition plan? _____________ When can we start testing? _______________________________
- Do you have a recovery plan in place in the event your system has challenges? _________________________________
- Have the tested and can accommodate about 5010 in relation to ICD 10? _________________________________
7. Contact Payers, Billing services and clearinghouses

- Determine if IT systems, clearinghouse, billing services will support changes to systems, supply a timeline and cost estimate for implementation changes, and identify when testing will occur.
- Determine anticipated testing time and schedule (when they will start, how long they will need, and what will be needed for testing).
- If vendor(s) provide solution, then engage immediately.
8. Upgrade your internal processes to ensure following is updated from a coding perspective:

- Superbills
- Encounter forms
- Quality data collection forms
- Public health data collection forms, etc.
- Split Claims
- Dual Coding
9. Internal Testing  The following represent key considerations for internal testing - evaluate each technical area individually as well as integration testing across components including:

- Database architecture
- User interfaces
- Algorithms based on diagnosis or institutional procedure codes
  - Mutually Exclusive, CCI Correct Coding Initiative
- Code aggregation (grouping) models
- Key metrics related to diagnosis or institutional procedure codes
- All reporting logic based on diagnosis or institutional procedure codes
10. External Testing

**Payers**: Payer testing should identify and resolve any issues prior to go-live.

**Hospitals**: Test information exchanges with hospitals to ensure appropriate handling.

**Health information exchanges**: Test all information exchanges for critical operations to meet inoperability standards.

**Outsourced billing or coding**: Test outsourced coding and billing operations with defined clinical scenarios to make sure these business operations continue as expected.

**Government entities**: Local and national government entities may require reporting for a variety of purposes including:

- Public health reporting
- Quality and other metric reporting related to Meaningful Use
- Medicare and Medicaid reporting and data exchange
- Other mandated or contractually required exchange of information around services and patient conditions
CMS estimates cost to the private sector for implementation of ICD-10 will exceed $130 million. It will cost your organization between $18,000 - $60,000 depending on size.

- Backlog of un-coded claims with ICD-9 while trying to get coders ready for ICD-10. Remote coding may need to occur as well as OT.
- Rejected claims from payers who are not ready to accept UB-04 with ICD-10 PLUS ICD-9 as necessary.
- Vendor software rejecting ICD-10 or edits not working correctly thus slowing claim submission. Manual intervention to ensure claims are submitted and accepted.
- New software if existing software for related ICD-10 work is not compatible.
More Cost

- Cost to conduct a *risk assessment* to assess current documentation patterns for providers and care givers.
- Cost to conduct training for providers and care givers on enhanced documentation
- Cost to review EMR or other software to adapt to enhanced documentation requirements
- Cost to conduct a *readiness assessment* pre go live to determine readiness of coders, documentation and vendors.
- Loss of productivity – rebills, denials, rejections, EOB work, medical necessity rejections/follow up, excessive physician queries, coder slow down with new coding process
- Cost of a project manager (1 yr contract staff to coordinate all the IT, testing, training, documentation assessments) (Hospitals will need a TEAM not just a project manager)
- Cost of EMR changes and training of all impacted staff
Budgeting Areas to Consider

- Software modifications (costs for in-house as well as vendor system changes)
- Education (both coding staff as well as other personnel needing education)
- Hardware/software upgrades *Testing related costs
- Staff time *Temporary or contract staffing to assist with increased work resulting from the transition, such as coding/billing backlogs, IT support, or coding accuracy review
- Consulting services to assist with transition
- Reprinting of paper forms *Data conversion
- Maintenance of dual code sets *Additional software or other tools/resources to facilitate the ICD10 transition
- Identify departmental budget(s) responsible for each transition cost, including systems changes, hardware/software upgrades, and education.
- Estimate the amount of contingency and reserve funds required for the ICD-10 transition
- Allocate ICD-10 transition costs for multiple years
- Identify other projects that will be competing for resources (financial, personnel) during the ICD 10 transition.
- Update budget estimates as needed after completing other ICD-10 planning and impact assessment activities
### ICD 10 Cost to Your Organization Rand Survey

<table>
<thead>
<tr>
<th>General Consulting/Audit Year 1</th>
<th>500.00 Per Provided 2 x Year</th>
<th>$5,000.00</th>
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<tbody>
<tr>
<td>General Consulting Audit Year 2</td>
<td></td>
<td>$5,000.00</td>
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<tr>
<td>General Consulting Audit Year 3</td>
<td></td>
<td>$5,000.00</td>
</tr>
<tr>
<td>General Consulting/Training</td>
<td></td>
<td>$7,000.00</td>
</tr>
<tr>
<td>Review of System Process</td>
<td></td>
<td>$6,000.00</td>
</tr>
<tr>
<td>Crosswalking and Mapping</td>
<td></td>
<td>$3,000.00</td>
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<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$31,000.00</strong></td>
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#### Education and Training

<table>
<thead>
<tr>
<th></th>
<th>Estimated Time</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physicians</td>
<td>20 hours @ $1,000 per physician</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Coders</td>
<td>60 hours @ $3,000 per coder</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>Management</td>
<td>20 hours @ $1,000.00 per manager</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Nurses</td>
<td>10 hours @ $500 per nurse</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Ancillary</td>
<td>10 hours @ $500 per staff member</td>
<td>$1,500.00</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$16,000.00</strong></td>
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#### Staffing and Overtime

<table>
<thead>
<tr>
<th></th>
<th>Estimated Time</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coders</td>
<td>60 hours pre- and post-transition each</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Ancillary Staff</td>
<td>10 hours pre- and post-transition each</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Productivity Loss</td>
<td>500 hours pre- and post (total)</td>
<td>$12,500.00</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$16,000.00</strong></td>
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#### Totals

<table>
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<tr>
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<th>Estimated Cost</th>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>$31,000.00</strong></td>
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#### Information Systems

<table>
<thead>
<tr>
<th></th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>Consulting/Auditing/Crosswalking</td>
<td>$0.00</td>
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<tr>
<td>Training</td>
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<tr>
<td>Staffing/Overtime</td>
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</tbody>
</table>
Possible decrease in cash flow due to:

- Increase in time to code medical records
- Learning curves, potential increase in errors
- Decreased coder productivity, when, or will it recover
- System, vendor or software issues
- Potential reimbursement impact due to payer systems, claim edits or processing issues
- Expect denials and underpayments

**CMS** “Providers should plan to have 6 months of operational cash available on October 1, 2014”
**Make a smooth Switch to ICD-10**

## RECAP

### Private Practice
- Appoint Project Manager
- Designate Team
- Establish Communication plan
- Impact Assessment
- Contact Vendors
- Internal/external Testing
- Consider hiring outside project manager

### Hospitals
- Retain Project Manager with capabilities to bring entire team
- Appoint Steering Committee
- Develop Communication Plan
- Impact Analysis
- Develop Training Plan
- Identify Key Stakeholders
- Develop Testing Process/Plan
QUESTIONS?
ICD 10 Private Practice

- ICD 10 Guide- Step by Step instructions- Fill in the blank to help you make the transition smoothly
- Even if you outsource your billing, you must either hire a consultant or get a step by step resource to help you
- Today only…. The TRAIN RX Step by Step Guide that sells for $549.00 ---
- THIS WEEK ONLY $349.00

What does the TrainRx Guide include?

- Policies
- Step by step instructions and a time line that you can understand.
- Recorded training for providers
- General Staff awareness training
- Templates for communication
- Budgeting Template and Guidance
- Coming : Videos of CDI training, coding training
- 1- hour of Free phone consulting to help you get started!
- Certificate for 5 CEU’s for ICD 10 Project Manager

http://www.trainrx.net

For a copy of the PowerPoint cindy@trainrx.net
Large Practices and Hospitals

- Are you where you should be?
- How do you know?
- Are you using an outside vendor?
- Have you had an assessment from an outside vendor?
- Do you have questions or concerns that you are not where you should be in your implementation?
- Free Assessment tool available

Questions? Lisa@lisaasbell.com
Or call 727 502 7427
HCRS Can HELP! www.hcrs-inc.com