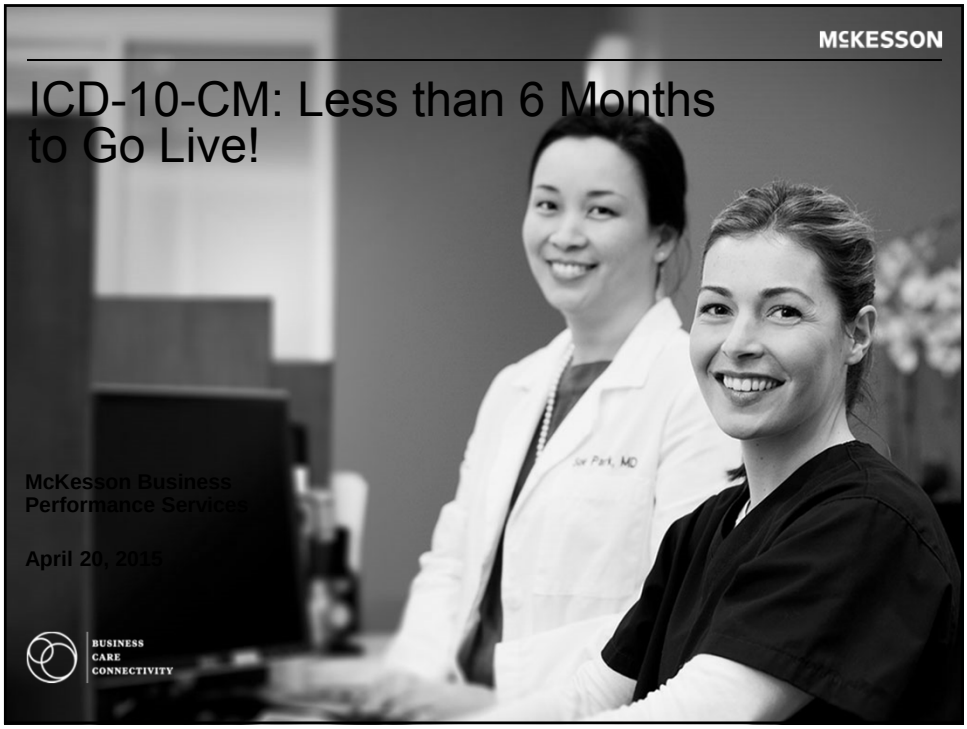

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Speakers

Bess Ann Bredemeyer
BSN, RN, CHC, CHPC, CPC
McKesson Business Performance Services

As the Senior Director of Consulting, Ms. Bredemeyer oversees the facility charge capture audit program and the physician coding and billing compliance consulting teams and she serves on McKesson's ICD-10 planning and implementation steering committee. She works with hospitals and physician groups of all sizes and specialties on coding and compliance solutions.

Lisa Schroeder
CHC, CPC, CCS-P
McKesson Business Performance Services

As a Compliance Program Director, Ms. Schroeder has more than 20 years experience in practice management, AR management, medical coding and compliance. She serves on McKesson's ICD-10 planning and implementation steering committee and has also been involved with developing and maintaining billing and compliance policies.

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Discloser

Bess Ann Bredemeyer and Lisa Schroeder are employed by McKesson's Business Performance Services division which provides services to medical practices, hospitals and health systems on topics being addressed in this presentation.

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Learning Objectives

- Identify the Challenges of ICD-10 Implementation
- Assess an Organizations Readiness for Implementing ICD-10
- Define the Steps Necessary to Improve Clinical Documentation
- Share Lessons Learned from Early Adopters

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Agenda

- Delay?
- ICD-9-CM vs. ICD-10-CM Overview
- Challenges
- Readiness
- Lessons Learned
- Q & A

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Delay?

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What About the Delay?

Most Providers indicated plans to "stay the course"

- *August 2012 Delay to October 1, 2014*
  HHS announces final rule for one year delay
- March 2014 Delay to October 1, 2015
  Section 212 of HR 4302, Protecting Access to Medicare Act of 2014

  "The Secretary of Health and Human Services may not, prior to October 1, 2015, adopt ICD-10 code sets as the standard for code sets…."

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Survey

How far along are you in your preparation for the transition to ICD-10?

- 25%
- 50%
- 75%
- >75%
- Ready!

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ICD-9-CM vs. ICD-10-CM Overview

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ICD-9-CM and ICD-10-CM

Key differences

ICD-9-CM Volume 1 & 2	ICD-10-CM
13,000 Diagnosis Codes	68,000 Diagnosis Codes
3- to 5-digit Codes	3- to 7-digit Codes
Code Format: Numeric Codes for all Chapters Alphanumeric for Supplementary Chapters (V-codes and E-codes)	Code Format: Digit 1 is alphabetic Digits 2-7 are numeric
No Dummy Placeholder	Presence of Dummy Placeholder
ICD-9-CM Volume 3	**ICD-10-PCS**
11,000 Procedure Codes	87,000 Procedure Codes
3- to 4-Digit Codes	7-Digit Codes
Code Format : Numeric	Code Format : Alphanumeric

Structural (format) and volume differences

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Benefits of Specificity

- ICD-10-CM incorporates much greater clinical detail and specificity than ICD-9-CM.
- Terminology and disease classification are updated to be consistent with current clinical practice.
- The modern classification system will provide much better data for multiple purposes

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Challenges

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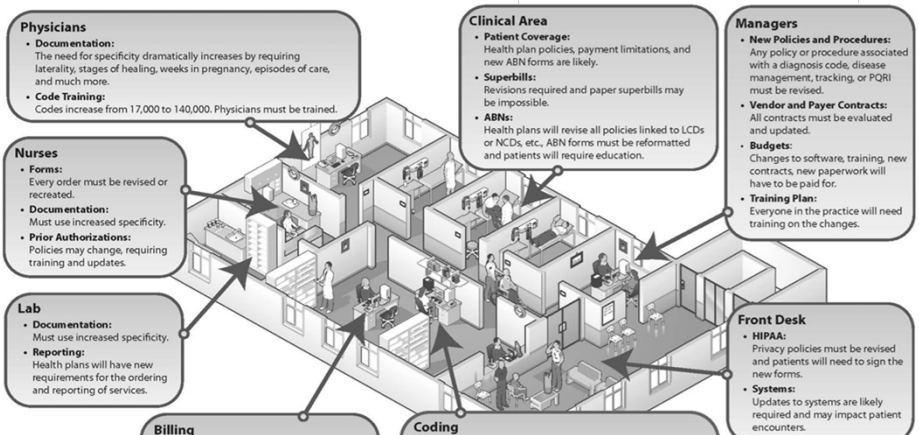
ICD-10 will change everything. Will you be ready?



Source: aapc.com

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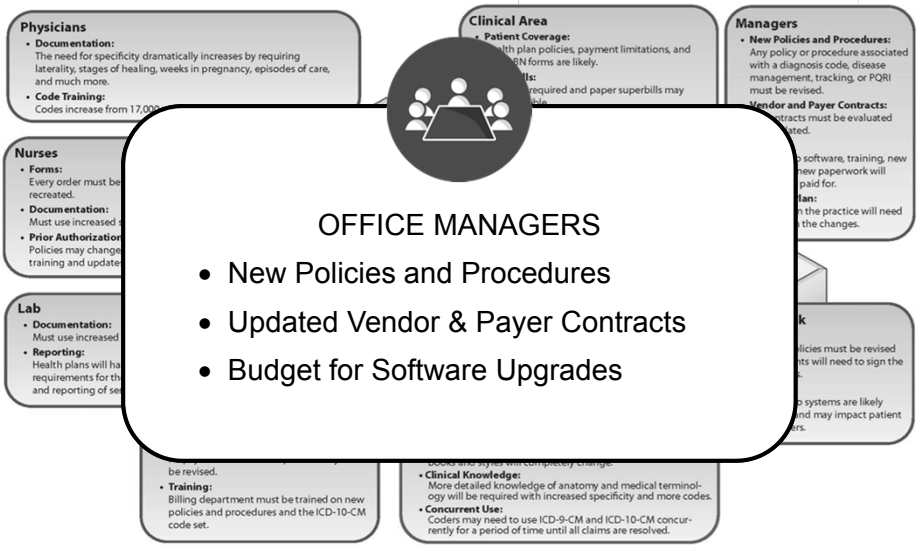
ICD-10 will change everything. Will you be ready?

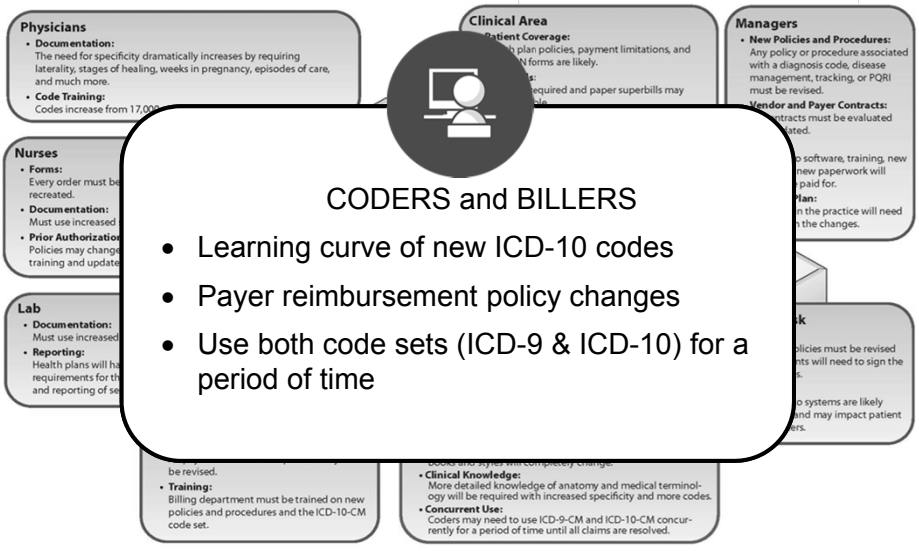


OFFICE MANAGERS

- New Policies and Procedures
- Updated Vendor & Payer Contracts
- Budget for Software Upgrades

Source: aapc.com

ICD-10 will change everything. Will you be ready?

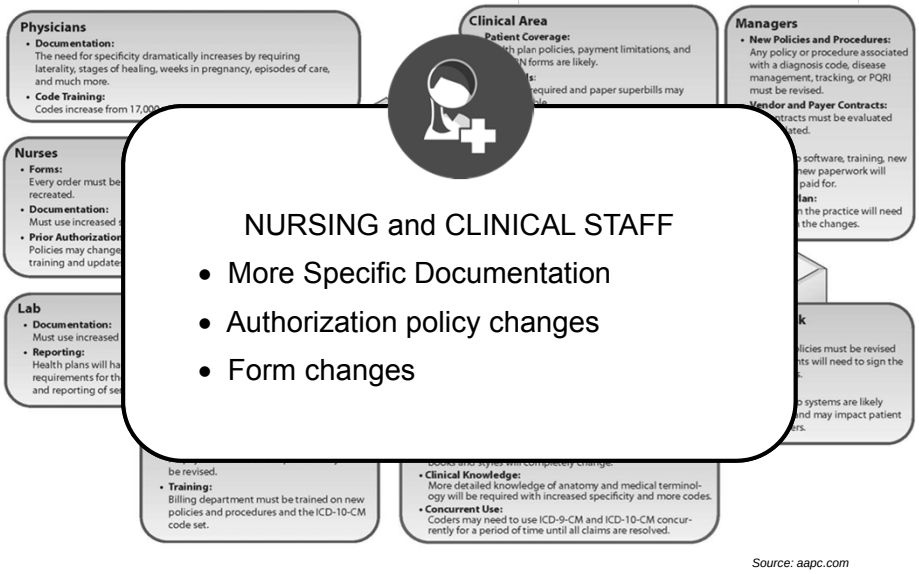


CODERS and BILLERS

- Learning curve of new ICD-10 codes
- Payer reimbursement policy changes
- Use both code sets (ICD-9 & ICD-10) for a period of time

Source: aapc.com

ICD-10 will change everything. Will you be ready?

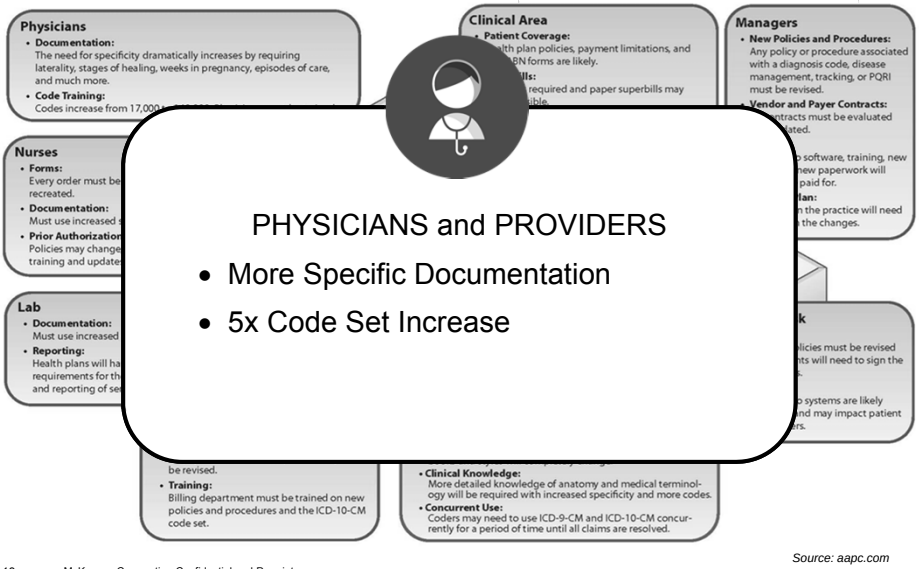


NURSING and CLINICAL STAFF

- More Specific Documentation
- Authorization policy changes
- Form changes

Source: aapc.com

ICD-10 will change everything. Will you be ready?



PHYSICIANS and PROVIDERS

- More Specific Documentation
- 5x Code Set Increase

Source: aapc.com

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Are You Prepared For This?

Today

Day 1	Day 15-20	Day 20-25	Day 26-30	Day 30-35
Claim file to payer	Payer processes claim file	Remit rec'd; pmts & adjs posted	Follow-up done on $1,000.00	
$5,000.00		Pmts - $3,000.00 Adjs - $1,280.00 Pat – $320.00 Not processed – $1,000.00		

Post ICD-10 Implementation

Day 1	Day 15-20	Day 20-25	Day 26-30	Day 30-35	Day 36 -
Claim file to payer			Payer processes claim file	Remit rec'd; pmts & adjs posted	Follow-up done on $1,500.00
$5,000.00				Pmts - $2,500.00 Adjs - $800.00 Pat – $200.00 Not processed – $1,500.00	

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Survey

Are your coders fully trained and prepared to code in ICD-10?

- Yes
- No
- Don't know

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Readiness

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January – April 2015 Timeline

Did you?

1. Evaluate current cash flow (age of account balances, billing lag time)
2. Set goals and plan to correct/prevent recurring errors/issues and optimize cash flow
3. Determine impact on quality initiatives (e.g., PQRS, EHR)
4. Complete ICD-10 training at all levels
5. Follow-up with electronic system vendors
6. Note payer news regarding ICD-10 claims testing requirements/opportunities
7. Review insurance contracts for diagnosis-based payment impact
8. Revise/develop/purchase internal coding resources (encounter forms, coding quick references)

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January – April Timeframe

1. Focus on frequently used codes
   - Top 100
   - Unusual codes, unusual volume
   - Training
2. Reduce average days to final billing
   - Days not billed
   - Benchmark
   - Prepare

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Other Questions to Consider

- Are upgrades completed or scheduled?
- Should 2014 reporting be completed prior to system upgrades?
- Is training on upgraded system necessary and if so, scheduled?

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September 2015 Timeline

Action items

1. Develop and assign workflow and processes effective 10/01/15
2. Verify that all testing was successfully completed
3. Consider direct-to-payer or other alternative claims submission resources (if testing has not been successful)
4. Continue to monitor payer news regarding readiness and changes to payment policies

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October 2015 – Ongoing Timeline

Action items

1. Monitor all claims acknowledgement (997) and acceptance/rejection (277) reports
2. Promptly correct and resubmit all rejected/denied claims
3. Evaluate post-implementation cash flow until claims filed with ICD-10 are consistently paid
4. Evaluate need for contingency activities (e.g., overtime, consultant, credit line)
5. Conduct coding review for accuracy and compliance
6. Monitor reimbursement accuracy and timeliness of payer per contract
7. Continue to monitor payer news regarding claims adjudication issues and resolutions

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Survey

Which do you think will impact your staff productivity the most?

- Increase in volume of codes
- Requirement to dual code in both ICD-9 and ICD-10
- Inadequate documentation of medical records
- Staff unclear of roles during implementation
- Lack of certified Staff
- New technology systems

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Lessons Learned

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Clinical Documentation

Key to a successful ICD-10 transition

Implement clinical documentation improvements found during compliance audits

- More detailed medical records
- More time to translate/interpret
- Increased delays in authorizations
- Increased claim rejections
- More time to research/resolve reimbursement issues
- Increase queries for documentation by facilities
- Same notes used in facility and office

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Clinical Documentation

Key to a successful ICD-10 transition

This breaks down to two major motivations for CDI:

1. **Patient care:** Complete and accurate medical records are needed to help ensure the patient gets the right treatment.
2. **Cash flow:** Medical claims are rejected and down-coded because there is not enough documentation to support a diagnosis.

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Clinical Documentation

Key to a successful ICD-10 transition

Key Steps to Improving Clinical Documentation

1. Assess documentation for ICD-10 readiness
2. Analyze the impact on claims
3. Implement early clinician education
4. Establish a concurrent documentation review program
5. Streamline clinical documentation workflow

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Training

- Education is a critical factor in a successful implementation of ICD-10 requiring a comprehensive training program
- Education should include coders as well as providers
- Implement the training in phases
  - Anatomy and pathophysiology refresher training
  - ICD-10 General Guidelines
  - Code Set Training
- Was the training successful – measure the outcomes
  - Did the training accomplish the objective?
  - Have the coders/providers developed a level of proficiency?
  - Consider dual coding for a period of time to measure proficiency

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Productivity

- Learning curve with compromised short-term productivity
- With continued due diligence, the coders and providers will become comfortable with ICD-10 and gradually productivity will increase.
- Do you know what your productivity is today?
  - American Academy of Professional Coders: coding productivity can be reduced by as much as 30-40% until the learning curve has been realized
- Factors influencing decrease in production:
  - Specialty
  - Coder knowledge
  - Provider documentation

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Accuracy

- Another area of concern is the increase of auditing charges for compliance in order to comply with the more extensive documentation that ICD-10 requires.
  - Dual Coding – consider having the coders code in both ICD-10 (translation to ICD-9 through the GEMS crosswalk)
  - Audit the ICD-10 code to help ensure accuracy
  - Does the documentation contain the specificity to code in ICD-10?
  - Is additional provider training warranted?
- In our testing environment, the accuracy rate of coders quarterly QA scores decreased by a minimal amount
  - Factors influencing decrease in accuracy
    - Specialty
    - Coder comprehension of training

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ICD-10: How to decrease the billing impact

- **Identify** your current systems which will need to migrate to ICD-10, such as clinical documentation, electronic health records, contracts and vendors, and reporting protocols.
- **Contact** your payers as ICD-10 may mean a modification of contracts, payment schedules, or reimbursement.
- **Assess** your facility to determine how the transition may disrupt or slow the billing process.
- **ICD-10 implementation and readiness testing** should be discussed with everyone in your billing chain to help ensure a smooth transition.
- **Test and report** documentation and billing for accuracy.

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ICD-10: How to decrease the central business office impact

- Review all super bill's and charge tickets for ICD-10 accuracy
- Review compliance strategies in the CBO
- Review any AR charge editing software
- Determine the coder's responsibilities in the CBO
- Training for staff that will process charges

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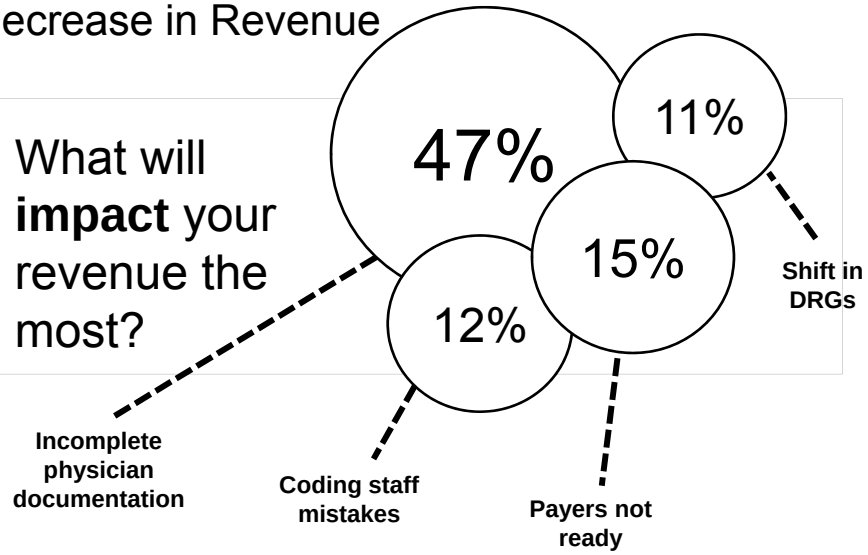
Top Reasons for Expected Decrease in Revenue

What will **impact** your revenue the most?



Source: Health Leaders Survey http://content.hcpro.com/pdf/content/268585.pdf

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ICD-10: How to decrease the central business office impact

Claims Validation and Processing

- New edits based on new payer proprietary rules.
- On-going builds of new edits increasing as payers refine adjudication criteria
- Changes as coding conventions for modifiers, injury codes, V codes, etc. may be replaced with more granular ICD-10-CM coding

Claims edits must be flexible and able to be customized

Survey

As a healthcare leader, where is your main focus over the next 8 months as you prepare for the transition to ICD-10 on Oct. 1?

- Hiring certified coders
- Training existing coders
- Selecting outsourcing vendor for coding services
- Testing in ICD-10
- Educating Physicians
- Clinical documentation audits
- Compliance planning
- Technology upgrades
- Payer readiness
- Revenue implications
- Staff productivity implications

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Points to Remember

- Preparation and planning is key to the success of the implementation
- Sufficient education is a must
- Understand the limitations of working with the systems (ICD-9 and ICD-10) in tandem
- Learn from the experience of others

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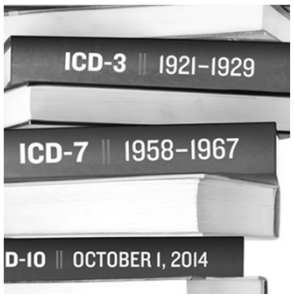
Resources



- American Hospital Association (AHA) www.ahacentraloffice.org
- American Medical Association (AMA) www.ama-assn.org/ama
- Center for Disease Control CDC) www.cdc.gov
- Center for Medicare & Medicaid (CMS) www.cms.gov
- American Health Information Association (AHIMA) www.ahima.org
- American Association of Professional Coders (AAPC) www.aapc.com
- Medicare Benefit Policy Manual, Ch 15, Sec. 80.6 www.cms.hhs.gov/manuals/downloads/bp102c15.pdf

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Q&A

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