

ICD-10 – ARRA/HITECH – HIPAA 5010 –ACA

**FIRST ANNUAL
CASE MANAGEMENT
CONFERENCE**

**March 4, 2011
Presented by:
Elaine Lips, RHIA**



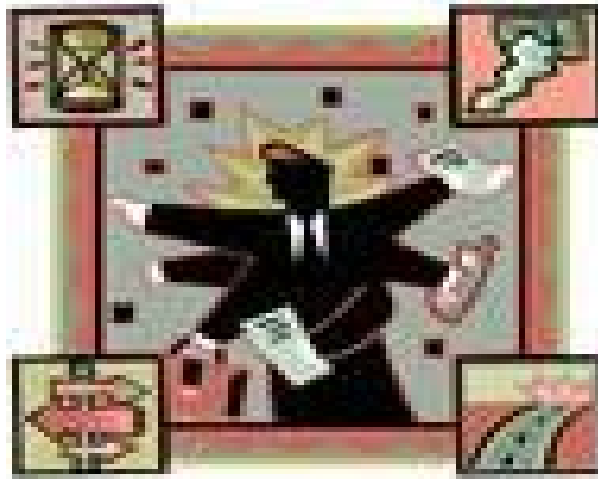
PRESENTATION OBJECTIVES

- Understand how the **ICD-10** , **ARRA / HITECH** , **HIPAA 5010** and **ACA** initiatives are inter-related
- Compare compliance dates and timelines
- Understand critical success factors
- Questions / Answers



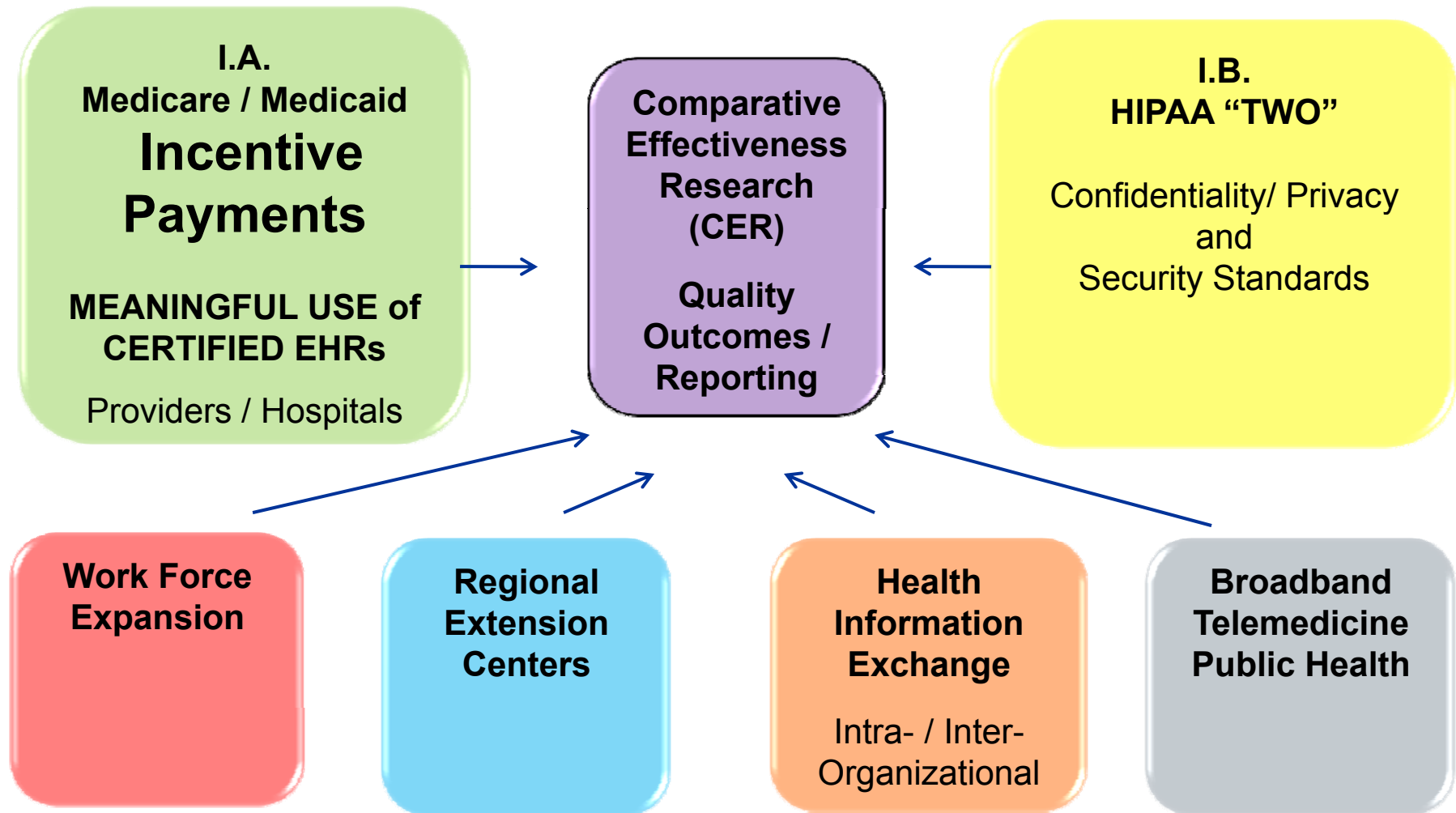
FIVE ENORMOUS INITIATIVES HAVE BEGUN THIS YEAR

ARE YOU WHERE YOU NEED TO BE?



I. 2009 ARRA / HITECH ACT

Key Components



I.A. Beginning in October 2010*

2009 ARRA / HITECH Act

Medicare / Medicaid
**Incentive
Payments**
MEANINGFUL USE
of
CERTIFIED EHRs
Providers / Hospitals

- **Division B, Title IV:**
Electronic Health Record (EHR) Installations
Incentive Payments are for “Adoption and Meaningful Use of Certified EHR Technology”

* Applies to **Medicare ONLY – Eligible Hospitals**

II. Compliance on January 1, 2012

1996 HIPAA Title II--Administrative Simplification Standards Modifications

- The **EDI Transactions Set**

Version 5010 and D.0 Transactions

Applies to **ALL (new / existing) HIPAA Covered Entities** and **ALL Accredited Standards Committee (ASC) X12 and National Council for Prescription Drug Program (NCPDP) transactions**

HIPAA 5010 COMPLIANCE DATES

- **HIPAA 5010 EFFECTIVE DATE:** **March 17, 2009**

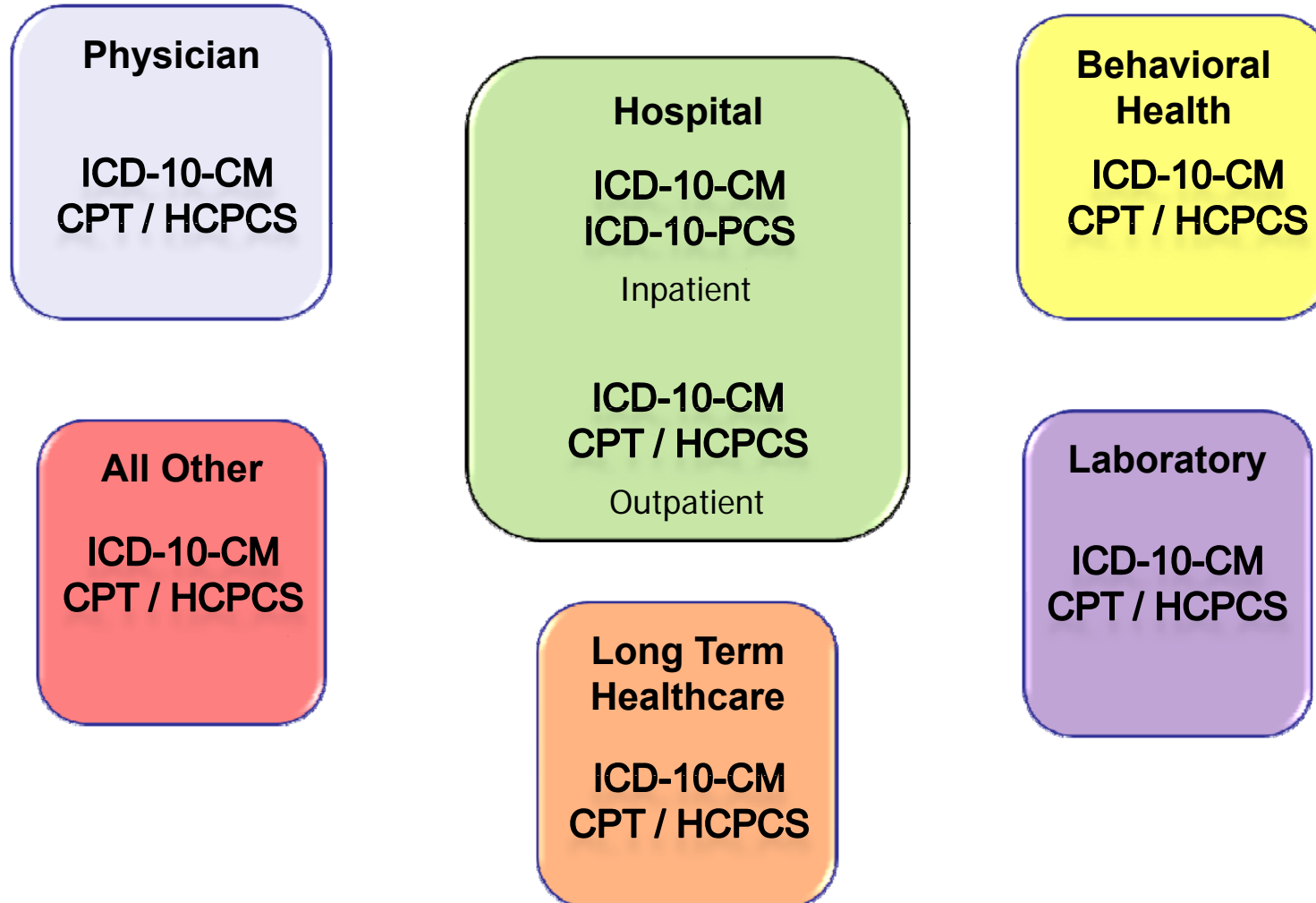
- **LEVEL I COMPLIANCE BY:** **December 31, 2010**
 - **CMS Medicare Fee-for-Service Schedule:**
April 1, 2010 through December 31, 2010

- **LEVEL II COMPLIANCE BY:** **December 31, 2011**
 - **CMS Medicare Fee-for-Service Schedule:**
January 1, 2011 through December 31, 2011

- **ALL CEs FULLY COMPLIANT ON:** **January 1, 2012**

III. Beginning on October 1, 2013

ICD-10-CM / PCS



IMPACT OF ICD-10

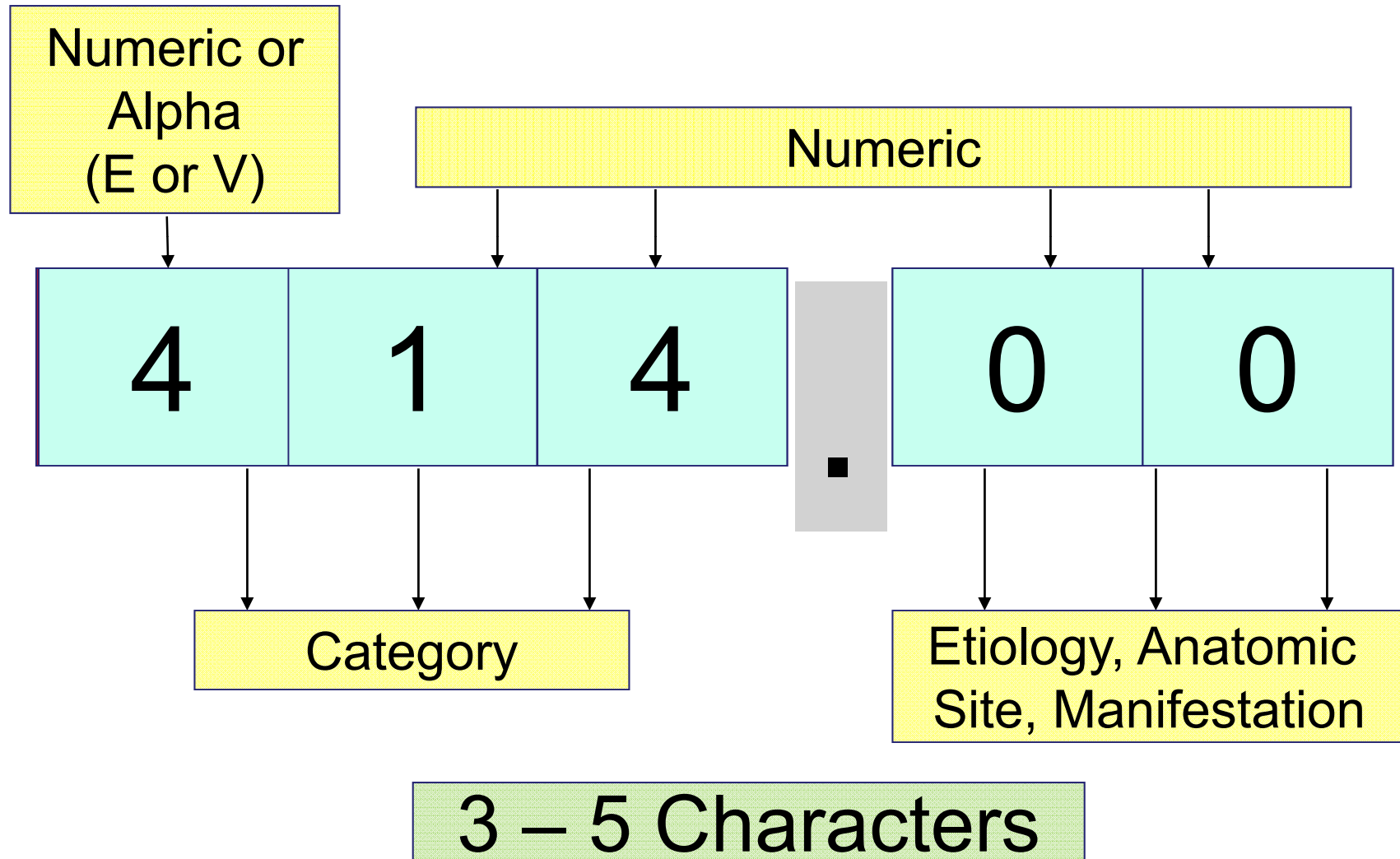
- Hospitals
- Laboratories
- Payers
- Pharmacies
- Clearinghouses
- Quality Organizations
- Electronic Health Record
- Physicians
- Federal/State Gov't Programs
- Clinics
- Product Vendors
- Behavioral Health
- Long Term Care
- Urgent Care
- Employers
- CDC
- Employers
- Patients (PHR)
- Public Information
- Quality Organizations (TJC)
- Charities
- Public School Systems

ICD-10

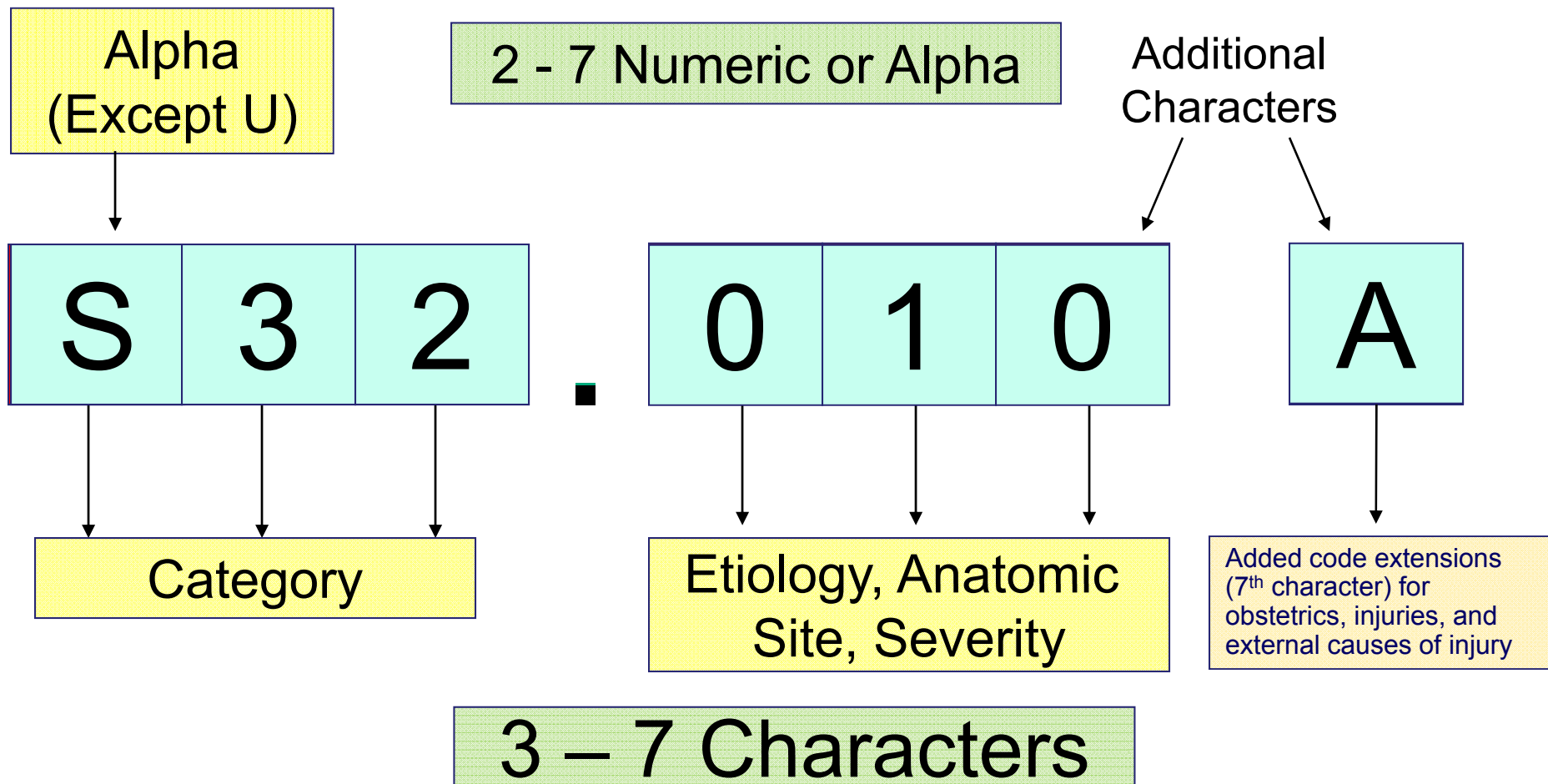
IMPACT TO YOUR ORGANIZATION

- **Strategic and operational planning**
- **Improve clinical, financial & administrative performance**
- **Payment systems**
- **Claims processing**
- **Research, clinical trials, and other studies**
- **Measuring quality, safety & efficacy of care**
- **Tracking public health issues**

ICD-9-CM Structure – Format



ICD-10-CM Structure – Format



Comparison of ICD-9-CM vs. ICD-10-CM (For Coding Diagnoses Only)

ICD-9-CM	ICD-10-CM
Diagnosis Codes Only	Diagnosis Codes Only
3-5 characters in length	3-7 characters in length
Approximately 14,000 codes	Approximately 69,000 available codes
First digit may be alpha (E or V) or numeric; Digits 2-5 are numeric	Digit 1 is alpha; Digits 2 and 3 are numeric; Digits 4-7 are alpha or numeric
Limited space for adding new codes	Flexible for adding new codes
Lacks detail	Very specific
Lacks laterality	Allows laterality and bilaterality
Difficult to analyze data due to non- specific codes	Specificity improves coding accuracy and richness of data for analysis
Codes are non-specific and do not adequately define diagnoses needed for medical research	Detail improves the accuracy of data used for medical research
Does not support interoperability because it is not used by other countries	Supports interoperability and the exchange of health data between the U.S. and other countries

ICD-10-CM = GREATER TRANSPARENCY

CODE COMPARISON EXAMPLE: CORONARY ARTERY DISEASE with ANGINA

ICD-9-CM	ICD-10-CM
<p>2 codes needed:</p> <ul style="list-style-type: none">• location of CAD – 8 codes (414.0X)• type of angina – 4 codes (411.1, 413.X)	<p>1 code needed from 36 codes (I25.XXX)</p> <ul style="list-style-type: none">• Includes:<ul style="list-style-type: none">• more specific location• with / without angina

THERE IS AN ICD-10 CODE FOR EVERYTHING!

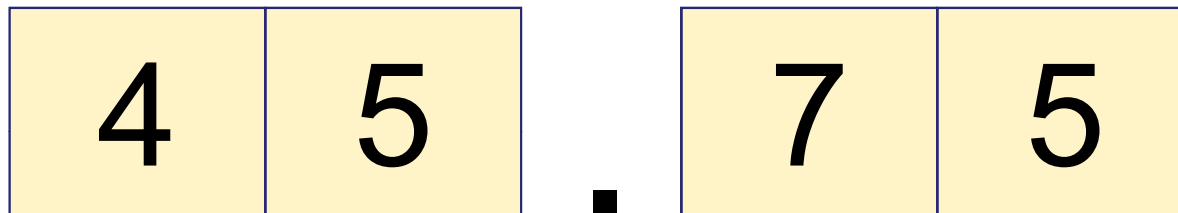
Skateboarder Colliding Into The Wall of His Garage

V00.132A

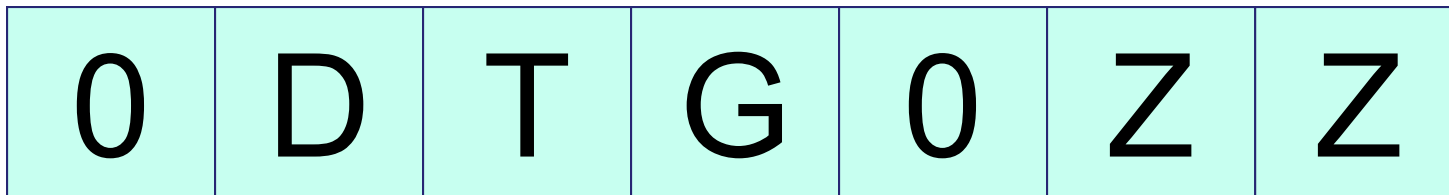


ICD-10-PCS – Structure

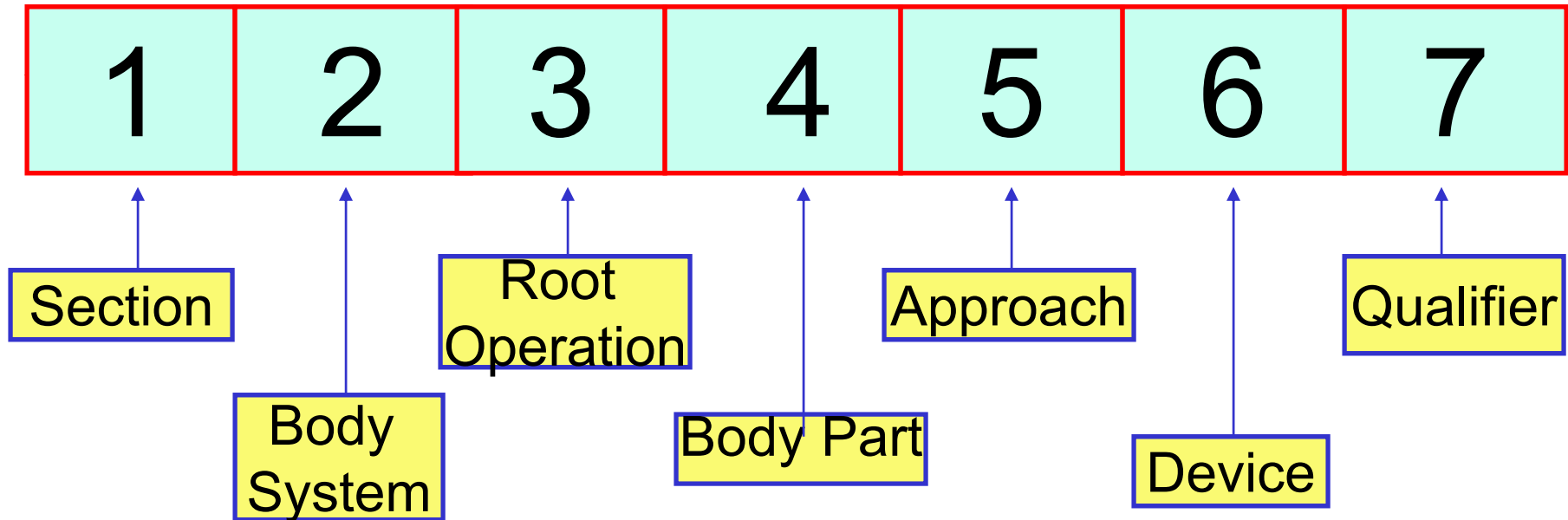
ICD-9-CM:



ICD-10-PCS:



ICD-10-PCS – Structure Characters (Med/Surg)



Comparison of ICD-9-CM vs. ICD-10-PCS (For Coding Procedures Only)

ICD-9-CM Procedure Codes	ICD-10-PCS Procedure Codes
3-4 numbers in length	7 alpha-numeric characters in length
Approximately 3,000 codes	Approximately 71,000 available codes
Based on outdated technology	Reflects current usage of medical terminology and devices
Limits DRG assignment	Allows DRG definitions to better recognize new technologies and devices
Limited space for adding new codes	Flexible for adding new codes
Lacks detail	Very specific
Lacks laterality	Has laterality
Lacks description of methodology and approach for procedures	Provides detailed descriptions of methodology and approach for procedures
Lacks precision to adequately define procedures	Precisely defines procedures with detail regarding body part, approach, any device used and qualifying information
Generic terms for body parts	Detailed descriptions for body parts

ICD-10-CM = GREATER TRANSPARENCY

CODE COMPARISON EXAMPLE: DIAGNOSTIC COLONOSCOPY

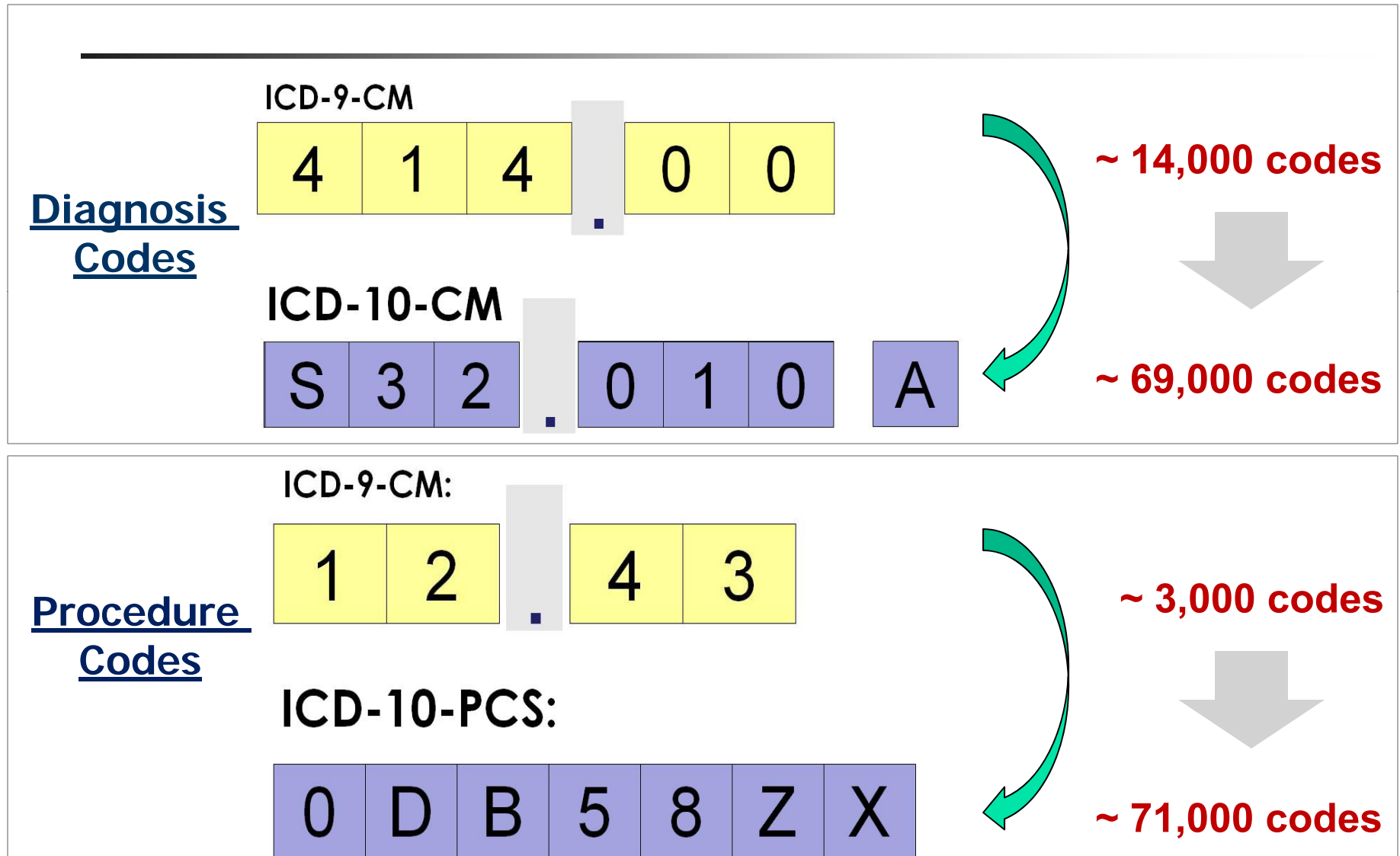
ICD-9-CM	ICD-10-PCS
<p>Only 1 code needed:</p> <ul style="list-style-type: none">• approach (45.2X)	<p>1 code needed from 12 codes (ODJX8ZZ)</p> <ul style="list-style-type: none">• Includes:<ul style="list-style-type: none">• approach• more specific location

THERE IS AN ICD-10 CODING FOR EVERYTHING!

Farmer Struck By His Prized Pig – Initial Occurrence
W.55.42xA



10- Fold Increase In Number of Codes





ICD-9 AND ICD-10 CODE SET PARTIAL FREEZE ANNOUNCED

- Currently, there are over 150,000 ICD-10 CM/PCS codes
- On September 15, 2010, at the ICD-9-CM Coordination and Maintenance Committee Meeting the final decision for partial code set freeze was announced
- Last regular, annual updates to both ICD-9-CM and ICD-10 code sets will be made on **October 1, 2011**
- On **October 1, 2012**, there will be only limited code updates to both ICD-9-CM and ICD-10 codes sets to capture new technologies and diseases
- On **October 1, 2013**, there will be only limited code updates to ICD-10 code sets to capture new technologies and diagnoses. There will be No updates to ICD-9-CM, as it will no longer be used for reporting
- On **October 1, 2014**, regular updates to ICD-10 will begin

GENERAL EQUIVALENCE MAPPINGS (**GEMs**): ICD-9-CM TO / FROM ICD-10-CM & ICD-10-PCS

- **General Equivalence Maps (**GEMs**) between ICD-9-CM and ICD-10-CM / PCS have been developed as a tool to assist with converting large ICD-9-CM databases to ICD-10-CM / PCS**
 - ICD-9-CM ↔ ICD-10-PCS via CMS web site
 - ICD-9-CM ↔ ICD-10-CM via CMS / NCHS web site
- **GEMs can be used:**
 - to convert payment / reimbursement systems, payment and coverage edits, risk-adjusted logic
 - to track quality measures
 - to record morbidity & mortality
 - in research applications involving trend data



TOOLS TO CONSIDER USING DURING AND AFTER ICD-10 IMPLEMENTATION

Examples:

- **Computer-Assisted Coding (CAC)**
- **Translation Engines**
 - **Various Types of Mapping Tools**
 - **Terminology Portal To Access Content & Standards**
 - **Encoder “Crosswalk” or “Simulator” capability**
- **Medical Content**
 - **SNOMED or ICD-10 For Problem Lists**
 - **Provider-friendly Terminology**
 - **Consumer-friendly Terminology**
- **Analytic**
- **Predictive Modeling**
- **Mapping Analysis**



IV. 2010 PATIENT PROTECTION and AFFORDABLE CARE ACT

with the Health Care and Education Reconciliation Act

aka HEALTHCARE REFORM ACT

covering 32M more Americans

Key Components



Beginning in 2010*

2010 ACA (Healthcare Reform) Act

*Applies to **US Hospitals / Other Providers**

- **ACA EFFECTIVE DATE:** **March 23, 2010**

- **CMS PAYMENT REDUCTIONS:** **2010**
- **INITIATIVES TO IMPROVE VALUE/ QUALITY:** **2012**
- **PENALTIES – HIGH HOSPITAL READMISSION RATES:** **2013**
- **MEDICAID:** **2014**
 - Coverage Expansion
 - State Health Insurance Exchanges
 - Payment Advisory Commission
 - Disproportionate-share Payment Cuts
- **PENALTIES – HOSPITAL-ACQUIRED INFECTIONS:** **2015**

THEREFORE

**Strategic Planning must begin
YESTERDAY
for the convergence
of these five ENORMOUS
Technology, Process, and People
initiatives.**



Most Organizations Perceive Compliance as a **VENDOR** Problem

Vendor will **NOT** change internal interfaces and custom reports

Vendor might fail compliance or decide not to comply

Vendor might not be timely or fully compliant

Vendor's compliance strategy might be different from yours

Vendor's timing might not sync with your timing

Vendor might not view their role the same as you do



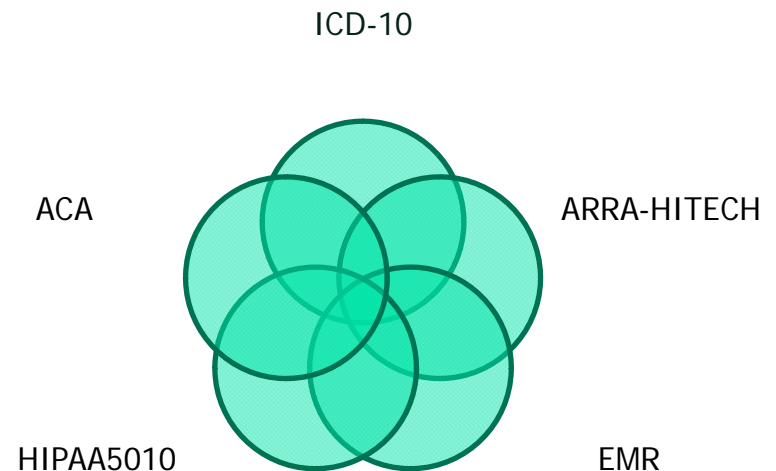
Most Organizations Perceive Compliance as a **VENDOR** Problem

**And internal functions –
workflows, health plans
and business processes –
will be affected,
not just
information systems!**



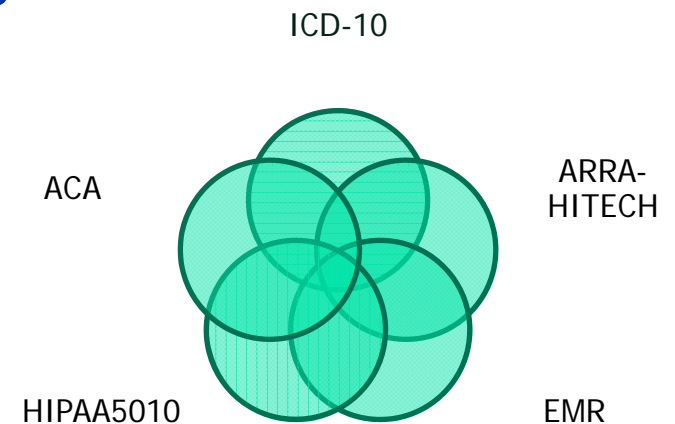
THESE INITIATIVES ARE INTER-RELATED! WHY PLAN SEPARATELY?

- **Leadership, teams, and committee members for these initiatives are similar to RAC Committee and ARRA / HITECH MU Committee:**
 - IT / CIO and CMIO
 - Medical Staff / CMO / VP Medical Affairs
 - Revenue Cycle Management
 - Health Information Management
 - Nursing / CNO
 - Case Management
 - Legal
 - Quality Management
 - Internal Auditors



THESE INITIATIVES ARE INTER-RELATED! WHY PLAN SEPARATELY?

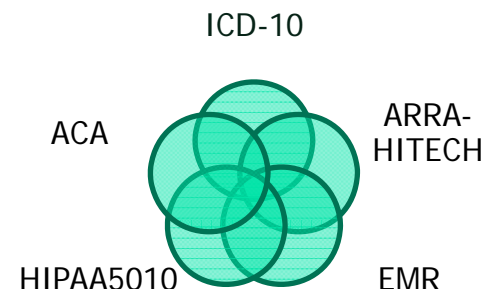
- **Same systems, vendors, interfaces, IT resources**
- **Same existing and planned priorities**
 - **Contract changes (provider, payer, vendor)**
 - **System modifications / upgrades**
 - **New reports / report revisions**
 - **Reimbursement schemes**



THESE INITIATIVES ARE INTER-RELATED! WHY PLAN SEPARATELY?

ARRA / HITECH - Meaningful Use of Certified EHRs

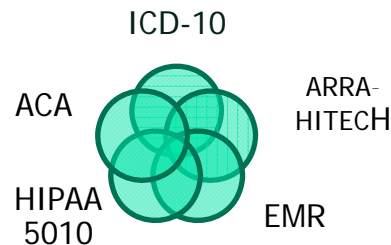
- CPOE's Revenue Cycle Impact
- Clinical Documentation Impact
- HIPAA 5010 / ICD-10 are NOT only HIM / RCM initiatives
- All the physicians implementing their first EHRs also will be impacted by HIPAA 5010 and ICD-10
- Legal EHR Impact



THESE INITIATIVES ARE INTER-RELATED! WHY PLAN SEPARATELY?

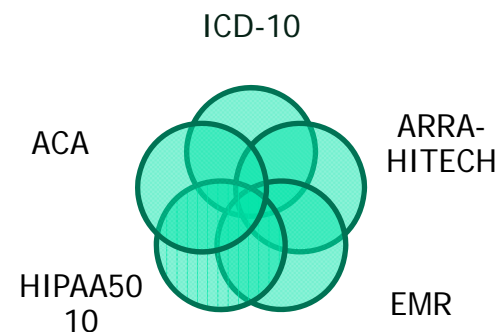
ARRA / HITECH – HIPAA “TWO”

- Many organizations still haven't implemented HIPAA “ONE”
- Raises the bar on expectations
- Don't wait until 2015 to move information from the desktop and incorporate encryption into information management.
- CE's are now faced with new rules regarding expanded accounting for disclosures, such as giving patients who pay for their own services the ability to restrict disclosure of their records upon request.



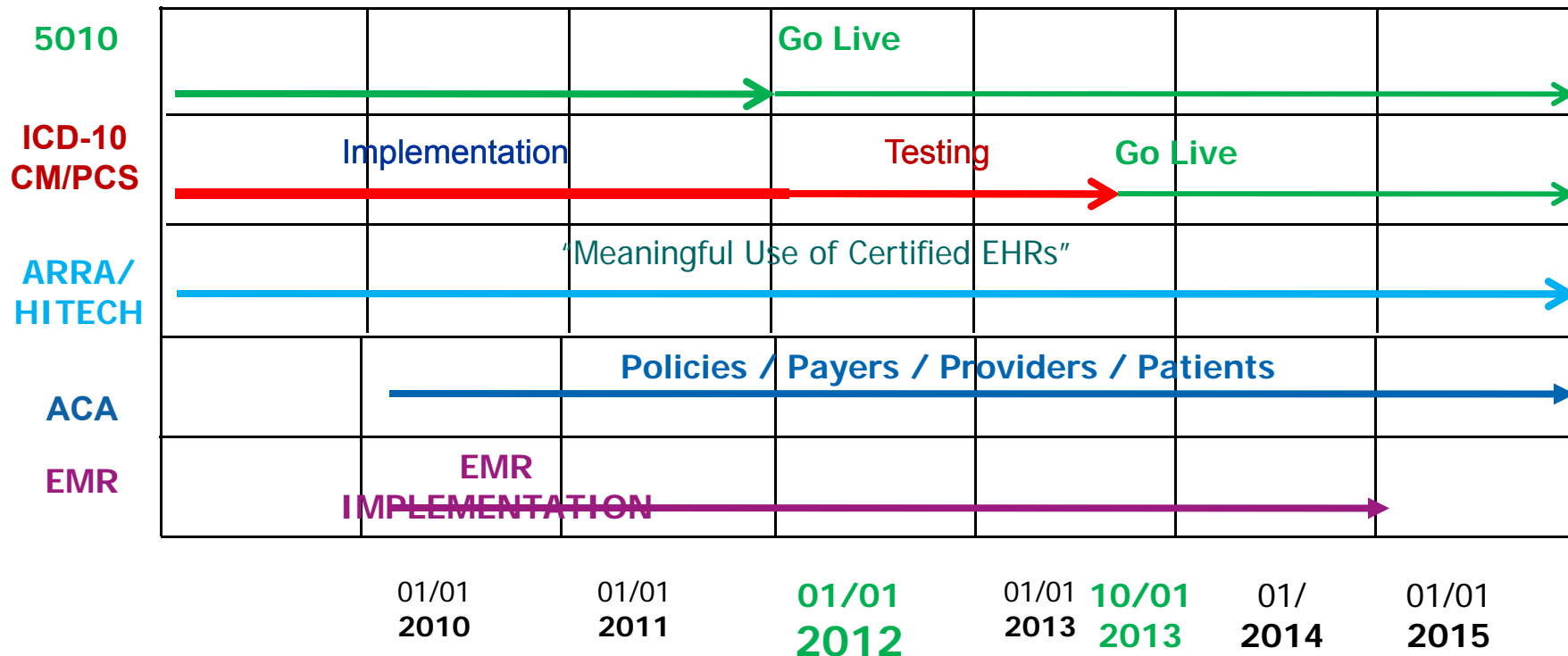
THESE INITIATIVES ARE INTER-RELATED! WHY PLAN SEPARATELY? **ACA (Healthcare Reform)**

- CMS' payment contractors to conduct medical reviews of claims **BEFORE** paying them; includes fraud provisions
- **Operating Rules for New and Existing HIPAA EDI Transaction Codes: Standardization for determining and updating Eligibility, Enrollment Benefits, and Claims Status**
- **ICD Coordination & Maintenance Committee (ICD-9-CM) convened on September 15, 2010 and clarified that the “crosswalks” mentioned in ACA refer to the GEMs posted on the CMS and CDC websites**



STRATEGIC PLANNING IS KEY

AVOID THE "PERFECT STORM"



COMBINED HIPAA 5010 and ICD-10 TIMELINE

Source: NCHICA (No Carolina Healthcare Information and Communications Alliance, Inc.)
and WEDI (Workgroup for Electronic Data Interchange)

TASK NAME	DURATION	START	FINISH
<u>PROVIDER TASKS</u>	1286days?	1/16/09	12/21/13
Partner Communications	60 emo	1/16/09	12/21/13
Organize Implem. effort	256 days	1/16/09	1/11/10
Briefing and buy in	2 emo	1/16/09	3/17/09
Develop preliminary impact analysis and implementation plan	9 emo	1/16/09	10/13/09
Organize Cross func. effort	12 emo	1/16/09	1/11/10
Estimate budgets	2 emo	10/13/09	12/12/09
Develop implementation plan	3 emo	10/13/09	1/11/10



ICD-10 IMPLEMENTATION TIMELINE

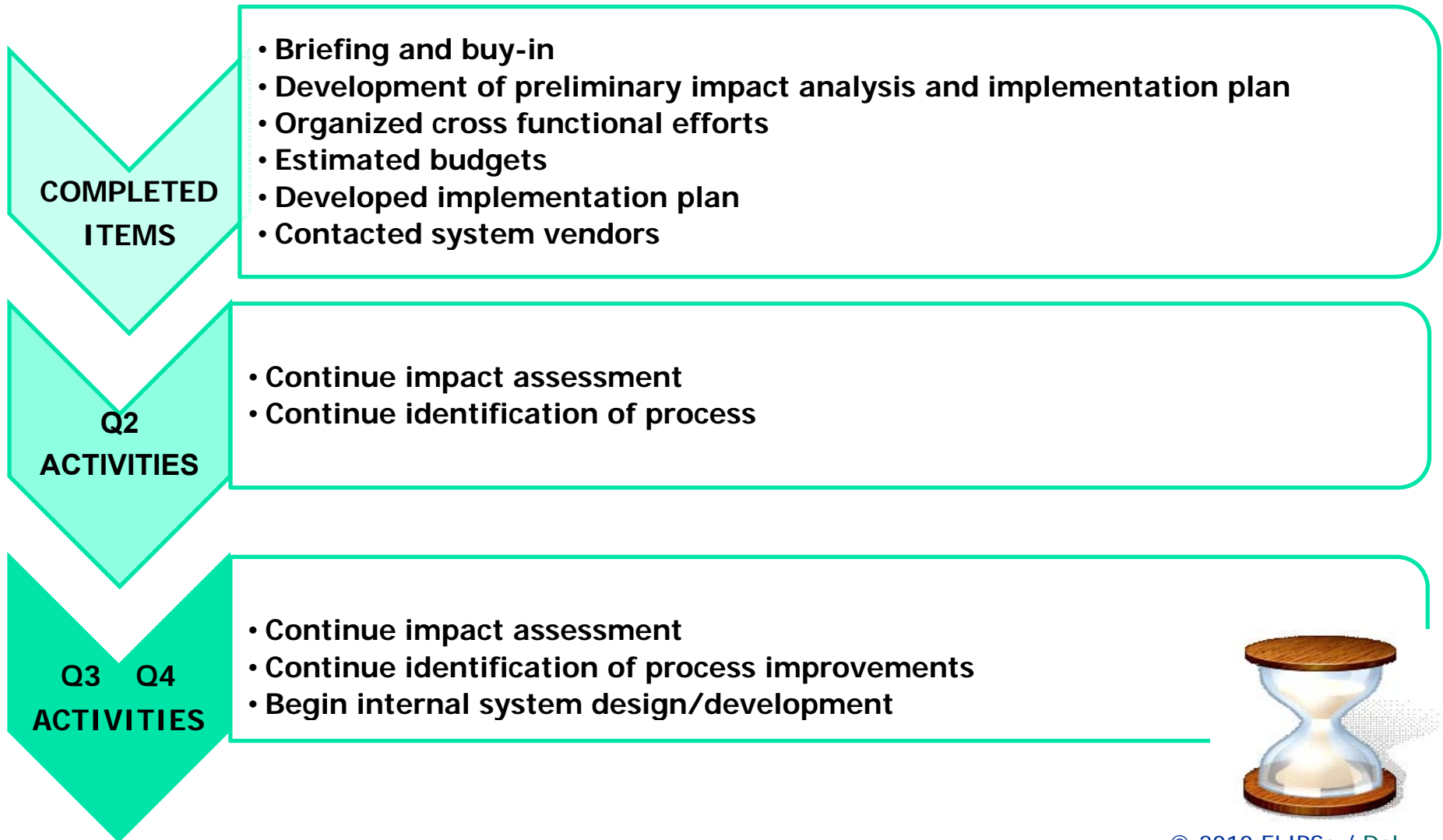
Source: American Health Information Management Association (AHIMA)

TASK NAME	DURATION	START	FINISH
ICD-10 Implementation Schedule	1276d	1/16/09	12/6/13
Final Regulations	792d	1/16/09	1/30/12
"Published Rule-ICD-10, v5010, vD.0,v.3.0"	1d	1/16/09	1/16/09
Rule effective	1d	3/17/09	3/17/09
Version 5010/D.0/3.0 Activities	542d	1/1/10	1/30/12
Planning	67d	6/1/09	9/1/09
Kick-off Meeting	1d	6/1/09	6/1/09
Develop Project Documents	55d	6/2/09	8/17/09
Work Breakdown Schedule (WBS)	15d	6/2/09	6/22/09
Project Strategy	10d	6/23/09	7/6/09
Project Budget	15d	7/7/09	7/27/09
Project Schedule and Plan	15d	7/28/09	8/17/09
Submit Project Documents for Approval	41d	6/23/09	8/18/09
Project Schedule and Plan	1d	8/18/09	8/18/09
Approve Project Documents	50d	6/24/09	9/1/09



ICD-10 IMPLEMENTATION BENCHMARKS – 2010

Source: WEDI and NCHICA



AHIMA MILESTONES – 2010

Source: AHIMA ICD-10 Project Guide



Develop & Execute Project Plan
Awareness Presentations
Impact Assessment – Gap Analysis

Internal & External Software System Modifications
Update Vendor/Contractor Contracts (Clinical Systems, Coding Systems, Payment Systems)
Implementation Test Systems

Initial ICD-10 CM & PCS Training & Education
-Clinical staff, Medical Staff, Billing/Financial Staff, HIM/Coding Staff
Approvals for Project Strategy, Budget, Schedule

THE 'OMG' FACTOR

POTENTIAL CONSEQUENCES FOR INADEQUATE PLANNING OR MINIMUM COMPLIANCE

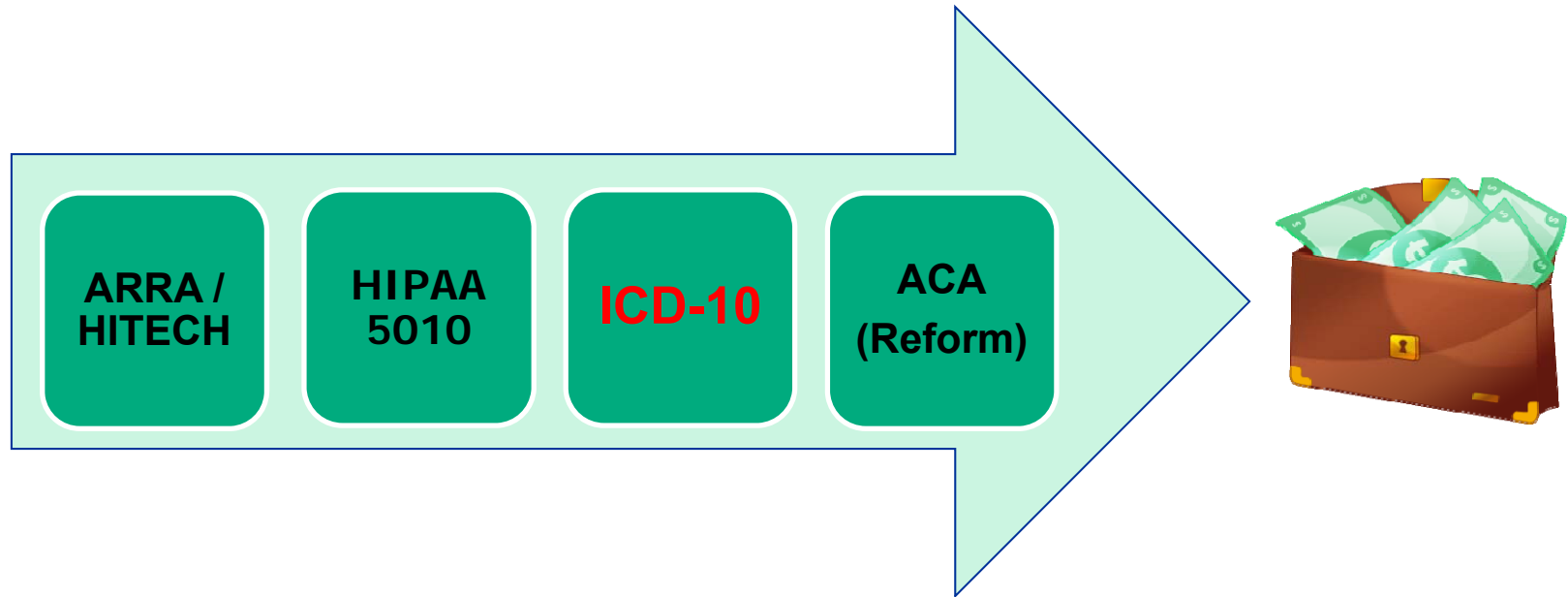
- **ARRA / HITECH**
- **HIPAA 5010**
- **ICD-10**
- **ACA (Reform)**
- **EMR**



F41.0

THE WOW FACTOR

STRATEGIC ADVANTAGES, REWARDS, & BENEFITS FOR EARLY COMPLIANCE



RECOMMENDED STEPS TO COMPLIANCE

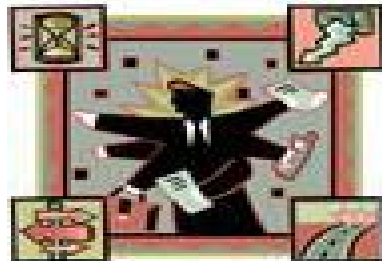
2011 – ICD-10 Road Map

- ❖ **Develop a Strategic Process**
- ❖ **Perform a Technical & Operational Inventory**
- ❖ **Assess Readiness/Perform Gap Analysis**
- ❖ **Develop Education & Training Plan**
 - **Use ICD10 to enable change**
- ❖ **Analyze Costs/Prepare Budget**
- ❖ **Develop Implementation Plan**

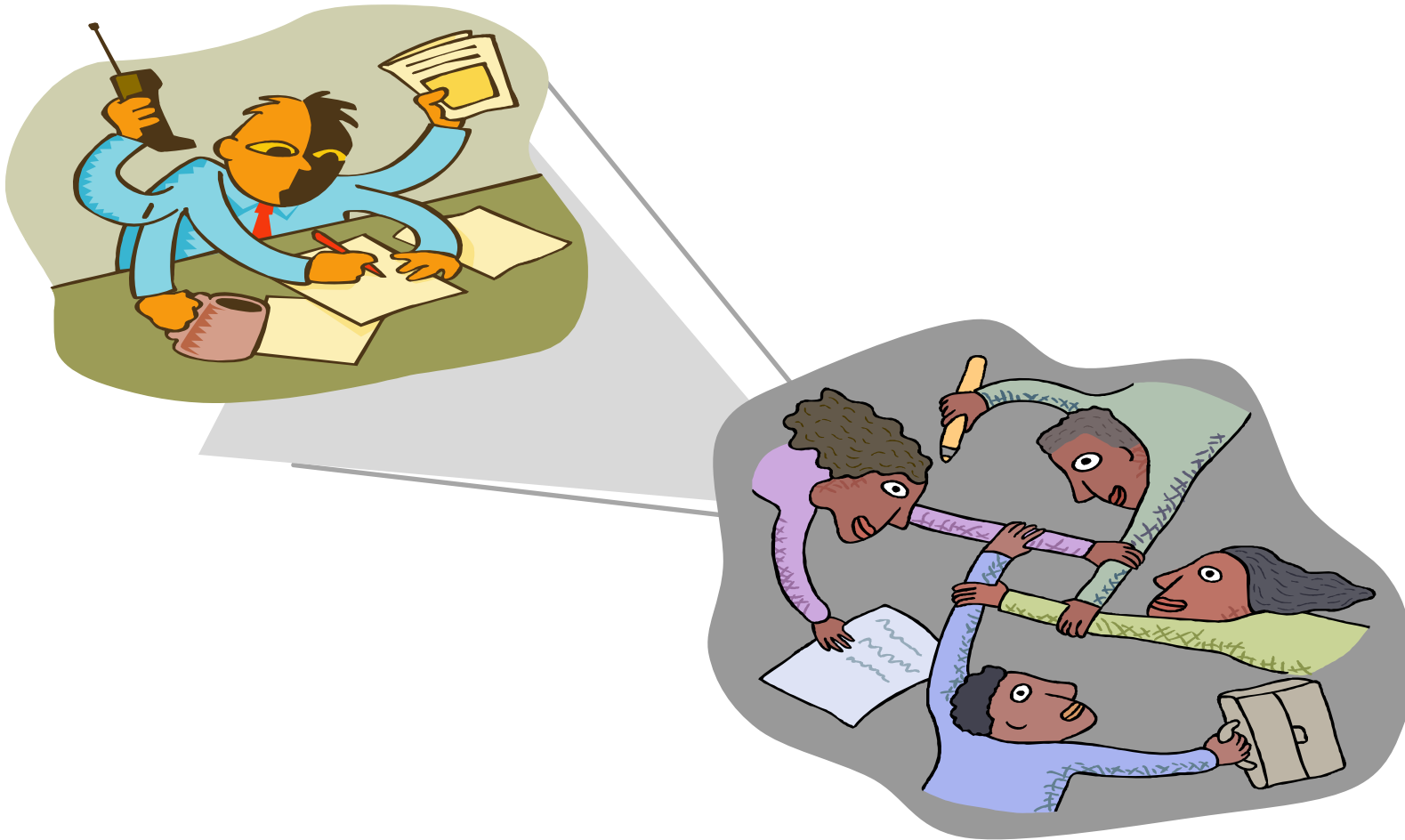


THESE FIVE ENORMOUS INITIATIVES

- **Will significantly impact the organization's business processes as well as affect its revenue cycle and information systems that supports their current clinical and administrative operations**
- **Will significantly impact an organization's investment priorities – more than you are facing today**



It's not a project.....
.....it's a PROGRAM!



CONTACT INFORMATION

EXPERIENCE THAT CAN ASSIST

Elaine Lips, RHIA

President & CEO

ELIPSe, Inc.

Los Angeles CA

310.820.3592

elaine.lips@eclipsehealth.com

QUESTIONS / ANSWERS

