ICD-10: Obstacle or Opportunity?
Best Practices to Make ICD-10 Work For Your Organization
October 18, 2012
## What We’ll Cover Today

### Topics

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Overview of ICD-10 Mandate
## Overview – What is ICD-10?

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>When does it start?</td>
<td>October 1, 2014*</td>
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<tr>
<td>Why the change?</td>
<td>Simply put…ICD-9 is out-of-date and out-of-room</td>
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<td>ICD-10 brings global alignment</td>
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<tr>
<td>What does it affect?</td>
<td>ICD-CM/PCS in health care transactions</td>
</tr>
<tr>
<td></td>
<td>Outpatient claims with dates of service, and inpatient claims with dates of discharge on and after October 1, 2013</td>
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<tr>
<td>Who does it affect?</td>
<td>Covered entities</td>
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<td></td>
<td>All payers, providers &amp; clearinghouses</td>
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<tr>
<td>Says who?</td>
<td>Dept. of Health &amp; Human Services (HHS)</td>
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*On 08/24/12 the Department of Health & Human Services (HHS) released the final rule for the ICD-10 compliance date of 10/01/14 which is a year delay from the original timeline of 10/1/13.
5010 & ICD-10 Compliance Timelines

**ICD-10 Readiness Assessment**
- Identify people, process and system impacts
- Review coding, documentation and potential financial impact
- Review vendor upgrade plans
- Begin communication with payers
- Assess education & training needs
- Development of Road Map

**System Remediation/Replacement**
- Workflow Redesign
- 360 Testing
- Education & Training (Coder, Physician & Operations/IT Staff)

**Post-Compliance Monitoring**
- A/R Days
- Reimbursement/Revenue
- Denials
- Physician Documentation
- Case Mix Index
- Business Process Optimization; leverage specificity of ICD-10 data

**You Are Here**
- June 30, 2012 – 5010 Compliance Date
  (includes 180 day grace period)
- October 1, 2014* – ICD-10 Compliance Date

*On 04/09/12 the Department of Health & Human Services (HHS) released the proposed timeline of 10/01/14 which is a year delay from the original timeline of 10/1/13.
How will ICD-10 Improve Quality of Care?

<table>
<thead>
<tr>
<th>10 Ways ICD-10 Will Improve Quality of Care</th>
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<tbody>
<tr>
<td>Cheryl Clark, for HealthLeaders Media, December 1, 2011</td>
</tr>
</tbody>
</table>

| 1 | Updates to current terminology and specificity |
| 2 | Improves public health tracking |
| 3 | Discourages upcoding, fraud |
| 4 | Specifies reasons for patient non-compliance |
| 5 | Allows for detailed data on injuries, accidents |
| 6 | Tracks healthcare-associated conditions |
| 7 | Specifies procedures by degree of difficulty |
| 8 | Allows for more precision in reporting complications from medical devices |
| 9 | Creates jobs |
| 10 | Aligns with EHR |
Overview of ICD-10
Significantly More Complex Than ICD-9

<table>
<thead>
<tr>
<th></th>
<th>ICD-9</th>
<th>ICD-10</th>
</tr>
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<tbody>
<tr>
<td><strong>Diagnosis Codes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital and physician settings</td>
<td>17,000</td>
<td>68,000</td>
</tr>
<tr>
<td><strong>Procedure Codes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient services</td>
<td>4,000</td>
<td>72,000</td>
</tr>
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</table>
Impact: Documentation & Coding Enhancements

ICD - 9

MRN 0345796
H&P
Consult
Orders
Progress Notes

Dog

Enhanced precision and accuracy

ICD - 10

MRN 0345796
H&P
Consult
Orders
Progress Notes

Dog - Large

Dog - Medium

Dog - Small
Impact: Documentation & Coding Enhancements

**ICD - 9**

- Other specified injury caused by animal
  - E906.8

**ICD - 10**

- Struck by **turtle**, initial encounter
  - W59.22xA
- Struck by **dolphin**, initial encounter
  - W56.02xA
- Struck by **turkey**, initial encounter
  - W61.42xA
- Struck by **sea lion**, initial encounter
  - W56.12xA
- Struck by **goose**, initial encounter
  - W61.52xA
- **Struck** by **chicken**, initial encounter
  - W61.32xA
- **Pecked** by **chicken**, initial encounter
  - W61.33xA

Enhanced precision and accuracy
Impact: Documentation & Coding Enhancements

**ICD-9**
- Acute asthma exacerbation: 493.92

**ICD-10**
- Asthma, *mild*, *intermittent*, with acute exacerbation: J45.21
- Asthma, *mild*, *persistent* with acute exacerbation: J45.31
- Asthma, *moderate*, *persistent* with acute exacerbation: J45.41
- Asthma, *severe*, *persistent* with acute exacerbation: J45.51

Enhanced precision and accuracy
### Impact: Physician Documentation Enhancements

<table>
<thead>
<tr>
<th>Mild intermittent</th>
<th>Mild persistent</th>
<th>Moderate persistent</th>
<th>Severe persistent</th>
</tr>
</thead>
</table>
| • Symptom frequency **twice a week or less**  
  • Waking at night due to symptoms **twice a month or less**  
  • Necessary use of intermediate relief inhaler **twice a week**  
  • **Little or no interference** with daily activities  
  • **Normal** peak flow readings between symptom  
  • **Not requiring** the use of oral steroids to control or requiring them **once per year**  | • Symptom frequency **more than two days a week, but not every day**  
  • Waking at night due to symptoms **three-four times a month**  
  • Necessary use of intermediate relief inhaler **more than two times a week**  
  • **Minor** interference with daily activities  
  • Peak flow readings equal to **80% of personal norm**  
  • Requiring the use of oral steroids **two or more times a year**  | • **Daily symptoms**  
  • Waking at night due to symptoms **more than one time a week**  
  • Necessary use of intermediate relief inhaler **daily**  
  • **Some** interference with daily activities  
  • Peak flow readings from **60-80% of personal norm**  
  • Requiring the use of oral steroids **twice a year**  | • **Frequent symptoms throughout the day**  
  • Waking at night due to symptoms **often every night**  
  • Necessary use of intermediate relief inhaler **several times daily**  
  • Symptoms that **severely** limit daily activity  
  • Peak flow readings **less than 60% of personal norm**  
  • Requiring the use of oral steroids **two or more times a year**  |
What are the challenges?
There’s just a few…..

<table>
<thead>
<tr>
<th>Strategic</th>
<th>Finance/Operations</th>
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<tbody>
<tr>
<td>✓ Compliance vs. optimization</td>
<td>✓ Identification of use of dx data</td>
</tr>
<tr>
<td>✓ Alignment with other strategic initiatives</td>
<td>✓ Education &amp; training</td>
</tr>
<tr>
<td>✓ Communication &amp; awareness</td>
<td>✓ Staffing &amp; budgeting</td>
</tr>
<tr>
<td></td>
<td>✓ Direct/indirect reimbursement impact</td>
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<table>
<thead>
<tr>
<th>Systems/IT</th>
<th>Clinical</th>
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<tr>
<td>✓ Planned upgrades, replacements and new system implementation</td>
<td>✓ Appropriate use of technology</td>
</tr>
<tr>
<td>✓ Unit, integrated &amp; 360° testing</td>
<td>✓ Physician engagement &amp; buy-in</td>
</tr>
<tr>
<td>✓ Ongoing vendor/payer communication &amp; management</td>
<td>✓ Physician education (employed vs. non-employed)</td>
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Scope of Potential Business Impact Areas

- Patient Access
  - Registration (Central; ED; Ambulatory; Ancillary)
  - Scheduling
  - Admitting/Discharge/Transfers
  - Prior-Authorizations/Pre-Certifications
  - Medical Necessity Checks
  - Bed Management

- Clinical and Ancillary
  - Physician & Nurse Documentation
  - Ancillary and Support Services Documentation
  - Order Entry & Results
  - Workflow within EMR
  - Case Management
  - Clinical Research
  - Workflow and Transfers Between Clinical Units

- Health Information Management
  - Coding and Abstracting
  - Deficiency Tracking
  - Claim Edit Work Lists
  - NCCI/LMRP Edits
  - Encoding and Grouping
  - Physician Query
  - Clinical Documentation Improvement

- Patient Financial Services
  - Charge Entry
  - Payer & Clearinghouse Edits
  - Contracting
  - Facility & Professional Billing
  - Follow Up and Denial Management
  - Claims Status

- Analytics and Reporting
  - Quality/Outcomes Reporting
  - Financial/Revenue Reporting
  - Public Health Reporting
  - Clinical Registries
  - Data Warehouse
  - ICD-9 to ICD-10 Mapping and Translation
  - Compliance

- Strategic Initiatives
  - Implementation of New Business and/or Clinical Systems
  - Transition to Paperless Environment
  - Opening of New Facility
  - Narrowing of IT Vendor Portfolio
  - Implementation of Computer-Assisted Coding

Organizational Support: Project Management - Education and Training - IT
ICD-10 Transition – Lessons Learned & Critical Success Factors
Lessons Learned
It’s a numbers game….

Well not really….but bet you won’t guess what these numbers represent!

107
Number of workflows impacted that use codified diagnosis information

45
Number of applications that require some sort of remediation or upgrade related to ICD-10

7,024
Total number of education hours required across hospital system
Lessons Learned
Think outside the box…..

- Inpatient, Outpatient, Professional Coding
- Claim edits and denials
- DRG assignment
- Physician Queries & Deficiencies

- Diagnosis-based claim/account/payer edits & denials
- Medical Necessity (linking procedures to diagnosis)

Impact Workflows

Obvious

- Coding

Non-Obvious

- Performance Improvement & Quality
- Patient Access
- Physician Documentation

Clinical Registries
- Core Measures tracking & reporting
- Risk Management
- Clinical Research

- Medicare Compliance for OP services
- Prior-authorizations

- Documentation workflow within EMR
- Use of electronic templates & voice recognition
- CAPD
Critical Success Factors
Education…..Identify, Train & Maintain

And don’t forget to pick a platform that makes….for the learner; for the education level; and in alignment with your organization’s education philosophy
Critical Success Factors
ICD-10, Computer-Assisted-Coding and Clinical Documentation

- Education and Feedback drives improved Clinical Documentation
- Clinical Documentation drives Coding
- CAC enables increased accuracy and efficiency; leveraged to mitigate anticipated ICD-10 productivity impact
- Increased specificity, accuracy of both promotes compliance and increased CMI; better report card for organization
- Both Clinical Documentation and Coding will be impacted by ICD-10 and require organization-wide education
### Critical Success Factors
**Go back to the basics….Clinical Documentation Improvement**

<table>
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<tr>
<th><strong>Primary Objectives</strong></th>
<th><strong>Critical Success Factors</strong></th>
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<tbody>
<tr>
<td>• Improve physician documentation</td>
<td>• Executive Sponsor &amp; Accountability</td>
</tr>
<tr>
<td>• Improve Case Mix Index (CMI)</td>
<td>• Physician Liaison</td>
</tr>
<tr>
<td>• Ensure Compliance</td>
<td>• Robust reporting and metrics</td>
</tr>
<tr>
<td>• Ensure appropriate reimbursement</td>
<td>• Adequately trained clinical documentation specialists</td>
</tr>
<tr>
<td>• Leverage for identifying and tracking core and other quality measures</td>
<td>• Effective physician query process</td>
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**Mitigate Risk + Leverage Opportunity**

= CDI a Must for ICD-10
Critical Success Factors
Develop a Coder Productivity Mitigation Plan

• You can always hire more coders but easier said than done
• Transition to computer-assisted-coding
• Be creative – consider a coder career ladder?
• Be selfish – how can we leverage PFS to decrease cases coming to HIM for review?

• Let’s take a deeper look at computer-assisted-coding…..

Anticipated Coder Productivity Impact of ICD-10

50% 25%
Long-Term
Short-Term
Critical Success Factors
Computer-Assisted-Coding

• Automates assignment of diagnosis and procedure codes
• Turns coders into “auditors”
• Streamlines quality across all coders
• Increases productivity
• Mitigates impact of “learning curve”
• Proven Return on Investment

What’s the catch???
Need electronic/discreet data – however, hybrid paper/electronic environments still experience benefits noted above
Critical Success Factors
Project Management

- A full-time Project Manager is needed but this is not a one man job
- Steering Committee is a must but need to ensure all impacted areas are appropriately represented
- Coordination of ICD-10 with other strategic initiatives – open up the communication channels
- It’s more than checking boxes – be strategic
  - Coordination of system remediation/testing activities
  - Review of physician documentation templates
  - Leverage existing education and training platforms
  - Develop a post-transition monitoring process
Critical Success Factors
System Testing

- Upstream/downstream systems
- Timing/release of ICD-10 compliant versions
- Schedule upgrades (outside of ICD-10)
- ICD-10 scenarios
- 360 testing; partnership with payers and clearinghouses
- Lessons learned from 5010; leverage test plans/scripts as applicable

<table>
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<tr>
<th>Tasks</th>
<th>Complete</th>
<th>Comments</th>
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<tr>
<td>Define scope of testing (focused vs. global)</td>
<td>[ ]</td>
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<tr>
<td>Determine resources</td>
<td>[ ]</td>
<td>- Hospital test systems or need for purchase of external tool - Hospital staff for testing - IT staff for assistance - Locations for events - Vendor contacts - External system resources for validation</td>
</tr>
<tr>
<td>Determine extent of testing and build test plans - incorporate existing hospital test plans if they exist</td>
<td>[ ]</td>
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</tr>
<tr>
<td>Present proposed test plans for discussion and verification</td>
<td>[ ]</td>
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</tr>
<tr>
<td>Build testing team(s) for data entry: system validation, interface validation, outcome validation</td>
<td>[ ]</td>
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</tr>
<tr>
<td>Introduce team(s) and establish standing meetings to prepare for testing - build trust and establish resource as the lead</td>
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<table>
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<tr>
<th>Testing</th>
<th>Tasks</th>
<th>Complete</th>
<th>Comments</th>
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<tr>
<td>Ensure all devices to be used in testing link to the appropriate systems and all users have the appropriate access</td>
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<tr>
<td>Have an individual script for each testing resource with space allowed for documenting system or script issues</td>
<td>[ ]</td>
<td>- Final page must have signature space for resource and verbiage must indicate that the resource entered the information to the best of their ability to establish ownership</td>
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<tr>
<td>Collect and account for every script</td>
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<tr>
<td>Review paper documents to determine any issues that may invalidate the test results (rectify and retest if applicable)</td>
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<tr>
<td>Review test results within the applicable systems (internal and external)</td>
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<tr>
<td>Compile results and review and present to the client</td>
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How to Prepare
## Overview of OPTUM ICD-10 Transition Services

### Phase 1: Business Readiness & Road Map
- Identification of business impact areas
- ICD-10 impact assessment kick-off and educational session with key stakeholders
- People, Process & System Assessment
- ICD-10 reimbursement and coding risk/impact analysis
- Coding and documentation assessment
- Education & Training (Staffing) needs assessment
- Communication Plan/Awareness Campaign
- Vendor/Payer Readiness Assessments
- Road Map to ICD-10 Readiness
- Refinement of ICD-10 Budget
- Strategic Alignment
- Presentation of findings and recommendations to key stakeholders

### Phase 2: Implementation & Remediation
- Provider, Coder, Revenue Cycle & IT ICD-10 Education Program
- System remediation support
- Design of Clinical Documentation Improvement Program
- Mapping & translation solutions (both tools and strategic guidance)
- Contingency Planning
- Coder Career Ladder Program development
- Best Practices Design
- CAC Readiness & Workflow Optimization

### Phase 3: Ongoing Monitoring & Improvement
- End-state measurement and documentation
- Implement review and improve process
- Implement compliance program
- Development of quarterly audit process and metrics

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### Phase 1-3: Project Management
What to look for in an ICD-10 partner

**Technology**
- Technical migration/testing
- System specific trained resources
- Vendor management
- Strategic guidance
- 3rd Party Application Implementation & Training

**Clinical Operations & Revenue Cycle**
- Certified ICD-10 Trainers
- Payer Management
- International experience
- Workflow assessment and process improvement valuation
- Clinical documentation enhancement
- Compliance audits - coding and billing audits

**Project Management**

**Analytics**
- Provider contract modeling
- ICD-10 Reimbursement Analytics
- Benchmarking & actuarial modeling

**Education and Training**
- Development and facilitation of ICD-10 training programs
- Physician/Provider Education
- Customization (Web-based, instructor-led, etc.)
- Training scorecard

**Coding Solutions**
- LEAP I-10 (Mapping and Translation)
- I10 Map Manager (Mapping & Translation – simplified)
- Encoder PRO
- Actus Computer-Assisted Coding
- Printed and Electronic Coding Referential Materials

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Thank You.

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