Everything You Wanted to Know about ICD-10…. But Were Afraid to Ask!!

KY HFMA – AR Focus Group  11/5/10
Agenda

- Why ICD-10?
- Brief Mechanics of ICD-10
- ICD-10 Challenges
- Preparation
- 3M Plans & Vendor Readiness
Quiz: How is your ICD-10 prep progressing?

Questions:

- Have you done some general, hospital-wide ICD-10 education?
- Can your Clinical, Financial, IT, Operations, HIM, and executive leaders name the person in charge of ICD-10 implementation for our hospital?
- Do you have a functioning ICD-10 Steering Committee?
- Are you working from a published ICD-10 plan? (A work in progress is great!)
- Have you identified some functional areas with ICD-10 readiness gaps?
- Has your ICD-10 Steering Committee made initial assignments, and is ICD-10 project management occurring?

Extra credit:

- Has IT requested ICD-10 roadmaps/plans from your vendors?
- Has Patient Accounting or Finance requested ICD-10 roadmaps/plans from your payers?
Why ICD-10?
Why are we doing this?

“…[T]he ICD-10 code sets provide a standard coding convention that is flexible, providing unique codes for all substantially different health conditions. It also allows new procedures and diagnoses to be easily incorporated as new codes for both existing and future clinical protocols. ICD-10-CM and ICD-10-PCS provide specific diagnosis and treatment information that can improve quality measurements and patient safety, and the evaluation of medical processes and outcomes. ICD-10-PCS has the capability to readily expand and capture new procedures and technologies.”
Global use of ICD-10: Catching up with the industrialized world
ICD-10 Mechanics (Brief)
It’s Official!!  ICD-10 implementation on October 1, 2013

ICD-10-CM: Diagnosis coding

*Used for inpatient* and *outpatient*

ICD-10-PCS: Procedure coding

*Used for inpatient only*

*CPT* codes will continue to be used for outpatient procedure coding

CPT is a registered trademark of the American Medical Association.
Number of codes (as of 2009)

Diagnosis
- ICD-9-CM ≈ 13,000
- ICD-10-CM ≈ 68,000

Procedure
- ICD-9-CM ≈ 3,800
- ICD-10-PCS ≈ 72,000
## Structure changes

<table>
<thead>
<tr>
<th>ICD-9-CM Diagnoses</th>
<th>ICD-10-CM Diagnoses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st char alphanumeric (only E and V codes)</td>
<td>1st char alphanumeric (all letters except U)</td>
</tr>
<tr>
<td>3 to 5 characters</td>
<td>3 to 7 characters</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ICD-9-CM Procedures</th>
<th>ICD-10 PCS Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numeric</td>
<td>Alphanumeric</td>
</tr>
<tr>
<td>Codes 3 to 4 characters</td>
<td>All codes 7 characters</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ICD-9 General</th>
<th>ICD-10 General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space is limited for new codes</td>
<td>Easily expandable for new codes</td>
</tr>
<tr>
<td>Lacks significant detail</td>
<td>More specific. For example, identifies:</td>
</tr>
<tr>
<td></td>
<td>• Laterality</td>
</tr>
<tr>
<td></td>
<td>• Trimester</td>
</tr>
</tbody>
</table>
A character is a stable, standardized code component
Holds a fixed place in the code
Retains its meaning across a range of codes

A value is an individual unit defined for each character
The preauthorization phone call

On September 30, 2013: “I’m calling to pre-authorize the admission of Mr. Smith who has been diagnosed with Crohn’s disease, diagnosis code 555.0, Regional enteritis of the small intestine.”

On October 1, 2013: “I’m calling to pre-authorize the admission of Mr. Smith who has been diagnosed with Crohn’s disease of the small intestine with abscess, diagnosis code K50.014.”
Where are we currently using ICD-9 codes?
Specificity looks like this…

### ICD-9-CM

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>S72301A</td>
<td>Unspecified fracture of shaft of right femur, initial encounter for closed fracture</td>
</tr>
<tr>
<td>S72301G</td>
<td>Unspecified fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing</td>
</tr>
<tr>
<td>S72302A</td>
<td>Unspecified fracture of shaft of left femur, initial encounter for closed fracture</td>
</tr>
<tr>
<td>S72302G</td>
<td>Unspecified fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing</td>
</tr>
<tr>
<td>S72309A</td>
<td>Unspecified fracture of shaft of unspecified femur, initial encounter for closed fracture</td>
</tr>
<tr>
<td>S72309G</td>
<td>Unspecified fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing</td>
</tr>
<tr>
<td>S72321A</td>
<td>Displaced transverse fracture of shaft of right femur, initial encounter for closed fracture</td>
</tr>
<tr>
<td>S72321G</td>
<td>Displaced transverse fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing</td>
</tr>
<tr>
<td>S72323A</td>
<td>Displaced oblique fracture of shaft of left femur, initial encounter for closed fracture</td>
</tr>
<tr>
<td>S72323G</td>
<td>Displaced oblique fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing</td>
</tr>
<tr>
<td>S72324A</td>
<td>Nondisplaced transverse fracture of shaft of right femur, initial encounter for closed fracture</td>
</tr>
<tr>
<td>S72324G</td>
<td>Nondisplaced transverse fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing</td>
</tr>
<tr>
<td>S72325A</td>
<td>Nondisplaced transverse fracture of shaft of left femur, initial encounter for closed fracture</td>
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<td>Nondisplaced transverse fracture of shaft of unspecified femur, initial encounter for closed fracture</td>
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<td>S72326G</td>
<td>Nondisplaced transverse fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing</td>
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<tr>
<td>S72331A</td>
<td>Displaced oblique fracture of shaft of right femur, initial encounter for closed fracture</td>
</tr>
<tr>
<td>S72331G</td>
<td>Displaced oblique fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing</td>
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<td>S72332A</td>
<td>Displaced oblique fracture of shaft of unspecified femur, initial encounter for closed fracture</td>
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ICD-10 Benefits
Why are we doing this?

“…[T]he ICD-10 code sets provide a standard coding convention that is flexible, providing unique codes for all substantially different health conditions. It also allows new procedures and diagnoses to be easily incorporated as new codes for both existing and future clinical protocols. ICD-10-CM and ICD-10-PCS provide specific diagnosis and treatment information that can improve quality measurements and patient safety, and the evaluation of medical processes and outcomes. ICD-10-PCS has the capability to readily expand and capture new procedures and technologies.”

Source: CMS-0013F.pdf pg. 13
Benefits

ICD-10 codes are more specific, which means there is potential for...

- More accurate payment for procedures
- Fewer rejected claims
- Better coding compliance
- Better understanding of outcomes and quality data
- Enhanced disease management
- Facilitation of computer-assisted coding systems
- Improved documentation
- Better interoperability for EHRs
- Greater flexibility for expansion of new codes
Better decisions with ICD-10

Example: Burns

- ICD-9 codes do **not** distinguish between thermal and chemical burns
- ICD-10 codes have separate codes for thermal versus chemical burns
- Documentation is key!
ICD-10 Challenges
Where are we currently using ICD-9 codes?

<table>
<thead>
<tr>
<th>Scheduling</th>
<th>Admission</th>
<th>Physician Clinical Care</th>
<th>Case Management</th>
<th>Labs, Radiology, Other Ancillaries</th>
<th>Transcription</th>
<th>Performance Management</th>
<th>HIM Department</th>
<th>HIM System</th>
<th>Accounting / Billing</th>
<th>Payer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-authorization / medical necessity</td>
<td>Enters patient data</td>
<td>Evaluates patient</td>
<td>Reviews appropriate pre-certification / admission for service</td>
<td>Performs tests</td>
<td>Quality / performance management</td>
<td>Record assembly</td>
<td>Coding / editing</td>
<td>Grouping</td>
<td>Abstracting</td>
<td>Chargemaster</td>
</tr>
<tr>
<td>Assigns admission status (P, O, or G) per physician order</td>
<td>Orders diagnostic studies</td>
<td>Contacts continuous care team, develops ICD-10 across encounter</td>
<td>Documents results</td>
<td>Transcribes dictation / charts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

== Highly dependent on ICD-9 codes. Must be ICD-10 ready by October 1, 2013

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ICD-10: Implementation issues

- Codes are the language of healthcare and will impact virtually all areas of healthcare.
Opportunities and challenges for your facility

Training
- All employees will need **differing** levels of education on ICD-10 to determine transition approach and opportunities related to more detailed information
- Clinicians will need training to know that:
  - ICD-10 requires more detailed documentation
  - ICD-10 also impacts their office billing, pre-certification, and medical necessity

Resources
- The change to ICD-10 adds to employees’ responsibilities, so additional FTEs, consulting help, outsourcing, etc. may be needed

Budgeting
- Planning for the potential costs of new hardware, software, adding new employees, consulting, training, etc.
Opportunities and challenges for IT

Converting systems and interfaces

- **Interface and system integration/coordination across the enterprise**
- **System integration from different vendors**
  - Most vendors will make changes to their software for ICD-10, but challenges will include each vendor’s timing of releases, testing, integration of all vendor systems, etc.
- **Converting internally built systems and reports**
  - Determination of potential use of translations/ maps to support compliance and/or enhancement of clinical, financial and/or operational systems
  - General Equivalency Maps (GEMs) are available from CMS

  Note: Some translations may be 1 : 1, or 1 : many clusters that impact system requirements

  - For example, if you have Crystal Reports® querying on ICD-9 codes, these reports will need to change to query equivalent ICD-10 codes
ICD-10 responsibilities for the IT team

<table>
<thead>
<tr>
<th>INFORMATION TECHNOLOGY MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROCESS</td>
</tr>
<tr>
<td>Create and maintain an infrastructure to integrate IT systems across the enterprise and transition to ICD-10 in a seamless manner</td>
</tr>
</tbody>
</table>
Opportunities and challenges for Patient Financial Services

Costs

- Assess the potential need for additional budget for new/temporary employees, software, hardware, training, etc.

Opportunities for process improvement and payer contract transition

- Improve workflow prior to ICD-10 implementation
- Locate ICD-9 codes within payer contracts and begin translation/mapping prior to payer discussions and/or negotiations
  - Documentation is critical to getting accurate payment under ICD-10

Opportunities to mitigate potential slow down in dropping claims

- Minimize potential HIM slow down and/or cash flow impact during learning curve
- Ensure integrated readiness across software vendors, clearinghouses
# Admitting and Case Management with ICD-10

## Scheduling / Admission / Case Management

<table>
<thead>
<tr>
<th>Process</th>
<th>Who's Impacted</th>
<th>Critical to Success</th>
<th>Bottom Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-authorization</td>
<td>Admissions</td>
<td>Reassess current processes</td>
<td>Hospitals and payers who proactively create complete, accurate documentation</td>
</tr>
<tr>
<td>Collection of diagnoses &amp; planned procedures</td>
<td>Utilization Review</td>
<td>Create improved processes</td>
<td>of pre-authorization and pre-authorization will get accurate payment</td>
</tr>
<tr>
<td>Payer interaction</td>
<td>Case Management</td>
<td>Assess payer contracts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue Cycle</td>
<td>Identify new pre-certification policies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Registration</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Keeping the cash flowing

Payer contracts

- Many payer contracts have ICD-9 codes in them and will need to be changed and renegotiated
- Adapt to new reimbursement policies (MN edits)
- Documentation is critical to maintain same DRG assignment, CMI, and payment

Potential slow down in dropping claims

- Testing and training can reduce HIM slow-down during learning curve, software issues, payers not being ready, etc.
- If we do this right, little impact on cash flow!
Opportunities and challenges for Health Info Management

Documentation improvement

- Initiate documentation improvement now for ICD-9 and phase in ICD-10 programs
- More specific codes require accurate, detailed documentation
- Collaboration with medical staff will be crucial

Coder training

- Coders will rely on vendor software and detailed training in 2013
- Schedule training for May – August 2013
- Obtain education from experts such as AHIMA and AHA
ICD-10 and HIM

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</tr>
</thead>
<tbody>
<tr>
<td>HIM professionals review medical record documentation and transform it to coded data based upon regulatory guidelines</td>
<td>Physician</td>
<td>Lead physician documentation efforts and become fully proficient in ICD-10 coding</td>
<td>Hospitals that invest in education, documentation improvement, and the development of proficient coders will create accurate information to link quality and payment</td>
</tr>
</tbody>
</table>
Opportunities and challenges for Decision Support and Quality

Data precision
- Better data for monitoring performance, case management, process improvement, quality, patient safety and public reporting

The small price to pay
- Learning the structure and “language” of ICD-10
- Update databases
- Rewrite reports and queries
Potential provider business opportunities

**Scheduling and Registration**
- Redefine eligibility and verification process
- Integrate ICD-9/10 codes into payer-provider process

**Clinical Care/Quality Improvement**
- Optimize clinical quality
- Improve mitigation processes for complications, HACs, RACs, readmits

**Post – hospital Care**
- Improve tracking and care
- Refine episode of care protocols
- Improve ability to analyze and report disposition impact on outcomes

**PFAS and Collection Management**
- Redefine provider contracts
- Improve process for temporary dual ICD-9/10 management and detailed information

**Public Reporting**
- Refine reporting and improvement metrics
- Prioritize and improve critical outcomes

**Business Benefits**
- Improved portfolio management
- Improvement opportunity: clinical and operational redesign
- Increased patient-provider loyalty
- Improved payer-provider integration
Preparation
Ten steps to successful ICD-10 implementation

1. Provide Organization-wide Education/Awareness
2. Appoint Interdisciplinary Steering Committee
3. Develop an ICD-10 Strategy and Plan
4. Determine Functional Area Opportunities and Gaps
5. Initiate Interdisciplinary Project Management
6. Partner w/ Vendors
7. Ensure Payer Implementation Plan in Place
8. Provide Detailed Training
9. Simulate & Manage Change
10. Successful Implementation

“I wish I had taken the transition more seriously. In retrospect, I could have positively impacted my organization if we had paid attention to ICD-10 opportunities rather than be consumed with day-to-day operations.”

Coding Services Manager
Canadian hospital

“Take advantage of lead time!”

Canadian and Australian Colleagues
ICD-10 and 5010 implementation recommendations

2010
- Implementation strategy
- Functional requirements
- Systems internal testing
- Impact assessment
- GEMs use
- Functional requirements
- Implementation strategy and training

2011
- Internal testing completed
- External end-to-end trading partner testing begins
- System completion
- Policy and contract conversions
- Training functional areas

2012
- January 1st compliance
- Internal testing complete
- Policies and contracts revised
- End-to-end testing complete w/partners

2013
- All testing complete
- Final training complete
- October 1st compliance

Interdisciplinary steering committee for end-to-end ICD-10 transition

"Certain actions need to happen quickly, to capitalize on the opportunities presented by the updated standards and code sets and support the goals of administrative simplification."

Harry L. Reynolds, Jr. Chairman, National Committee on Vital and Health Statistics

A Time Line for Moving to 5010 and ICD-10 Implementation* *Time Line based on work by the American Health Information Management Association, http://www.ahima.org/icd10
ICD-10 strategy

Two approaches in your strategy:

**Comply** = Do the basics to meet the government mandate.
- It may be enough to simply replicate what is being done today in an ICD-10 world.

**Optimize** = Take advantage of the benefits of ICD-10.
- Incorporate the added detail in your data to improve quality, disease management, contracting, financials, etc.
## Implementation: Opportunities to comply and optimize

<table>
<thead>
<tr>
<th></th>
<th>Comply</th>
<th>Optimize</th>
</tr>
</thead>
</table>
| **Strategic planning/collaboration** | Create awareness  
Establish timeline and budget | Create a vision:  
Comply and optimize  
Improve clinical, finance, operations prior to ICD-10 implementation  
Focus on prioritized opportunities  
Plan and budget now |
| **Education/knowledge transfer** | Assess needs  
Develop training tools | Explore creative training and staffing options |
| **IT gap analysis/vendor integration** | Conduct IT gap analysis  
Assess vendor readiness | Synchronize roll-out of interdependent initiatives w/ internal and external sources  
Re-evaluate vendor readiness/expertise |
| **Payer Integration** | Initiate payer/provider collaborative discussions re: claims processing | Model and negotiate new scenarios  
Include ICD-10 granularity, translations/maps to evaluate strategic approach |
| **HIM Readiness** | Develop HIM direct workflow w/ responsibilities | Embrace serving as the “expert” and partner w/ internal colleagues to LEAD |
Keys to success

- Start preparation steps now!
- Locate all software, contracts, processes, reports that use ICD-9 codes
  - *Then decide how to convert those over to ICD-10, whether it be a vendor, consulting, internal expertise*
- Begin discussing contracts with payers
- Monitor payer changes due to ICD-10
- Integrate ICD-10 needs into your documentation improvement program
- Identify opportunities for more precise revenue capture
- Budget now to spread costs over several years
- IT planning and testing
  - *Working with vendors*
  - *Converting “home grown” systems*
  - *Making sure everything flows from admission to dropping the claim*
3M Plans and Vendor Readiness
3M implementation roadmap

April 2010: ICD-10 Interface specifications to customers and vendors

January 2011 - June 2011: ICD-10 testable* software for:
  - Coding and grouping solutions
  - Dictation, transcription and documentation management solutions

October 2012: Products fully converted to ICD-10:
  - Coding and grouping solutions
  - Dictation, transcription and documentation management solutions

Note: Solutions from the 3M™ ClinTrac™ Product Suite and 3M™ Health Data Management System family will require a slightly extended ICD-10 preparation schedule.

* Testable software includes a functioning interface that will allow the ability to test the ICD-10 interface changes within customer and vendor applications.
Working with other IT vendors

- Request their roadmaps now!
- Integrate each roadmap into your ICD-10 project plan.
- Manage expectations like a major installation:
  - Deadlines
  - Budget
  - Testing
  - Feedback
3M ICD-10 experience

International experience:
- Converted ICD-9 diagnoses based applications to ICD-10 based applications in several countries including Australia, Canada, Germany and the UK
- Assisted customers through the transition from ICD-9 to ICD-10 with education and software tools
- Over 15 years of developing and maintaining international ICD-10 products and services around the world

US experience:
- Under contract with CMS, designed, developed and maintain ICD-10 Procedure Coding System (PCS)
- Developed the bi-directional General Equivalence Mappings (GEMs) between ICD-9 and ICD-10 for CMS and the National Center for Health Statistics
- Under contract with CMS, responsible for converting MS-DRGs, MCE and I/OCE to ICD-10
ICD-10 resources

CMS ICD-10 webpage
http://www.cms.gov/ICD10/

AHIMA ICD-10 webpage
http://www.ahima.org/icd10/

3M ICD-10 Information
http://www.3mhis.com/icd10

Development of the ICD-10-Procedure Coding System

ICD-10-PCS Reference Manual

"The ICD-10 General Equivalence Mappings: Bridging the Translation Gap from ICD-9."
Journal of AHIMA 78, no.9 (October 2007): 84-86.
http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_035523.hcsp?dDocName=bok1_035523
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Questions?

- Peggy Rambicure, RHIA
- 3M HIS
- 859-224-0560
- parambicure@mmm.com