Management Strategies for a Successful ICD-10 Transition

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Agenda

- History of ICD-10
- Understanding the transition (why)
- Areas of impact
- Financial and operational impacts of not being prepared
- Ways to align your practice for an effective transition
History of ICD-10

• First things first, WHAT IS ICD-10?
  – International Classification of Diseases, 10th
    Revision
  – CM stands for Clinical Modification
    • Diagnosis codes used by all health care providers
  – PCS stands for Procedure Classification System
    • Procedure codes used in facility settings

ICD-10 Facts

• Professional claims
  – Code set is determined by date of service

• Hospital claims
  – Codes set is determined by date of discharge

• Codes can be three, four, five, six, or seven
  characters depending on the category they are in
ICD-10 Structure

- Codes are alphanumeric
- CM (diagnosis) codes may be 3-7 characters
- PCS (Procedure code for facility billing) will always be seven characters
- Injury codes have been expanded and are grouped by site rather than type of injury

Why Make the Change?

- ICD-9 has been in use for over 30 years
- Outdated terminology
- No room for expansion
- Faster adjudication of claims
- Reimbursement accuracy
- Substantiate medical necessity
Benefits

- A greater capacity for effective epidemiological studies and research
- More information available for setting health care policy
- Enhanced monitoring of resource usage in providing medical care
- Better prevention of health care fraud and abuse through more detailed claims
- Strengthened quality initiatives as many more details about the conditions of patients can be reported

Champions of Change

- More work is being transitioned to providers
  - Documentation in EMRs while patient is in room
  - Ordering of tests
  - e-Scribing
- Important to keep positive attitude
- Reassure providers that we are here to help them through the transition
ICD-10-CM Changes

- Concept of laterality
  - Fractures
  - Injuries
  - Otitis media
  - Carpal Tunnel Syndrome
  - Cataracts
  - Arthritis
  - Site of ulcers
  - Abdominal pain
  - Undescended testis

Example of Laterality

- H60.00  Abscess of external ear, unspecified ear
- H60.01  Abscess of right external ear
- H60.02  Abscess of left external ear
- H60.03  Abscess of external ear, bilateral
2 How does this tie into management? I think we have too many coding examples without telling them why this is important, there should really be documentation examples, not coding examples, think you should swap this out for documentation- use Peggys checklists of where we see the most common and what needs documented so they can work with their doctors
RHONDA BUCKHOLTZ, 3/5/2012
ICD-10-CM Changes

• Trimesters
  – 1
st trimester – less than 14 weeks 0 days
  – 2
nd trimester – 14 weeks 0 days to less than 28 weeks 0 days
  – 3
rd trimester – 28 weeks 0 days until delivery

• OB providers include this information on all their notes because it is an important element of their documentation

Example of Trimesters

• O09.30 Supervision of pregnancy with insufficient antenatal care, unspecified trimester
• O09.31 Supervision of pregnancy with insufficient antenatal care, first trimester
• O09.32 Supervision of pregnancy with insufficient antenatal care, second trimester
• O09.33 Supervision of pregnancy with insufficient antenatal care, third trimester
Seventh Character for Fetus

• Some categories in the OB section also require a seventh character extender to indicate which fetus is affecting the management of the mother
• It is important to be sure to code the condition to the highest level of specificity

Obstetrics

• 7\textsuperscript{th} character fetal extensions are used in certain subcategories
  – 0 not applicable or unspecified
  – 1 fetus 1
  – 2 fetus 2
  – 3 fetus 3
  – 4 fetus 4
  – 5 fetus 5
  – 9 other fetus
Seventh Character Extenders

• If a code requires a seventh character extender to be applied, but the actual code is less than six characters, a dummy placeholder must be added
• Dummy placeholders are represented by the letter X

Dummy Placeholder

• A 40 year-old pregnant patient comes in for a consultation for possible chromosomal abnormalities to the fetus. She is carrying a single pregnancy.

  ➢ O35.1XX0  Maternal care for (suspected) chromosomal abnormality in fetus, not applicable or unspecified
ICD-10-CM Changes

- Combination codes are used in ICD-10-CM for diabetes
- The three character category shows the type of diabetes
- The fourth character shows the underlying conditions with specified complications
- The fifth character defines the specific manifestation

Diabetes Mellitus

**Examples of diabetes combination codes**
- E08.22, Diabetes mellitus due to an underlying condition with diabetic chronic kidney disease
- E09.52, Drug or chemical induced diabetes mellitus with diabetic peripheral angiopathy with gangrene
- E11.41, Type 2 diabetes mellitus with diabetic mononeuropathy
ICD-10-CM Changes

• Greater levels of specificity than were in ICD-9-CM code choices
• Additional information will be necessary in some cases to provide the necessary elements in ICD-10
  – Type of condition
  – Anatomical site
  – Laterality, etc.

Example

• ICD-9-CM code for tobacco dependence
  – 305.1 Tobacco use disorder
• ICD-10-CM has 20 code choices available for nicotine dependence
• Additional codes available to identify:
  – Tobacco use
  – History of tobacco dependence
Nicotine Dependence

• Nicotine dependence
  – Unspecified
  – Cigarettes
  – Chewing tobacco
  – Other tobacco product

• Additional symptoms
  – Uncomplicated
  – In remission
  – With withdrawal
  – With other nicotine-induced disorders
  – With unspecified nicotine-induced disorders

Example

• F17.210 Nicotine dependence, cigarettes, uncomplicated
• F17.211 Nicotine dependence, cigarettes, in remission
• F17.213 Nicotine dependence, cigarettes, with withdrawal
• F17.218 Nicotine dependence, cigarettes, with other nicotine-induced disorders
• F17.219 Nicotine dependence, cigarettes, with unspecified nicotine-induced disorders
ICD-10-CM changes

• Fractures
  – Open vs. closed
  – Displaced vs. nondisplaced
  – Location of fracture on the bone
  – Type of fracture
  – Episode of care
  – Any complications associated with the healing of the fracture (nonunion, malunion)

Seventh Character Extender

• Indicates the episode of care
• Most commonly used:
  – A initial encounter
  – D subsequent encounter
  – S sequela
• Additional choices are available depending on the category
Fracture Coding

• For the category Fracture of shaft or radius, the following seventh character may apply for the initial episode of care:
  – A Initial encounter for closed fracture
  – B Initial encounter for open fracture type I or II, initial encounter for open fracture NOS
  – C Initial encounter for open fracture type IIIA, IIIB, or IIIC

Example of Fracture Coding

• A 14 year-old boy is at a movie theater and running in a parking lot when he was hit by a car. He was diagnosed with a nondisplaced fracture of the medial condyle of the lower end of the left femur. The leg was placed in a long leg splint and no further intervention was required.
  – S72.435A  Nondisplaced fracture of medial condyle of left femur, initial encounter for closed fracture
Coding for an Injury

• A patient presents for a follow-up visit. She had tried to stop her two cats from fighting. One of the cats bit her left hand and thumb without nail damage. The wound was washed and she was started on antibiotics. She presents today for a dressing change and wound check.
  ➢ S61.052D Open bite of left thumb without damage to nail, subsequent encounter
  ➢ S61.452D Open bite of left hand, subsequent encounter
  ➢ W55.01XD Bitten by cat

Preparation

• Knowledge of elements required to ensure coding to the highest level
• Understand guidelines or make sure coders have resources available to them to begin this process
• Timing of education
• Keep the conversation going!
Areas of Impact

• It is important to assess all areas in your institution to determine how each area will be impacted by the implementation of ICD-10
• Every department will require some level of training on ICD-10
• More than just a new code set

Areas of Impact

• Manager’s office
• Information Technology
• Finance
• Clinical areas
• Physicians
• Billers/coders
• Front desk
• Patient
Manager’s Office

- Policies and procedures
  - Disease management tracking
  - Physician Quality Reporting System (PQRS)
- Working with vendors
  - System upgrades
- Coordinating education
- Workflow changes
- Assess Practice Management Systems for compatibility

Information Technology

- Hardware/Software upgrades
- Mapping
- Timelines
- Testing
- Ensure providers have tools to simplify the code selection process
Finance

• Budgets
  – System upgrades
  – Education/Training

Clinical Areas

• Nurses
  – Documentation in medical records
  – Advanced Beneficiary Notices (ABN)
  – Ordering tests
  – Changes to charge tickets (superbills, encounter forms)
Physicians

• Documentation in the medical record
  – Increased level of specificity
  – Ordering tests
  – Code selection in an EMR
  – Identify the elements required to allow for precise selection of code(s)

Billers/Coders

• Anatomy and Pathophysiology
• Code set
• Guidelines
• Payer policies
  – Local Coverage Determinations (LCD)
  – National Coverage Determinations (NCD)
• Prior authorizations
• Workers’ Compensation/Auto carriers
Front desk

- Upgrades to systems
- First contact with patients so education will be required to assist patients in understanding:
  - Changes in deductibles
  - Why the change is taking place
  - What will happen if the payer is not ready
- Think about how confused the patients will be in trying to understand these changes

Importance of Preparing

- Even though the date of implementation will be delayed from October 1, 2013 it is important to continue preparing for the change
- A practice may put themselves at risk by waiting to prepare for the transition to ICD-10
- Small inefficiencies will be magnified with the implementation of ICD-10 if they are not identified and corrected prior to the transition
Potential Negative Impacts

- Decreased productivity
- Interrupted cash flow
- Increased amount of rejections
- Incompatible systems
- Increased volumes of work
- Incorrect mapping
- Increased risk of payer audits

Productivity

- Initially productivity will decrease
- Alphanumeric codes
- New guidelines
- New language
- Uncertainty of how to assign the codes
Interrupted Cash Flow

- Changes in payer policies and procedures
- Payers
- Systems
- Denials
- Incorrect code assignment

Increased Denials

- Unexpected changes from payers
- Requests for additional information
- Errors in reporting services
- Timely filing limits
Systems

• Compatibility
  – Can codes be integrated into practice management system
  – Is system able to house two separate code sets
  – Training on upgrades
  – Billing systems

Increased Work Flow

• An increase in the amount of rejections received will generate an increase in work flow because the claim will require evaluation and correction
• Having an understanding of payer expectations will decrease errors in claims and accurate payment can be made initially
Mapping

- Crosswalks
- Forward mapping
- Backward mapping
- Use as a starting point
- Must have someone with coding knowledge verify the codes are crosswalked correctly

Risk of Audits

- Overuse of unspecified codes
- Not understanding payer policies and always sending an incorrect claim
- Diagnosis on claim not matching what’s in chart
Champions of Change

• Make sure providers and staff are aware of potential risks
  – Communication is key
• Try to keep the conversations about ICD-10 positive
  – Providers will not feel an immediate benefit from using more precise codes
• Be empathetic!

Strategies for Success

• The first place to begin in preparing for ICD-10 implementation is with communication
  – Keep everyone updated on what is happening
  – No matter what the time frame is for the delay, we need to continue to prepare for the transition
  – If you take it seriously, so will the people you are leading
  – What form of communication will be most effective in your office/institution
Communication

• The person who will be in charge of the communication should:
  – Understand ICD-10 to be able to answer questions
  – Have time to do research to see what is happening in the industry
  – Possess good writing skills
  – Be proactive

Communication

• Different levels of communication for various positions
  – Stakeholders vs. coders
  – Front desk vs. clinical areas
• Should partly be based on questions that are asked throughout your practice
Communication

• How will updates be disseminated?
• Who may send information out?
• Make sure invitations to meetings are updated to include new staff and remove outdated information
• Identify effective communication tools
  – Email
  – Conference calls
  – Intranet

Information Technology

• Changes must be made to systems to:
  – Submit claims
  – Receive remittances
  – Exchange claim status information
• Analyze if the system currently used will be able to house both ICD-9 and ICD-10 code sets
  – Work with internal and external IT
  – Will all systems used in the office be able to talk to each other
Information Technology

• If relying on vendors be sure to:
  – Understand what will be covered in your contract
    • Will there be additional charges for uploading ICD-10-CM codes
    • If they make changes to the system, will you have to pay to receive the updates
  – Ask questions to find out what their timelines are for the transition

Impact Analysis

• Create a flow chart to:
  – Demonstrate how the action of each individual impacts the entire process
  – Identify areas of weakness and quickly create a process to strengthen it
  – Clearly illustrates the need for interaction between departments, clinical or business areas
  – Makes impacts visible to all areas
  – Generate ownership of each process
  – Provides a clear picture of how things work today and can outline how things should work in the future
Impact Analysis

• Determine any area in the practice that currently utilizes an ICD-9-CM code
• Ask for input from the various departments to ensure that nothing is overlooked
• How are performance measures captured
• Prior authorizations
• Research
• Tracking and trending

Build an Action Plan

• Build an action plan based on the results of the impact analysis
• Create a preliminary needs assessment
• Establish timeline parameters to create a roadmap
• Adhere to the timeline, but be open-minded to allow for unexpected circumstances
• Begin discussion early with vendors to understand their timelines
Measure Productivity

• Understand where productivity is at prior to the implementation of ICD-10
• Use this as a “goal” to get back to after the official implementation date
• Canada indicates that their productivity has not recovered since implementation
  – Different reimbursement system
  – Implemented EMR at same time as ICD-10
  – Went from DOS system to an electronic world

Create an ICD-10 Budget

• ICD-10 implementation costs can be broken down into four categories
  – Information systems
    • Hardware/software
    • Implementation and deployment
    • Possible transition to an electronic medical record
  – Documentation auditing and monitoring
  – Education and training
  – Staffing and overtime costs
I think it is important to note that the reason Canada suffered so bad was because they implemented EMRs at the same time and went from DOS base computers to the electronic world, it was not just because of the code set.

RHONDA BUCKHOLTZ, 3/5/2012
Budget

• Review with steering committee (or project team)
• Reassess often to make sure budget expenditures stay on target
• A practice should plan on keeping at least a three to six month reserve on hand to cover transitional issues as necessary

Education and Training

• As discussed earlier, every area of the practice will require some type of education or training on ICD-10
• Create an education plan that outlines:
  – Objective (what needs to be accomplished)
  – Audience (who will receive the education)
  – Tools (what methods will be utilized to accomplish objective)
  – Timetable (when will education be provided)
  – Evaluation (assess results of education)
Education and Training

• Determine who will provide education
  – In-house
    • Designate staff to obtain knowledge and they are responsible for teaching
    • Teach the Teacher
  – External
    • All staff members attend specific training outside the office
    • Consultants
    • On-line training

• Timing of training is extremely important
  – Learning too early may result in forgetting valuable information
  – Learning too late will put the practice and productivity at risk
• Coders will require more time to learn ICD-10 so they can then use their knowledge to assist providers
Documentation

• Everything related to ICD-10-CM will begin with documentation
• Must provide accurate detail about the patient’s condition at each and every encounter
• Physicians have never been required to document to the level of specificity as available in ICD-10-CM

Documentation

• Begin the process with awareness
  – Determine most frequently used diagnosis codes by provider
  – Assess if their current documentation is specific enough to be able to assign an ICD-10-CM code
  – Educate the providers on the information that is relevant to them
  – Identify the elements of ICD-10 that may be missing and gradually have them include it
Documentation

• Develop documentation improvement plans
• Be consistent
• Provide positive feedback whenever possible
• If possible, allow physician to participate in assigning codes based on notes written by other providers
• Start early on to allow time for the transition

Go-live

• Prior to the actual go-live date it will be extremely important to test systems to make sure claims can be sent and received
• May need additional staff (temporarily) during the first 6-12 months to assist with:
  – Trouble shooting on denials
  – Reworking claims
  – Understanding payer policies
Conclusion

• There is no doubt that the transition to ICD-10 will be a large task to undertake
• Through awareness, teamwork, and open lines of communication a smooth and successful transition can occur
• It is important to create and follow a plan that works in your practice/institution, assess and adjust as necessary, and provide ongoing education to all involved

Questions?