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# Where ASCs Should Be with ICD-10

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# Introduction

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- The transition to ICD-10-CM/PCS in 2014 will be a defining moment in healthcare overall for the United States
- Healthcare clinicians and professionals will determine their success on how well they planned for ICD-10
- Physicians must be prepared for this change or risk a reduction in reimbursement



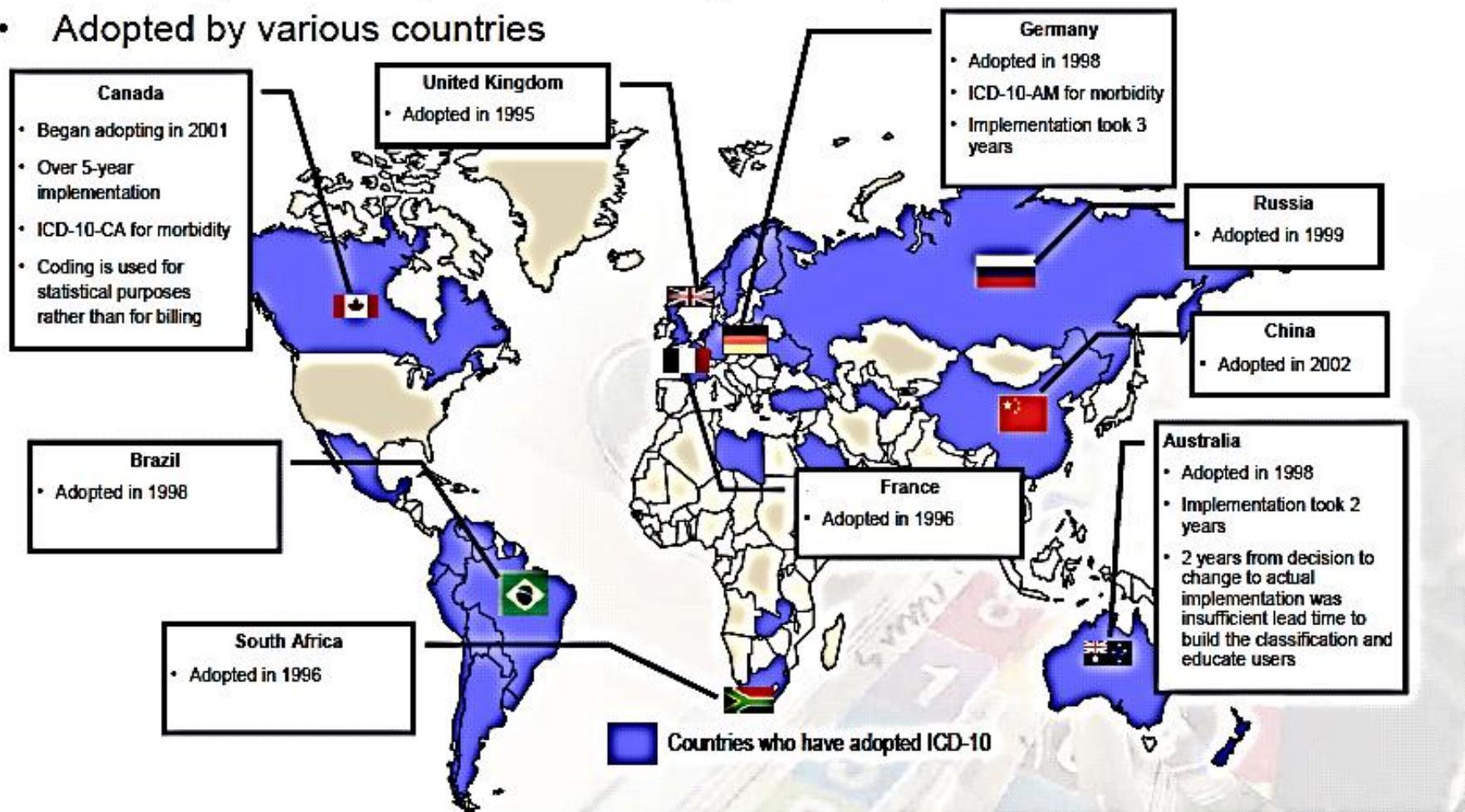
# Objectives

- Understand the history and facts about ICD-10
- Grasp general ICD-10 overview
- Basic make up of ICD-10 and GEMs
- ICD-10 implementation process
- Glimpse of what can happen if you are not prepared for the transition



# History of ICD-10

- Created by the WHO (World Health Organization) in 1994
- Adopted by various countries





## The Need to Change

- ICD-9 is outdated, with only a limited ability to house new procedures and diagnoses
- ICD-9 lacks the specificity needed for a number of emerging uses such as pay-for-performance and bio surveillance
  - Bio surveillance is the automated monitoring of information sources that may help in detecting an emerging epidemic, whether naturally occurring or as the result of bioterrorism



## The Need to Change cont.

- ICD-9 confines the exactness of diagnosis-related groups (DRGs) as a result of very different procedures being grouped together in one code
- ICD-9 lacks specificity and detail, uses terminology inconsistently, cannot capture new technology, and lacks codes for preventive services
- ICD-9 will sooner or later run out of space, mainly for procedure codes



## The Need to Change cont.

- Healthcare requires transactions
  - Claims, prescriptions, procedure orders are all healthcare transactions
- Healthcare transactions that are processed through *IT* systems and most utilize specific codes to identify diagnoses and procedures



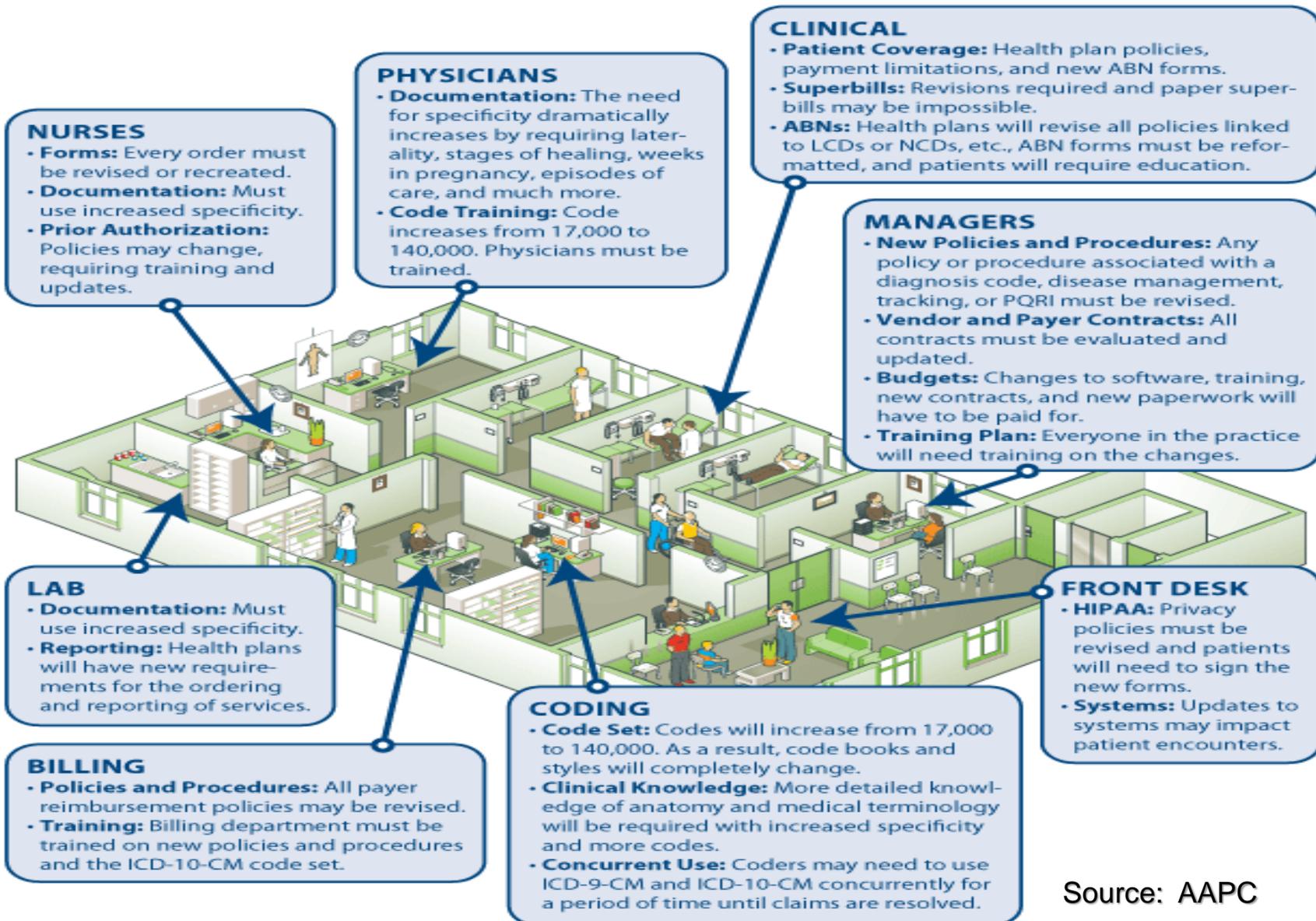
## Who's affected by ICD-10?

- ICD-10 will affect everyone covered by Health Insurance Portability Accountability Act (HIPAA), not just those who submit Medicare claims
- **The change to ICD-10 does not affect CPT coding for outpatient procedures**



# Who's affected by ICD-10? cont.

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Source: AAPC



# What is ICD-10 Implementation?

- The process of changing clinical documentation and billing practices, payment structures, and health IT infrastructure to accept ICD-10 codes ahead of the compliance date
- It will require a thorough overhaul of IT systems, physician documentation, and coding procedures



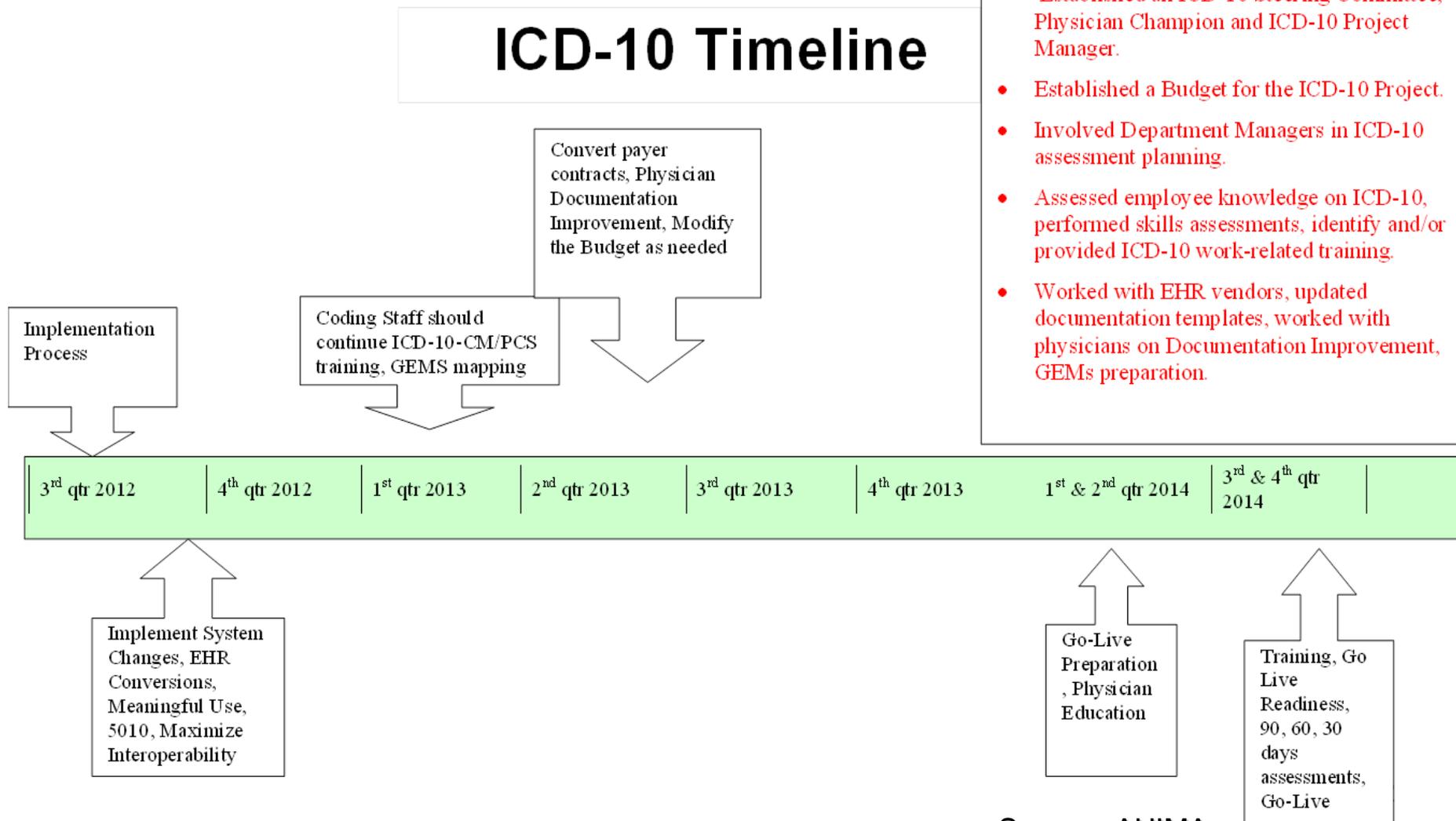
## What is the Best Approach?

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- Approaching the ICD-10 implementation in phases will be ideal starting with an organizational plan
- The plan will provide an outlook on areas of specific concentration



# ICD-10 Timeline



**You are at least 1 year behind if you haven't:**

- Established an ICD-10 Steering Committee, Physician Champion and ICD-10 Project Manager.
- Established a Budget for the ICD-10 Project.
- Involved Department Managers in ICD-10 assessment planning.
- Assessed employee knowledge on ICD-10, performed skills assessments, identify and/or provided ICD-10 work-related training.
- Worked with EHR vendors, updated documentation templates, worked with physicians on Documentation Improvement, GEMs preparation.

# Phase One: Steering Committee



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## Senior Executives

Physician Champion

IT Leadership

ICD-10 Project Manager and  
Committee Chairperson

Key Stakeholders and  
Decision Makers

## Coding/Compliance Leadership

Managers and above

## Financial Leadership

CFO, CPA, Directors,  
Managers

Revenue Cycle Leaders

# Phase One: Steering Committee Initiatives



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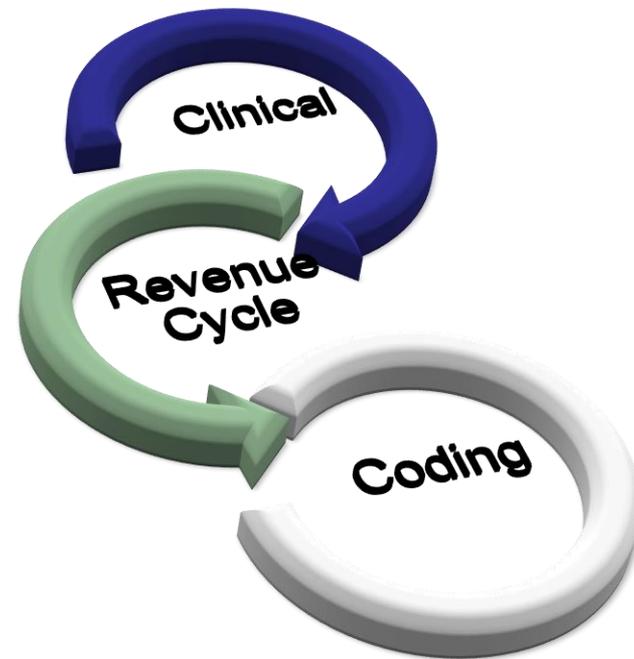
- Create an environment that will embrace the ICD-10 transition
- Position operational challenges and opportunities at the strategic level
- Conduct an environmental scan
- Identify ways to incorporate analytical projects
- Develop or use a risk assessment tool to evaluate strategic goals and objectives

# Phase One: Perform a Risk Assessment



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- Identify risk
- Rank them in order of importance
- Identify triggers
- Develop a contingency plan
- Have enough resources
- Track progress

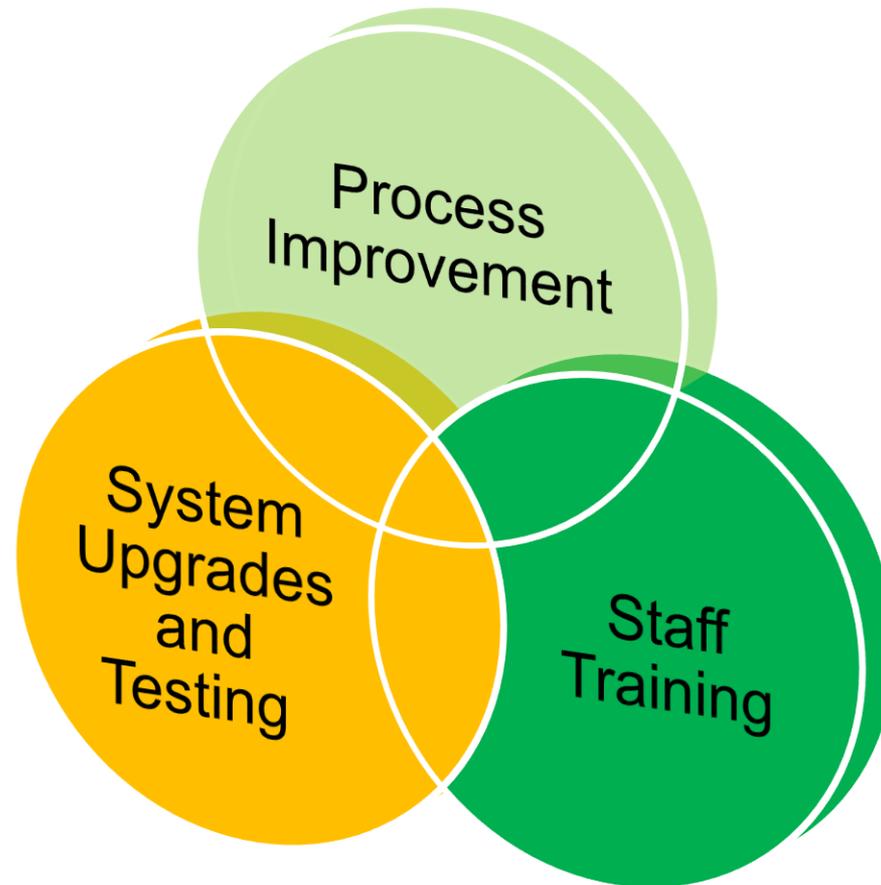


# Phase One: Establish a Budget

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# Phase One: Establish a Budget cont.



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- The full transition from ICD-9 to ICD-10 will be complex and expensive for all parts of the ASC
- It is recommended that the ASC reserve two to three months revenue and/or establish a line of credit to adjust for the revenue change for the first few months post go live implementation

# Phase One: Establish a Budget cont.



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- Software upgrades
- Contract modifications
- Vendor fees
- Change management
- Additional staff
- Training
- Post go-live support

# Phase One: Contracts



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- The level of specificity is essential in ICD-10 and should allow providers to describe complex patient conditions in much greater detail
- Work with network management and review managed care contracts for language which could affect reimbursement due to the change from ICD-9 to ICD-10



## Warning



If your organization has not established the following, **you are severely behind** in the ICD-10 planning phase:

- Established a steering committee and a budget
- Identified system specifications
- Requested RFP's from software vendors
- Identified training needs for end-users
- Identified physician champions, super users for each department



# Playing Catch Up





## Phase Two Initiatives

- Encourage team work and department project leaders
- Find creative engaging ways to help employees understand why the ICD-10 transition is relevant to them personally
- Build empowerment by sharing ownership and involve employees in the **action-planning process**
- Encourage teams to determine what steps they want to take over the next year to improve readiness for ICD-10





## Phase Two Initiative cont.

### Perform a Departmental Needs Assessment

- Logical method to acquire an accurate, thorough picture of the strengths and weaknesses of a workgroup that can be used in response to the needs of the employees for improving and meeting challenging operational standards
- What resources or tools do I need in order to make my job better?



## Phase Two Initiative cont.

- The process of collecting the data and analyzing the data takes about 30 days
- Recommendations on how to solve a process breakdown comes simultaneously during the interview process
- Communicating the issues with a Senior Leader should take place **no more than a week** after the data has been collected, analyzed and interpreted
- ***Use a formal report style, it's not enough to just communicate the issues***

# Phase Two: Functional Area Process Improvement



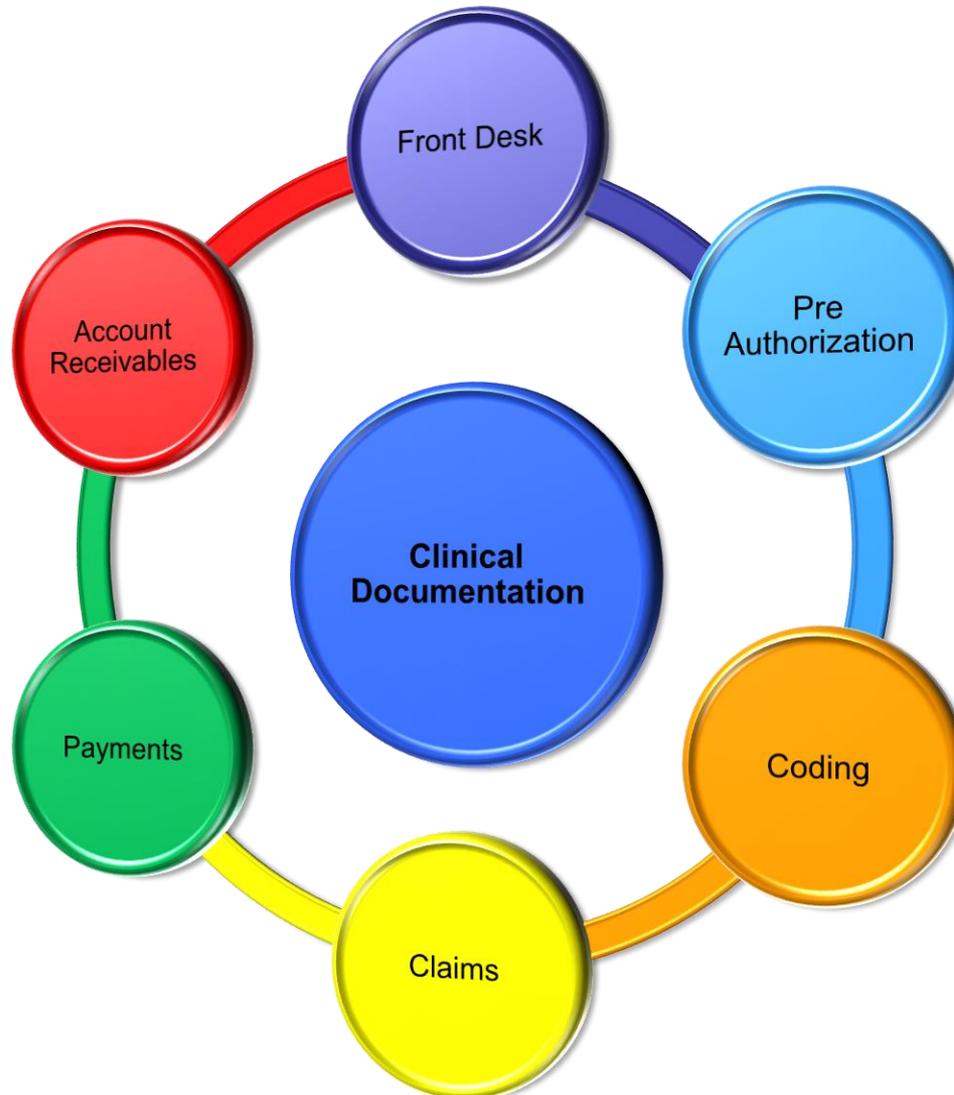
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## Adjust for the ICD-10 transition

- Will the process be slower as a result of new technology?
- Will there be a learning curve?
- Will there be a quality check to ensure accuracy?
- Will policies and procedures be updated as a result of any workflow changes?



# The “HUB” of ICD-10



# Phase Two: Clinical Documentation Improvement



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## Physician Goals

- Identify and clarify missing, conflicting, or nonspecific physician documentation related to diagnoses and procedures
- Support accurate diagnostic and procedural coding, leading to appropriate reimbursement
- Promote health record completion during the patient's course of care
- Improve communication between physicians and other members of the healthcare team
- Provide education
- Improve documentation to reflect quality and outcome scores

# Phase Two: CDI Key Metrics



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- Conditions most often requiring additional or more specific documentation
- Volume of queries issued
- Query success
- Clinicians most often queried
- Patient care area most often queried
- Trended query, condition, clinician and case mix index data
- Case mix index change as a result of queries
- Documentation habit changes as a result of documentation improvement education

# Phase Two: CDI Value in ICD-10



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- Physician sees patient and writes note in a template geared toward the encounter
- Electronic health records reminds physician what key details are needed
- Medical coders apply the proper billing codes to a medical claim
- Physicians are less likely to be queried for documentation clarification



# ICD-10 Preparation with Vendors

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- Understand your vendor's plan for ICD-10
- If a vendor hasn't started working with system compatibility for ICD-10, ask for a start date
- Consider a contingency plan for other vendors and acquire a request for proposal for options



# Phase Three

## Coding

Coding  
Staff

## IT Personnel

IT  
Supervisors

IT Leads  
and  
Specialists

## Business Associates

Vendors  
and Payers

Other Data  
Users



## Phase Three cont.

<b>ICD-10 Overview - Basic Training</b>	1-2 hours
<b>How to find an ICD-10 Code</b>	6 hours
<b>How to document in ICD-10</b>	6 hours
<b>Physician &amp; Non-Physician</b>	20 hours
<b>ICD-10 Coding for Coders</b>	40 hours
<b>ICD-10 impact on Analytics</b>	6 hours

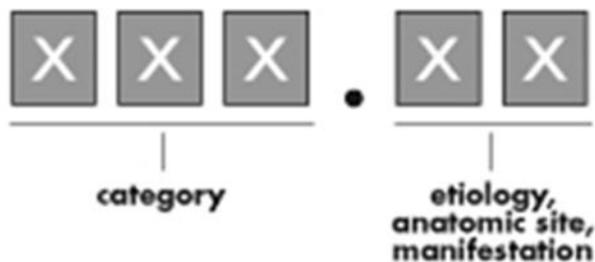


# Phase Three cont.

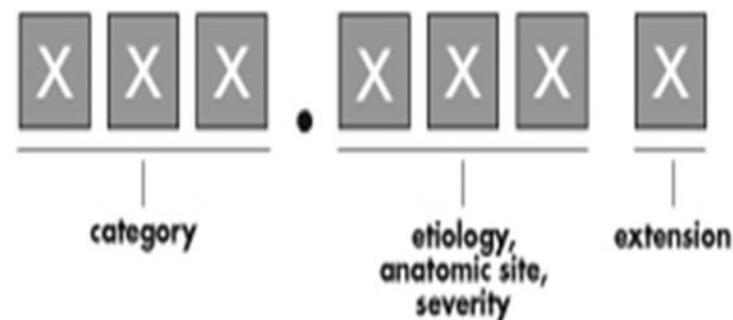
## Code Structure of ICD-10-CM versus ICD-9-CM

ICD-10-CM codes may consist of up to seven digits, with the seventh digit extensions representing visit encounter or sequelae for injuries and external causes.

### ICD-9-CM Code Format



### ICD-10-CM Code Format



# Phase Three: Coding



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- Identify strengths and weaknesses
- Anatomy and physiology refreshers
- Keep ICD-10 viable in current coding workflows
- Dual coding for ICD-9-CM and ICD-10-CM
- Granularity-greater level of detail for the diagnosis code selection
- Laterality-level of specificity

# Phase Three: Coding cont.



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## Coder's Roadmap to ICD-10

Below is a full curriculum to prepare coders for the Oct. 1, 2014 implementation of ICD-10. All AAPC members and industry coders are strongly encouraged to consider all steps in the plan as each one provides the foundation for the next.

### ICD-10 TIMELINE

2012



# ICD-10

### Step 1

**ICD-10-CM  
Implementation  
Training**

- Everything you need to know to implement ICD-10-CM in your practice
- Areas of ICD-10-CM impact, working with vendors and GEMS
- Documentation challenges of ICD-10-CM
- Templates, tools and checklists to simplify the transition
- 16 hours

### Step 2

**ICD-10-CM  
Anatomy and  
Pathophysiology  
Training**

- Advanced training for increased specificity requirements
- How to identify the appropriate diagnosis or condition
- Key areas of challenge posed in ICD-10-CM
- 14 hours

2013

### Step 3

**PHASE I  
ICD-10-CM  
Code Set Training**

- General code set training
- Complete guidelines with ICD-10-CM hands-on exercises
- Recommend prior to PHASE II Specialty Code Set Training
- 16 hours
- Available April, 2013

2014

### Step 4

**PHASE II  
ICD-10-CM  
Specialty  
Code Set Training**

Multi-Specialty *or* Specialty Specific

- Multi-specialty or single-specialty
- Advanced, real-world, hands-on coding
- 4 - 8 hours
- Available October, 2014

### Step 5

**ICD-10 Proficiency  
Assessment**

- 75 questions
- Open book, online, unproctored, use any resource available
- Two attempts to pass over a two year window (Oct. 1, 2013 – Sept. 30, 2015)

**ICD-10  
Implementation**

OCTOBER 1, 2014



Learn more at  
[www.aapc.com/icd-10coder](http://www.aapc.com/icd-10coder)

# Phase Three: Information Technology



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## Completed in Phase One

- Identify effect on business areas and employees
- Educate IT professionals on regulatory changes
- Identify new hardware or software requirements
- Identify system interfaces for ICD-10 compatibility

## Completed in Phase Two

- GEMs training for IT professional with data conversion involvement
- System change implementation
- Identify data to be linked by mapping and identify data that will be maintained as legacy data

# Phase Three: Information Technology cont.



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- System testing
  - Make modifications to the systems as needed
  - Test often
  - Conduct regression testing
  - Determine the support level
  - Superbill update
  - Ensure that GEMs for ICD-9 and ICD-10 is bi-directionally received

# Phase Three: Vendor Readiness

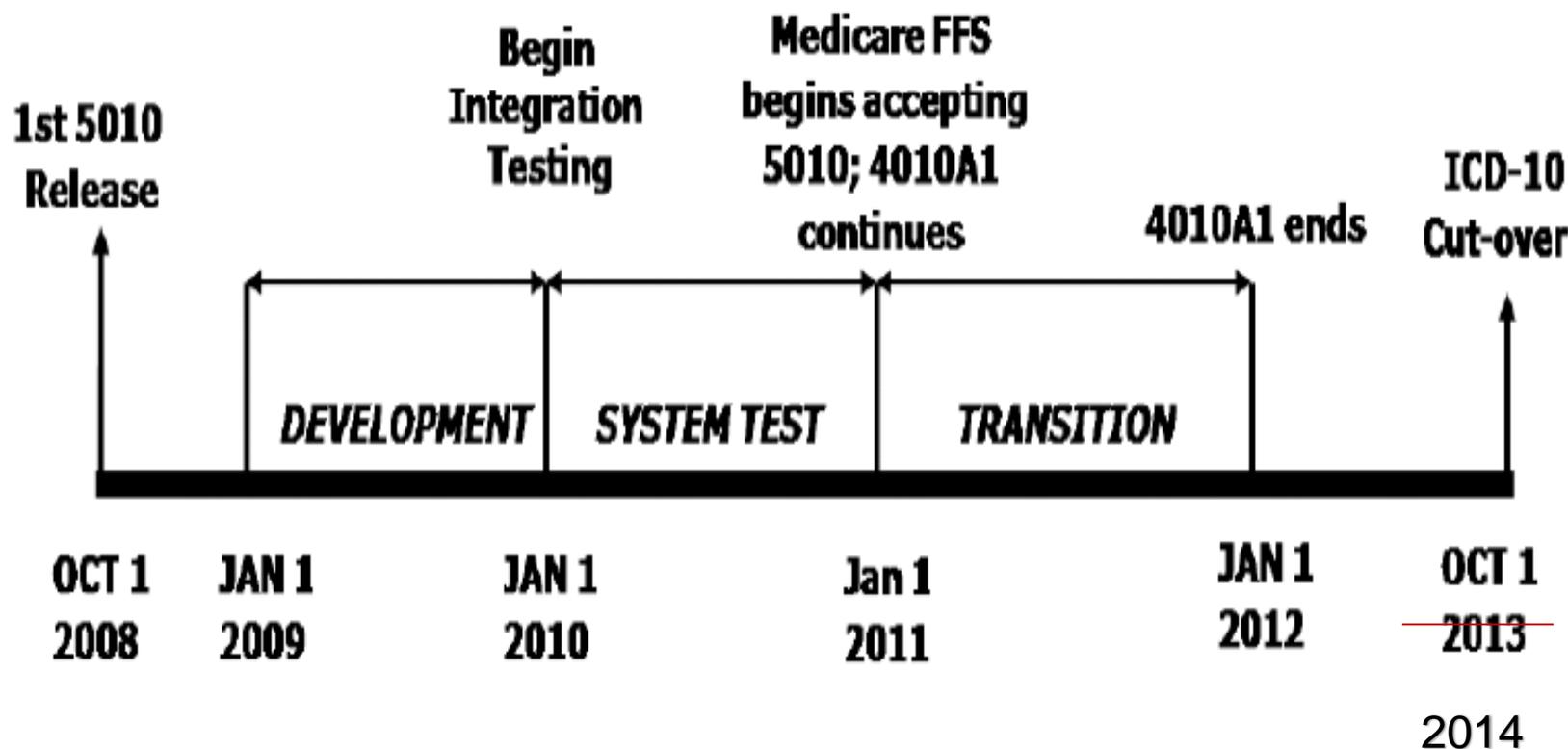


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- Test with vendors and trading partners
- Establish a contact person with each vendor
- Develop monthly meetings with them on their system progress

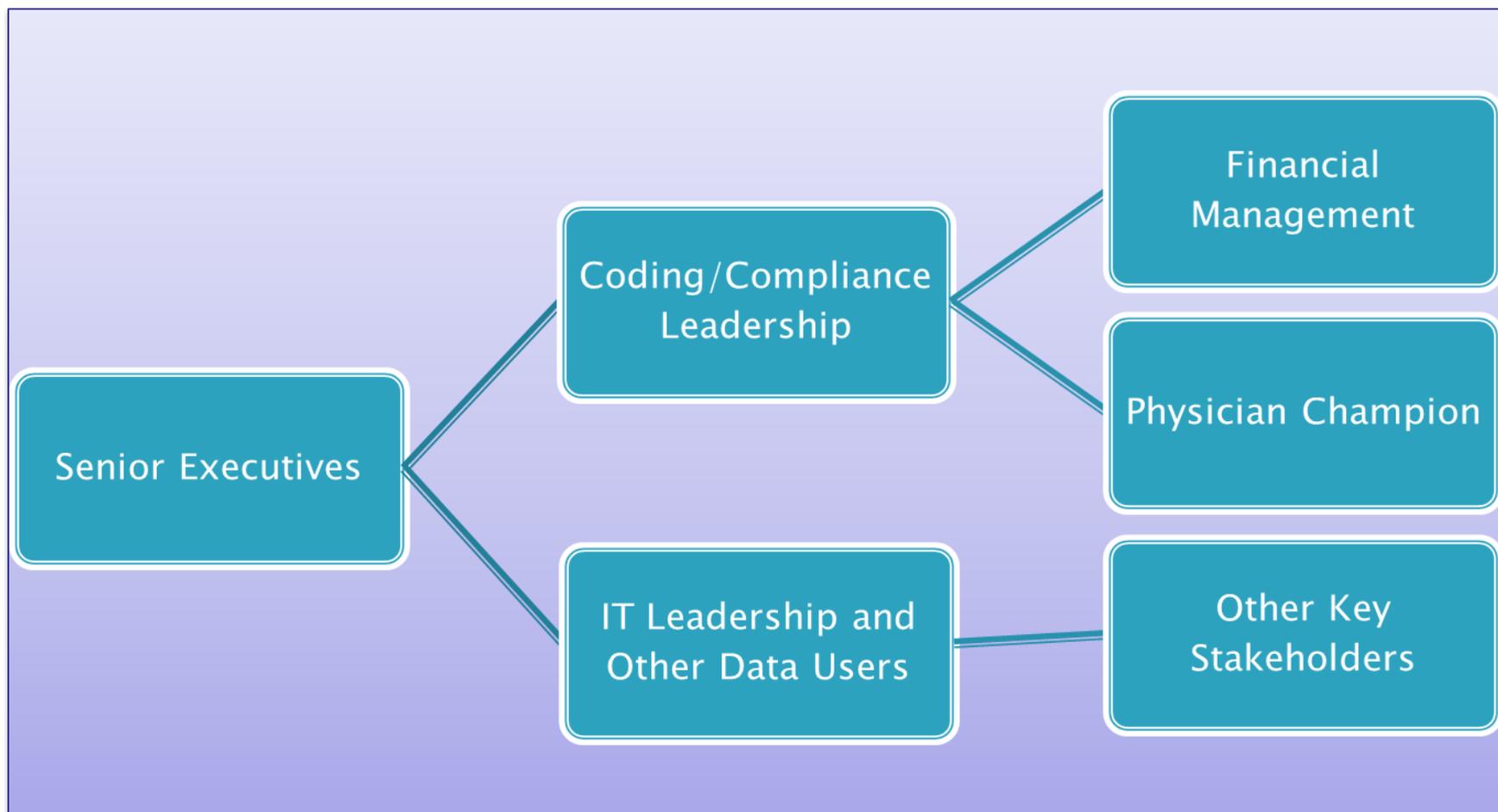


# 5010 Implementation Timeline





# Phase Four





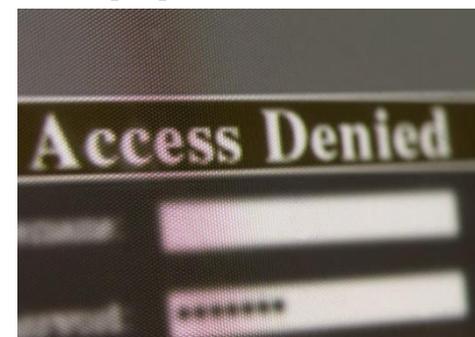
## Phase Four cont.

- Update the ICD-10 project plan as needed
- Modify and update the ICD-10 budget
- Develop and implement a communication plan
- Continue training staff as needed
- Dual coding in ICD-9 and ICD-10 for system readiness



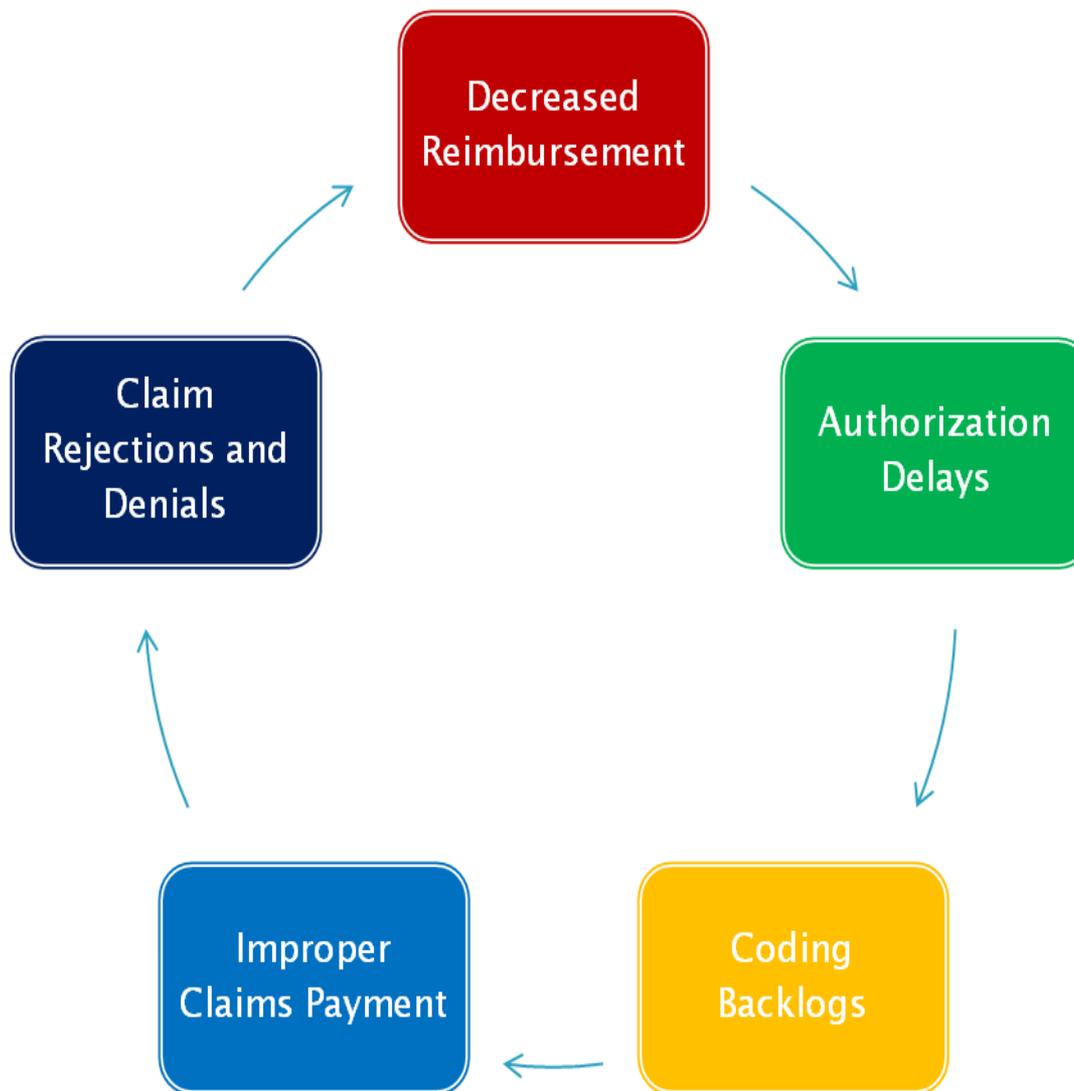
## Why is Planning Important?

- Insurance companies are anticipating the lack of preparation for ICD-10 and will capitalize on claim denials
- Claims error rate will increase
- Insurance companies are planning to narrow the timely filing and appeals limit





# Potential Risks





## Potential Risks cont.

- The largest anticipated expenditures involve increased documentation costs and general cash flow disruption as productivity drops during the learning process
- These costs make up 76% of anticipated expenditure for small practices, but increase to 89% for large practices\*



# Summary

- Break down ICD-10 into workable pieces to increase “buy in” among departments
- Incorporate ICD-10 conversations into team meetings
- Look for ways to continuously improve processes within the revenue cycle in order to reduce financial risk



Send questions/comments to:

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