Utilizing Procedure Documentation to Overcome the Challenges of ICD-10 and RAC

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ProVation Medical
Why should we talk about documentation and coding?

When I was in medical school

- Our meetings focused on making patients better - never on business
- Focusing on payment (and all things related) meant you went into medicine for the “wrong reasons”

Times have changed

- From the codes utilized to the documentation supporting them, the claims and payment process is highly regulated, and demands our attention

The bottom line

- Retaining control of payment, through proper documentation and coding is part of what allows us to control the care we give to our patients

Coding is the *smaller part* of the issue, the key challenge is documentation
Multiple Factors Driving Focus on Documentation

The pressure is intensifying on clinicians to deliver more comprehensive, tightly structured clinical documentation

- ICD-10
- RAC (Recovery Audit Program) pre- and post-payment audits
  - 90% of hospitals experienced RAC activity in Q4 2012
- Increased scrutiny by state MACs (Medicare Administrative Contractors)
  - Prepayment review of “problematic” claims
- Failure to accurately and/or fully document medical necessity

All hurt the revenue cycle

- Collection of over- or improper payments
- Lost reimbursements due to under-coding
- Payment delays as audits are defended and/or appealed
- Nonpayment for services provided
- Staff resources to manage all of it
Two areas where documentation quality has the greatest impact are ICD-10 and RAC
CMS will not delay implementation of ICD-10 beyond Oct. 1, 2014

...as affirmed by CMS Acting Administrator Marilyn Tavenner in a 3/6 address at HIMSS13
Documentation and ICD-10

Traditional documentation lacks the specificity required to code accurately in ICD-10

- The number of codes is expanding by approximately **800%**
  - ICD-9 = 17,000 codes
  - ICD-10 = nearly 155,000 codes
- 3-5 characters vs. 3-7 characters

In Canada, revenue streams were reduced by as much as 40% for four months post-ICD-10 transition
Many common diagnoses and specialized areas will require much greater specificity and clinical detail under ICD-10

- Detailed embedded within ICD-9 codes is very ambiguous compared to ICD-10
  - Allows for specific descriptions of co-morbidities, manifestations, etiology/causation, complications, etc.
  - Laterality is often identified

Net result: existing documentation approaches will be inadequate in ICD-10
The orthopaedic codes section is expanding more than any other section of ICD-10

- Displaced Oblique Fracture of the Shaft of the Right Tibia (ICD-10 code S52.123)
  - The appropriate seventh character must be selected from a list of 16 possibilities (versus 5 under ICD-9)
- Adhesive Capsulitis of the Shoulder
  - 1 diagnosis code under ICD-9 (726.0) compared to 3 under ICD-10
- Open Fracture of Head of Radius
  - 1 code under ICD-9 (813.15) compared to 16 under ICD-10’s displaced of head of unspecified radius (S52.123)
Pain management providers can also anticipate substantial changes under ICD-10

- The following expand from 1 code to 9
  - Cervical spondylosis without myelopathy (ICD-9 code 721.0)
  - Thoracic spondylosis without myelopathy used for thoracic facet joint arthropathy (ICD-9 code 721.2)

- Degenerative disc disease in multiple regions
  - Expands from 1 code to 3 in the cervical spine
  - Expands from 1 code to 2 in the thoracic spine
  - Expands from 1 code to 2 in the lumbosacral spine
  - ...But no differentiation between disc bulging, disc protrusion, disc extrusion and disc herniation (At least not yet...
Spinal stenosis has 1 ICD-9 code—and approximately 30 ICD-10 codes

<table>
<thead>
<tr>
<th>ICD-9 CODE</th>
<th>ICD-9 DESCRIPTION</th>
<th>ICD-10 CM</th>
<th>ICD-10 DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>724.09</td>
<td>Spinal stenosis, other region other than cervical</td>
<td>M48.08</td>
<td>Spinal stenosis, sacral and sacrococcygeal region</td>
</tr>
<tr>
<td>M99.24</td>
<td>Subluxation stenosis of neural canal of sacral region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.25</td>
<td>Subluxation stenosis of neural canal of pelvic region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.26</td>
<td>Subluxation stenosis of neural canal of lower extremity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.27</td>
<td>Subluxation stenosis of neural canal of upper extremity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.28</td>
<td>Subluxation stenosis of neural canal of rib cage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.29</td>
<td>Subluxation stenosis of neural canal of abdomen and other regions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.34</td>
<td>Osseous stenosis of neural canal of sacral region</td>
<td></td>
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</tr>
<tr>
<td>M99.35</td>
<td>Osseous stenosis of neural canal of pelvic region</td>
<td></td>
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<tr>
<td>M99.36</td>
<td>Osseous stenosis of neural canal of lower extremity</td>
<td></td>
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<td>M99.37</td>
<td>Osseous stenosis of neural canal of upper extremity</td>
<td></td>
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<td>M99.38</td>
<td>Osseous stenosis of neural canal of rib cage</td>
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<td></td>
</tr>
<tr>
<td>M99.39</td>
<td>Osseous stenosis of neural canal of abdomen and other regions</td>
<td></td>
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<td>M99.44</td>
<td>Connective tissue stenosis of neural canal of sacral region</td>
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<td>M99.45</td>
<td>Connective tissue stenosis of neural canal of pelvic region</td>
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<td></td>
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<td>M99.46</td>
<td>Connective tissue stenosis of neural canal of lower extremity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.47</td>
<td>Connective tissue stenosis of neural canal of upper extremity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.48</td>
<td>Connective tissue stenosis of neural canal of rib cage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.49</td>
<td>Connective tissue stenosis of neural canal of abdomen and other regions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.54</td>
<td>Intervertebral disc stenosis of neural canal of sacral region</td>
<td></td>
<td></td>
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<tr>
<td>M99.55</td>
<td>Intervertebral disc stenosis of neural canal of pelvic region</td>
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<tr>
<td>M99.56</td>
<td>Intervertebral disc stenosis of neural canal of lower extremity</td>
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<td>M99.57</td>
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<td>M99.58</td>
<td>Intervertebral disc stenosis of neural canal of rib cage</td>
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<td></td>
</tr>
<tr>
<td>M99.59</td>
<td>Intervertebral disc stenosis of neural canal of abdomen and other regions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.64</td>
<td>Osseous and subluxation stenosis of intervertebral foramina of sacral region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.65</td>
<td>Osseous and subluxation stenosis of intervertebral foramina of pelvic region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M99.66</td>
<td>Osseous and subluxation stenosis of intervertebral foramina of lower extremity</td>
<td></td>
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</tr>
</tbody>
</table>
Key Point

Failure to provide the required specificity under ICD-10 can be a liability because...

You *must* have clinical documentation that corresponds to and supports the code selected
Medicare Fee-for-Service Recovery Audit Program

- Recovery auditors review claims on a *post-payment basis*, looking back three years from the date the claim was paid.
- RAC has collected a total of $3.9 billion in overpayments since 10/09.

*Top issue...insufficient documentation*

In 3 of the 4 RAC regions in Q1 2013 was insufficient documentation to support services provided.
The RAC Prepayment Review Demonstration Program

- Medicare RACs review claims submitted on select DRGs before they are paid to ensure that the provider complied with all Medicare payment rules
  - Focus is on claims with high rates of improper payment
  - Begin with reviews of short inpatient hospital stays
  - Additional DRGs will be added at CMS’ discretion
Initial focus is on 11 states

- 7 with high populations of fraud- and error-prone providers
- 4 with high claims volumes of short inpatient hospital stays
MAC Prepayment Reviews

- State MACs can implement prepayment review programs at their discretion to reduce their Comprehensive Error Rate Testing (CERT) error rates
  - MACs typically initiate prepayment review of providers they suspect are not properly billing for services
  - MACs also are initiating prepayment reviews of new Medicare enrolled providers
- Six MACs are doing prepayment reviews of short stays for MS-DRG 312 (Syncope)
- Three MACs (J9, J4 and J12) target specific orthopaedic procedures with high error rates: 1) MS-DRG 458, 2) MS-DRG 460, 3) MS-DRG 470, and MS-DRG 490
### Example of One State MAC’s Prepayment Audit Results

**% of Cases where Documentation was Sufficient to Support Claim**

<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Description</th>
<th>Medical Necessity</th>
<th>Reasonable &amp; Necessary</th>
</tr>
</thead>
<tbody>
<tr>
<td>460</td>
<td>Spinal fusion except cervical w/o MCC</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>470</td>
<td>Major joint replacement or reattachment of lower extremity w/o MCC</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>328</td>
<td>Stomach, esophageal &amp; duodenal procedure w/o CC/MCC</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>455</td>
<td>Combined anterior/posterior spinal fusion w/o CC/MCC</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>473</td>
<td>Cervical spinal fusion w/o CC/MCC</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>069</td>
<td>Transient ischemia</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>254</td>
<td>Other vascular procedures w/o CC/MCC</td>
<td>0%</td>
<td>52%</td>
</tr>
<tr>
<td>254</td>
<td>Other vascular procedures w/o CC/MCC</td>
<td>0%</td>
<td>52%</td>
</tr>
</tbody>
</table>

**60% of claims for MS-DRG 460 were not paid**
Specialties will benefit from leveraging technology to improve clinical documentation

- Eliminates data integrity concerns
  - Reminders based on regulatory changes
- Ensures a more efficient and effective claims defense
- Simplifies audit submissions

**Bottom line**...**better clinical documentation leads to payment reliability, and can make RAC, MAC and ICD-10 a non-issue**
What to Look for When Selecting a Technology Partner

Deep Medical Content

Stay away from templates
- Do not keep up with quarterly coding or documentation changes
- You are likely to have to maintain them, keep them current

Stay away from coding “pick lists”
- You still have to keep track of all the coding and documentation reqs.

Built around your workflow (not derived from a billing system)

Ensure it is useable for other purposes
- Internal quality assurance
- Registry submission
- Data to use to negotiate with payers

“Best of Breed” approach
- Be wary of start ups, companies for sale, “we can do everything”
For surgeons, technology helps in three ways:

1. Ensures that the medical findings specified correspond to the codes that are submitted
   - Guides all documentation
   - Flags specific data for inclusion
   - Findings required are updated as regulations change

2. Establishes medical necessity and supports (defends) against any challenges to the codes submitted
   - Built-in reporting and analytics tools simplify audit preparation

3. Ensures complete, coder-ready documentation
   - Improves revenue
Leveraging Automation

For administrators...

- Eliminates duplicate data entry
- Enables limited resources to be refocused on other core responsibilities
- Increases productivity

As well as...

- When documentation software is interfaced with other systems, data can be shared without any additional resources
You have two choices:

1. Get/use an effective system
   - Periodically (1-3 yrs) review to ensure it continues to meet your needs

2. Do not get an effective system and you will...
   - Be at risk for RAC/MAC audits and coding changes
   - Have to keep track of all of the documentation changes
   - Have to implement a system to capture the requirements
   - Lose all the added benefits (registries, internal quality control, negotiating leverage, interfaces)

Net result, without an effective system, you will **CONSTANTLY** be dealing with these issues
For more information about ProVation MD, or to schedule a software demonstration:

Contact:
Lori Brokaw-Brown
lori.brown@wolterskluwer.com
317-705-7618

Allows for capture & submission of appropriate PQRS measures, & GI Quality Indicators, including electronic GIQuIC submission.

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- Gastroenterology
- General Surgery
- Gynecology
- Ophthalmology
- Orthopedics
- Pain Management
- Plastic Surgery
- Pulmonology
- Urology

ICD and CPT codes generated based on physician documentation.