Meeting the Challenges of ICD-10-CM/PCS

HIPAA COW
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Objectives

• Demonstrate a basic understanding of ICD-10-CM/PCS code sets
• Explain benefit and value of ICD-10-CM/PCS
• Identify and articulate challenges for organizations and providers

Objectives

• Explain impacts of ICD-10-CM/PCS on an organization
• Demonstrate knowledge of ICD-10-CM/PCS effect on data management
• Address technology and EDI transitions
• Explain local ICD10 initiatives and resources
Continuing to Prepare for the Transition to ICD-10-CM/PCS

We have a date!

New Timeline

- Allows
  - Increased training time
  - Coding mitigation
    - Dual coding
    - Computer-assisted coding
  - System preparation
  - Financial analysis

What is ICD-10?

ICD-10-CM

- US Clinical Modification of the World Health Organizations (WHO) ICD-10
- Diagnostic Codes only

ICD-10-PCS

- Developed under contract by CMS to replace ICD-9-CM procedure coding system
Value of ICD-10

- Accurate claims processing for reimbursement
- Data comparison for outcomes measurement
- Quality improvement
- Resource utilization
- Best practices
- Medical research

What is the Impact?

- Affects multiple areas
- Cost and budget
- Contracts
- Vendor readiness
- Training & education
- Communication
- Data & reporting
- Reimbursement & cash flow
- Resources
Who Must be Compliant?

Non-Covered Entities

- Workers’ Compensation
- Auto Insurance
- Disability Insurance plans
- Quality Measures Reporting
  - National Quality Forum (NQF)
  - National Committee for Quality Assurance (NCQA)
  - HEDIS

ICD-10: Consists of two parts

<table>
<thead>
<tr>
<th>Diagnosis Codes</th>
<th>Procedure Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICD-10</td>
<td>66,000</td>
</tr>
<tr>
<td>ICD-9</td>
<td>13,000</td>
</tr>
<tr>
<td>ICD-10</td>
<td>87,000</td>
</tr>
<tr>
<td>ICD-9</td>
<td>11,000</td>
</tr>
</tbody>
</table>
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One-to-Many Relationship

Structure Differences-CM

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-CM</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 3-5 characters</td>
<td></td>
</tr>
<tr>
<td>• First character is numeric or alpha</td>
<td></td>
</tr>
<tr>
<td>• Characters 2-5 are numeric</td>
<td></td>
</tr>
<tr>
<td>• Always at least 3 characters</td>
<td></td>
</tr>
<tr>
<td>• Use of decimal after 3 characters</td>
<td></td>
</tr>
<tr>
<td>• 3-7 characters</td>
<td></td>
</tr>
<tr>
<td>• Character 1 is alpha</td>
<td></td>
</tr>
<tr>
<td>• All letters except U</td>
<td></td>
</tr>
<tr>
<td>• Characters 2-7 are alpha or numeric</td>
<td></td>
</tr>
<tr>
<td>• Always at least 3 characters</td>
<td></td>
</tr>
<tr>
<td>• Use of decimal after 3 characters</td>
<td></td>
</tr>
</tbody>
</table>

ICD-10-CM Structure - Format

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Diagnosis Code Structure

ICD-9-CM

4 6 2

Sore Throat

ICD-10-CM

J 0 2 9

Sore Throat (acute) NOS

Structure Differences-PCS

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-PCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 3-4 characters</td>
<td></td>
</tr>
<tr>
<td>• All characters are numeric</td>
<td></td>
</tr>
<tr>
<td>• Always at least 3 characters</td>
<td></td>
</tr>
<tr>
<td>• Use of decimal after 2 characters</td>
<td></td>
</tr>
<tr>
<td>• Index by operation name</td>
<td></td>
</tr>
<tr>
<td>• Tabular listing with notes</td>
<td></td>
</tr>
<tr>
<td>• 7 characters</td>
<td></td>
</tr>
<tr>
<td>• All characters are alpha or numeric</td>
<td></td>
</tr>
<tr>
<td>• All letters except I and O</td>
<td></td>
</tr>
<tr>
<td>• Every code is 7 digits</td>
<td></td>
</tr>
<tr>
<td>• No decimal points</td>
<td></td>
</tr>
<tr>
<td>• Index by root operation (no eponyms)</td>
<td></td>
</tr>
<tr>
<td>• Tabular listing in table format</td>
<td></td>
</tr>
</tbody>
</table>

ICD-10-PCS Structure – Characters (Med/Surg)

1 2 3 4 5 6 7

Section Root Operation Approach Qualifier

Body System Body Part Device

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**Procedure Code Structure**

ICD-9-CM Procedures

4 2 2 4

Closed [endoscopic] biopsy of esophagus

ICD-10-PCS

0 D B 5 8 Z X

Excision of Esophagus, Via Natural or Artificial Opening Endoscopic, Diagnostic

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**CMS Website for Downloads**

- ICD-10 CM
  

- ICD-10 PCS
  

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**Organizational and Provider Challenges**

Understanding, and Engagement

Staffing, Productivity and Training

Reporting and Data Analysis

Cash Flow and Denied Claims

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Financial Impact

- Contracting
- Claims data analysis
- Increased payment error rate or rejection
- MS-DRG conversion
- Decreased revenue initially
- Altered revenue due to mapping of codes

Reality

- Over 1/3 of health plans have completed their assessment, but 1/4 are less than halfway done
- About 1/2 of vendors are less than halfway complete with product development

Getting Started

- Assessments
- Inventory
- Contact Vendors
- Gap Analysis
- Education & Training
- Budget & Project Plan
Assessments

- Departments
  - Early education
  - Standard questions

Departments

<table>
<thead>
<tr>
<th>Quality</th>
<th>GI Lab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>OR</td>
</tr>
<tr>
<td>Admissions</td>
<td>CDI</td>
</tr>
<tr>
<td>Lab</td>
<td>Contracts</td>
</tr>
<tr>
<td>Radiology</td>
<td>Medical Staff</td>
</tr>
<tr>
<td>Cardiology</td>
<td>Financial Counselors</td>
</tr>
<tr>
<td>Utilization Management</td>
<td>Clinics</td>
</tr>
</tbody>
</table>

Sample Questions

- Identify process impacted by ICD-10
- Map workflow
- Identify barriers
- Identify applications and reports
- Policy, procedures and forms
- Educational needs and tools
- Future activities
Assessments

- HIM/Financial Areas
  - Workflow
  - Staff productivity
  - Denials management process

Coding Productivity

- Productivity
  - Current national productivity standards
    - 3-5 inpatient records per hour
    - 30-60 outpatient clinic records per hour
  - Causes of Decreased Productivity
    - Locating documentation in the record
    - Unfamiliarity with coding system

Humber River Regional Hospital (HRRH) Canada

<table>
<thead>
<tr>
<th></th>
<th>ICD-9-CM (April 2002) charts/hr</th>
<th>Start ICD-10 (July 2002) charts/hr</th>
<th>ICD-10 (April 2003) charts/hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient</td>
<td>4.62</td>
<td>2.15</td>
<td>3.75</td>
</tr>
<tr>
<td>Day Surgery</td>
<td>10.68</td>
<td>3.82</td>
<td>8.53</td>
</tr>
<tr>
<td>Emergency</td>
<td>10.37</td>
<td>6.49</td>
<td>8.83</td>
</tr>
</tbody>
</table>
Documentation Impacts

- Locating documentation in the record
- Unfamiliarity with coding system

PFS Departmental Assessment

- Current workflow
- Denials management process
  - Dirty claims
- Reporting
- Staffing and productivity
- Payer inventory and readiness

Contracting Department Assessment

- Inventory
  - Payers
  - Expiration dates
  - ICD-9-CM codes
- Documentation review
  - High volume vs. high dollar
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### Information Systems Assessment

- Applications
- Reports
- Interfaces
- Rules/Alerts
- Problem Lists

### Impacted Systems

<table>
<thead>
<tr>
<th>Encoding &amp; Abstracting</th>
<th>Utilization Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Mix</td>
<td>Quality Management</td>
</tr>
<tr>
<td>Billing / Financial</td>
<td>Pharmacy System</td>
</tr>
<tr>
<td>Registrations / Scheduling</td>
<td>Case Management</td>
</tr>
<tr>
<td>ABN</td>
<td>Medical Necessity Software</td>
</tr>
<tr>
<td>Decision Support</td>
<td>Disease Management</td>
</tr>
<tr>
<td>Clinical Documentation</td>
<td>Radiology / PACS</td>
</tr>
<tr>
<td>CPOE</td>
<td>Laboratory</td>
</tr>
<tr>
<td>Registries</td>
<td>Data Warehouse</td>
</tr>
<tr>
<td>Claims Submission Software</td>
<td></td>
</tr>
</tbody>
</table>

### Application Inventory

- Identify each vendor
- Inventory all applications
- Inventory databases
- Current and required versions
- Identify interfaces
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### Vendor

- Contact
- Version
- Cost
- Timeline
- Testing
- Plan

### Application GA Dates

- 6%
- 21%
- 33%
- 40%
- 0%

- Upgrade complete
- Upgrade 2011
- Upgrade 2012
- Upgrade 2013
- Upgrade unknown

### Identified Applications – Now What?

- Analysis of required system changes
  - Field size expansion
  - Change to alphanumeric
  - Interface changes
  - Table structures
- Prioritize Systems
- Systems must accommodate the transmission of ICD-9-CM and ICD-10-CM/PCS simultaneously
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**Additional Impacts**

- Rules and alerts
- Problem lists

**Testing**

- Test systems
  - Accommodate test patients
  - Running simultaneously with production system
  - Test with vendors
- Testing scenarios
  - All application functionality
  - All interfaces
  - All databases
  - All reports

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Where’s the Data Found?

- HIM Database
- Clinical Data Repository
- Radiology Database
- Laboratory Database
- Other departmental data and decision support
- Patient Accounts Database
- Pharmacy Database

Internal Data

Departmental Databases

Where are the Reports?

- Identify report
- Source systems
  - Primary, secondary
- Internal or external
- Databases

Reports Inventory

<table>
<thead>
<tr>
<th>External</th>
<th>Internal</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE measures</td>
<td>Patient Care</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>Quality &amp; UR</td>
</tr>
<tr>
<td>Registries</td>
<td>Registries</td>
</tr>
<tr>
<td>Regulatory</td>
<td>Billing &amp; Reimbursement</td>
</tr>
<tr>
<td>HIE</td>
<td>Research</td>
</tr>
<tr>
<td>State Reporting</td>
<td>Regulatory</td>
</tr>
</tbody>
</table>

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What is the Priority?

- Internal or external
- Regulatory
- Research and grants
- Revenue resource
- Day to day operations

How do we Complete the Report Rewrite?

- Report parameters
  - Development will require more coding knowledge
  - Complete reanalysis for procedures
    - No chapters or code ranges
    - Focus on root operations

GEMs Definition

GEMs – General Equivalence Maps
- Maps attempt to find corresponding codes between two code sets
- Many times, the relationship is not that easy to establish
- Not a "simple crosswalk"

GEMS Tools

- Multiple sources
- Multiple variations
- Multiple interpretations
- Multiple payment options

Documentation and Education

Focus on Documentation

Why

How

When

Who
Execute Documentation Plan

• Identify documentation trends
  – What’s uncodeable?
  – What’s codeable but nonspecific?
• Which service lines will suffer most from lack of documentation?
• Who are your repeat offenders?
• Where is the “new” documentation found in the record?

If You Build it...

...tell the coders where to find it!

Documentation Trends
Asthma Severity

- Mild intermittent
- Mild persistent
- Moderate persistent
- Severe persistent

Noncompliance

- Dietary regimen
- Dialysis
- Other medical treatment
- Medication regimen
  - Which medication?
  - Intentional (e.g. financial hardship)
  - Unintentional (e.g. age-related debility)

Orthopedics

- What they aren’t saying...
  - Specific part of bone
  - Laterality
  - Pathological vs. traumatic
  - Displaced vs. nondisplaced
  - Specific bone/joint operated on
**Surgical Procedures**

- Coronary bypass procedure
  - Harvesting of saphenous vein graft
- Greater or lesser saphenous vein?

- Gastrointestinal procedures
  - What specific part of intestine removed?
  - Lysis of omental adhesions
- Greater or lesser omentum?

- Lymph node dissection
  - Entire chain or partial excision?

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**Nonsurgical Procedures**

- Mechanical ventilation
  - Total ventilation time
  - Includes weaning
  - Time increments (consecutive)
    - Less than 24 hours
    - 24-96 hours
    - More than 96 hours

- Blood transfusions
  - Route
  - Blood product
  - Autologous vs. nonautologous

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**Surprises!**

- Postoperative pulmonary embolism
  - Artery or vein?

- Benign paroxysmal positional vertigo
  - Right or left ear? Bilateral?

- Nonspecific codes and laterality
  - Senile cataract – Not specific enough to code to right, left or bilateral eyes
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**Coding Education**

- ICD-10-CM/PCS will require more knowledge of...
  - medical terminology
  - anatomy and physiology (A&P)
  - pathophysiology/disease process
  - how procedures are performed
- What will it take to get coders to the level they need to be?

**Training Physicians**

- Incorporate ICD-10 language into current queries and templates
- Utilize ICD-10 documentation results to create customized training
- Educate on ICD-10 reimbursement impact

**Before ICD-10-CM/PCS**

- Eliminate coding and claims backlogs
- Prepare for cash flow variances
- Create contingency plans
- Run parallel systems
After ICD-10-CM/PCS

Maintain parallel systems until all claims paid

Leverage specificity of the coding system

Implement new criteria or requirements

Track claim rejections and appeals

Thank You! Any Questions?

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References

References