ICD-10 Implementation for Community and Critical Access Hospitals
Where are we?
What do we have to do?

November 2, 2012

John Behn

STROUDWATER ASSOCIATES

National Rural Health Resource Center

Rural Hospital Performance Improvement (RHPI) Project

It’s not a secret. Wake up!

International Classification of Diseases:

ICD - 10

Chargemaster

Front End

Back End

Background

- ICD - International Statistical Classifications of Diseases and Related Health Problems is overseen and endorsed by the World Health Organization, and is the international standard for diagnosis and classification of epidemiological general health and clinical use.
- ICD-10 is the tenth revision of ICD, completed approximately 1992
- Current version of ICD-10 includes over 68,000 CM codes, compared to 14,000 ICD-9 codes
- ICD procedure codes are controlled by Medicare in consultation with commercial payors. ICD PCS will increase from 4,000 ICD-9 codes to 87,000 and counting in ICD-10
- Few codes directly crosswalk to ICD-9 selections
- Adopted by member states beginning 1994
- US plans to adopt ICD-10 on October 1, 2014

"It is not necessary to change. Survival is not mandatory." W. Edwards Deming

Recent News

- In February 2012, the AMA urged CMS to halt ICD-10 implementation
- AHIMA urged CMS to stay on track, and emphasized there should be no delay
- HIMSS cites concerns with delays, urges CMS to stay on track
- AHA issued no press release
- AMA responded with a willingness to work with CMS on a reasonable implementation schedule
- In March 2012 AHIMA issued a call to members to urge congress, CMS to stay on track, maintain October 2013 implementation date and include in meaningful use requirements
- On April 17, 2012 CMS began soliciting comments on a proposal to delay ICD-10 implementation for one year
- All Comments were due by May 17, 2012
- The final decision has been published.
- 10/1/2104 Go Live.

Plan for the Change

- ICD-10 implementation will affect every aspect of the patient/provider/facility encounter
- Implementation will require system changes, extensive training and considerable expense
- Likely to impact cash flow during implementation and transition period
- Implementation teams should include senior management and department leadership

Implementation Team

- Organize the team and map out the implementation effort
- Team must include
  - HIM
  - IS
  - Professional Coding
  - Business Office
  - Finance
  - Senior Management

Every Area will be Impacted

- Initial review should include queries to:
  - All patient servicing departments
  - Case Management
  - Utilization Review
  - Finance
  - Research
  - External business partners
  - Financial Counseling
  - Managed Care, contracting, referral management
  - Admissions and/or Registration team responsible for Pre-Authorization process
  - All business office team members
  - Outpatient Pharmacy
  - Central Supply
  - HR

Develop a cohesive message

- The Facility Implementation Team must speak with one message to departments, coders, payors, vendors and the community
- The Implementation Team must immediately develop a mission statement and a unified message
- Communication of the message must be comprehensive throughout all teams and processes

Evaluate Current State

- Create surveys
  - Who has heard of ICD-10?
  - What does ICD-10 mean to the position surveyed?
  - Does the job require the use of diagnosis codes or diagnosis information?
  - In what way?
- Determine current-state average time per patient to:
  - Dictate
  - Enter services (paper super bill or EMR)
  - Obtain authorization/scheduling of specialty services
  - Code
  - Enter charges into billing system
  - Bill (review claim checks, clearing house flagged claims etc.
  - Evaluate and post remit
  - Perform follow up and appeals
  - Provide customer service

Technology Assessment

- Identify and quantify system needs, current state and ICD-10 preparedness
- Programs impacted-IS should work with departments to develop a comprehensive list of all technologies that could be impacted
  - Billing System
  - Medical Record System including community providers where EMR is accessible to/from facility
  - Clearinghouses (scrubbers)
  - Denial management
  - RIS, HIS etc.
  - Case Management clinical decision support software (InterQual)
  - Payor's Preauthorization and PreCert processes
  - Quality reporting and meaningful use reporting
  - All others

Technology: Vendor Readiness

- All Vendors must be contacted to determine
- Do diagnoses factor into the vendor process?
  - What they need to do to prepare?
  - How will the vendor handle the dual system required during the transition period?
  - What customer support is available?
  - What are the individual vendor timelines for readiness?
  - What if any costs to the facility are associated with preparations and implementations?
  - What training will be offered?
  - When will vendor be ready to test?
  - How will testing be scheduled?

Technology: Vendor Integration and Access

- Systems with no expected changes to accommodate ICD-10 must be evaluated for integration with systems that expect changes
- Will changes to RIS, Pharmacy, OR modules etc. affect integrated inventory control or scheduling?
- Who will have access to PHI during testing and implementation plan?
- How will access to sensitive data be protected throughout testing, implementation and integration?

Technology: Payor Preparedness

- What are payors preparation plans?
- What is the intent of Non HIPAA partners?
- How is payor integration with clearinghouses COB, Non HIPAA providers, authorization vendors etc. being tested?
- How will claims be processed when authorization was received for ICD9 and service was performed with ICD-10 codes?
- When will upgrades be available for testing?
- What training will be offered, and when will training be available?
- What, if any, costs to the facility will be related to this upgrade?
- Will any other upgrades be included in their ICD10 upgrade?

Technology Training

- IS must evaluate vendor readiness plans and training and provide assessment and timeline to implementation team
- Implementation team must assess the training needs both internal and external to accommodate the technology changes
- IS and Implementation Team must establish a timeline of preparedness that allows for integrated testing no later that Q2, 2014

There is a code for this.

V9540XA Unspecified spacecraft accident injuring occupant, initial encounter

- Identify personnel training required including
  - Professional staff
  - Nursing
  - Technicians, Therapists, counselors
  - Case Management, Utilization Review
  - HIM and professional coders
  - Managed Care, Pre-Authorization, Pre-cert staff
  - Business Office
  - Customer Service
  - Financial Counselors

Operational: Policies, Procedures and Protocols

STROUDWATER ASSOCIATES

- Identify all internal policies, procedures and protocols that will be impacted by ICD-10 implementation
- Assign team to evaluate and update
- Establish priorities and timelines

Operational: Payor Preparedness

- Business Office, IS and Finance must query Payors
- How will claim logic handle dual reporting period?
- How will preauthorization be addressed during the dual reporting period, or cross-over period?
- What training will be offered
- When will system updates be available for testing?
- What is the expected impact on payment schedule, claim processing?
- Can dual paper/electronic process be accommodated if necessary during transition?
- How will a paper process affect payment schedule
- Medical Policies impacted by changes
  - When will Medical Policies be updated and available for review and training?
  - How will Medical Policies identify and explain dual process periods?
  - How will referral, pre-authorization, etc. be evaluated during cross-over periods?

Financial Assessment

- What is the cost of upgrades?
- What is the cost of training?
  - Classes
  - Course material
  - Lost time
  - Schedule reductions for training, implementation
  - Expansion of hours to accommodate training time
  - Rework time and effort
- What is the projected impact on cash flow?
- What is expected increase in denials / reimbursement?

Financial: Impact to Productivity

- What is the expected impact to productivity
- Schedule blocks to accommodate training for Professional providers, therapists, technicians
  - Training in ICD-10 – clinical documentation
  - Training in policy, procedure, protocol changes
  - Training in software changes
- Proper coverage in 24/7 operations during training to meet medical need and emergent need
- Overtime requirements for training of non service providers
  - Coders, Billers, Case Management, UR, BO, IS

And a code for this.

T14 Injury of unspecified body region

Finance: Reporting

- ICD-10 impact on performance reporting, drivers, quality measures
  - Abstracting
  - Aggregate Data Reporting
- Preparation for and assessment of impact to overall financial reporting

Time Line: Immediately

- Appoint an ICD-10 Steering Committee, identify key stakeholders
- Establish a cohesive message and communication method
- Identify and prioritize affected systems, areas and personnel
- Identify all areas and systems that assign, utilize or store diagnosis codes
- Identify all vendors, contractors, business partners that utilize diagnosis codes
- Identify all policies, protocols etc. that utilize diagnosis codes, *or require and understanding of diagnosis codes for proper adherence*
- Determine area specific needs
  - Resources
  - Technology
  - Training
  - Expenses

Time Line: Immediately

- Commit to a timeline
- Begin financial discovery processes
- Create a meeting schedule
- **Stick to the schedule**
- Create a checklist
- **Stick to the checklist**
- Create a timeline
- **Stick to the timeline**

http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_048737.pdf

https://www.cms.gov/icd10/

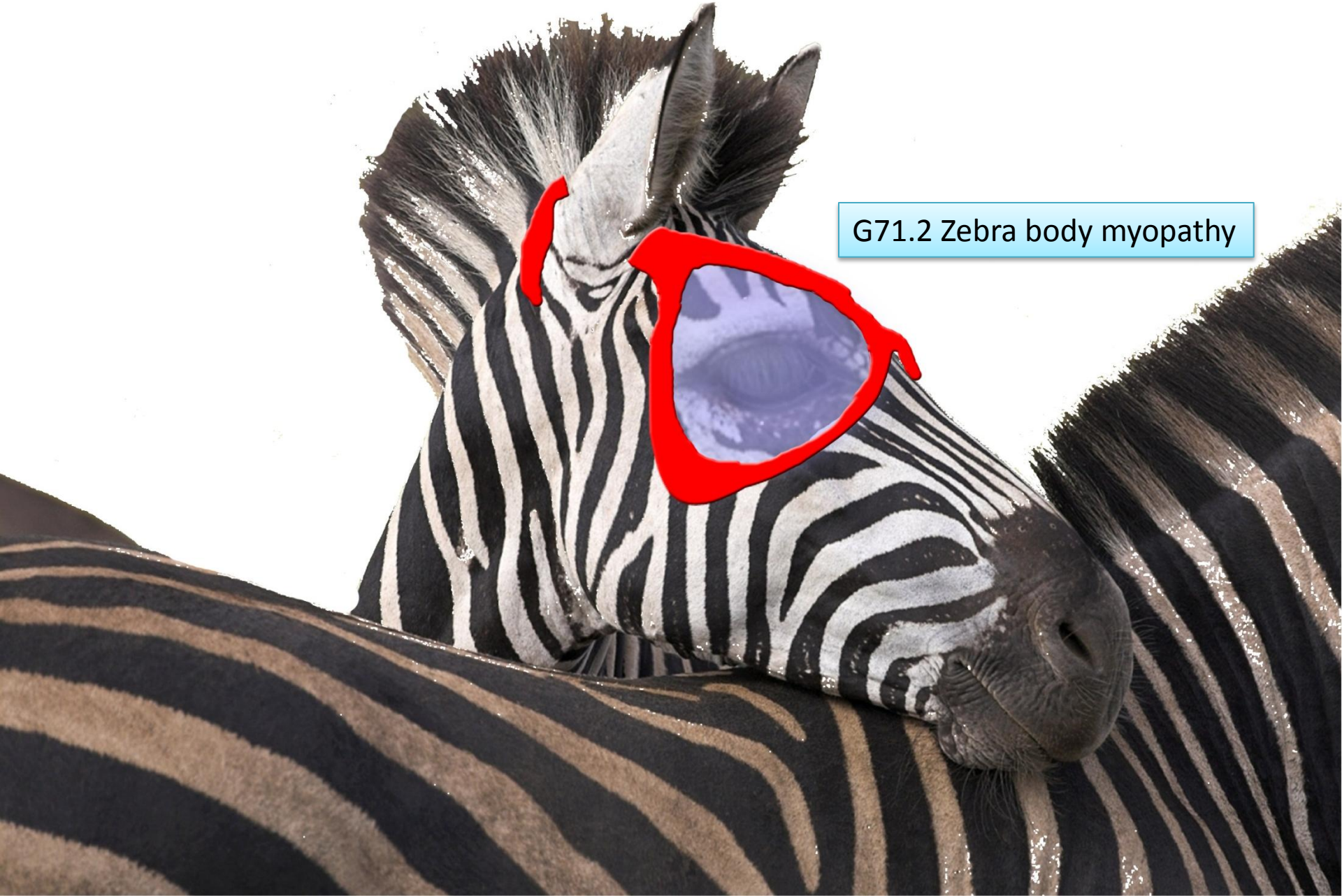
Immediately

- Create a roadmap and communicate required changes to affected areas
- Create training schedule that is reasonable and attainable
- Be fair, get buy-in and **Stick to the schedule**

Immediately

- Establish communication, and expectation with vendors, payors and integrated business partners
- Map a schedule for training and testing readiness
- Communicate plan to all affected areas and establish commitment to participation and adherence to schedule
- Consider impact to 2014 budget based on FY end for 2013

And a code for this.



Next steps

- Coding - Map ICD9 to ICD10 for representative samplings to assess and plan for training needs
- Introduce new coding terminology and documentation requirements to all users: providers, therapists, nurses, case management and UR etc.
- Provide intensive training and support to all practitioners (Physicians, mid levels, therapists, counselors, etc.)
- Provide supportive training to areas as needed
  - Business office
  - Case management and UR
  - Financial Counselors and customer service
  - Managed Care, Pre-authorization and referral management
- Validate that business partners - especially those interacting with your patients - have provided similar training

http://apps.who.int/classifications/apps/icd/icd10training/

- Certify Coders as required in ICD-10, and train all coding assistants
  - AHIMA requires CEUs in ICD-10
  - CPC requires passage of ICD-10 test
- Finalize all training for all areas necessary
- Draft Policy, Procedure and Protocol changes required for compliance and adherence to ICD-10
- Establish time line and schedule for vendor preparedness and testing to begin in 2013
- Obtain commitment from vendors and business partners to adhere to schedule

Important Steps to Include

- Assess current state
  - Have all impacted areas adhered to schedule?
  - Who is not on track and what is required to achieve success?
- Begin testing all technologies, vendor systems integrations
- Begin drills to assist in testing and allow coders, providers etc. to maintain proficiency in ICD-10 coding changes learned in 2012 / 2013
- Test paper billing process to be used in tandem with electronic process
- Assess state of readiness of non HIPAA payors
  - Prepare for accommodations required to billing system for non HIPAA payors

6-12 Months Prior to Implementation

- Assess readiness of all business partners
- Prepare and test GEM (General Equivalence Mappings) crosswalk databases
- Test MS DRG Conversion
- Finalize all Policies, Procedures and Protocol changes
- Communicate with Peer facilities and establish a regional committee to evaluate systemic issues that affect all providers
- Evaluate current state and modify as necessary based on information provided by peer facilities

http://www.cms.gov/ICD10/11b1_2011_ICD10CM_and_GEMs.asp

And this.

W55.01XA Bitten by cat, initial encounter

3 Months Prior to Implementation Date

- All Testing should be complete and processes in place by July 2014
- August, September, continue drills, to maintain readiness
- Adapt provider schedules as necessary to accommodate Go-Live
- Review all financial forecasting, and update as necessary to include expected payment delays, denial increases, quality reporting measure issues, etc.
- Roll out all new Policies, Procedures and Protocols for ICD-10 and provide communication and education

3 Months Prior to Implementation Continued

- Communicate with Peer Facilities
  - What challenges are they facing?
  - What successes can they share?
  - What concerns do they have with implementation, vendors, etc.?
  - What can be learned, shared improved upon form this experience?

One -Two Months Before Implementation Date

- Conduct thorough compliance audit of system and process implementation
  - Is all sensitive information properly protected, handled and stored?
  - Are integrated systems properly safeguarded?
  - Are all policies updated and communicated?
  - Are all colleagues properly trained and prepared for job appropriate changes?

One Month Prior to Implementation

- Allow for training of Payor Medical Policy changes
  - Business Office
  - Managed Care, Referral Management, Pre-authorization
  - Case Management
  - Utilization Review
- Reassess impacts to cash flow and reimbursement, update forecasting as necessary
- Go Live October 1 2014

After ICD-10 Implementation

- Evaluate implementation process
- Identify and correct unexpected consequences
- Track lag days, denials, AR days
- Provide additional training as necessary

Circle Back

- What can be learned for experience?
- What went well?
- How did teams interact, communicate and operate together?
- What was missed, overlooked, or underestimated?
- What can be improved upon?
- What can be celebrated?

References

http://www.cdc.gov/nchs/icd/icd10cm.htm#10update

https://www.cms.gov/ICD10/Downloads/ICD10PayerFactSheetFINAL.pdf

http://www.icd10watch.com/blog/aapcs-16-steps-ease-icd-10-implementation

http://www.gpo.gov/fdsys/pkg/FR-2012-04-17/pdf/2012-8718.pdf

http://www.cms.gov/Medicare/Coding/ICD10/index.html?redirect=/ICD10

Next presentation

Chargemaster Fundamentals for a Solid Revenue Cycle Foundation

Date: Wednesday 11/7/2012

Time: 11:00 – 12:00 pm CT