



ICD-10 & Your Revenue Cycle: Critical Components for Success

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Where Are We?

- Delay/No Delay
- Latest Rumors:
 - SGR bill
 - Appropriations bills
 - HR 2126 bill introduced May 4, 2015 would “prohibit the Secretary of Health and Human Services (HHS) from replacing ICD-9 with ICD-10 in implementing the HIPAA code set.”
 - Patients and Physicians against Coding

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Current Legislation Examples: hr5, sres9, "health care"

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H.R.2126 - To prohibit the Secretary of Health and Human Services from replacing ICD-9 with ICD-10 in implementing the HIPAA code set standards.

114th Congress (2015-2016) | [Get alerts](#)

BILL

Sponsor: [Rep. Poe, Ted \[R-TX-2\]](#) (Introduced 04/30/2015)

Committees: House - Energy and Commerce; Ways and Means

Latest Action: 04/30/2015 Referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Tracker:

Introduced → Passed House → Passed Senate → To President → Became Law

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Current Legislation

Examples: hr5, sres9, "health care"

Home > Legislation > 114th Congress > H.R.2652

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H.R.2652 - Protecting Patients and Physicians Against Coding Act of 2015

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AMA Joins with CMS to Help Providers Get Ready



FOR IMMEDIATE RELEASE

July 6, 2015

Contact:

CMS Media Relations, (202) 690-6145 | [CMS Media Inquiries](#)

AMA Media Relations, (312) 464-4430

CMS and AMA Announce Efforts to Help Providers Get Ready For ICD-10

With less than three months remaining until the nation switches from ICD-9 to ICD-10 coding for medical diagnoses and inpatient hospital procedures, The Centers for Medicare & Medicaid Services (CMS) and the American Medical Association (AMA) are announcing efforts to continue to help physicians get ready ahead of the October 1 deadline. In response to requests from the provider community, CMS is releasing additional guidance that will allow for flexibility in the claims auditing and quality reporting process as the medical community gains experience using the new ICD- 10 code set.

New ICD -10 Codes Are Being Created

- IDKICD10 - ICD - 10 Derangement Syndrome
- DMAS10 – Denial Management Avoidance Syndrome
- GOVTINT10 – ICD-10 Interruption Syndrome
 - GOVTINT10A – Initial encounter: August 2008
 - GOVTINT10D – Subsequent encounter: January 2009
 - GOVTINT10S – Sequela: August 2012, August 2013, April 2014
 - Working on GOVTINT10X: Q3 2015?



Let's Be Clear...

- The talk of delay prohibits substantial ICD-10 implementation efforts for most facilities
- The talk of delay eliminates ICD-10 implementation efforts for most physician practices
- ICD-10 is *not* your primary objective
- Your revenue cycle *is* the primary objective
- Most hospitals attack ICD-10 as a
 - Coding issue
 - Back End of the Revenue Cycle issue
 - Separate issue distinct from the revenue cycle

Take Care of Your Revenue Cycle and It Will Take Care of You

- The Revenue Cycle is the patient:
 - Patient is either healthy and thriving or is sickly and lacking
 - ICD-10 is a lurking clinical complication that can make the healthy revenue cycle sick for a period of time
 - Or
 - Can put a sickly revenue cycle on life support
 - ICD-10 is similar to other potential clinical complications:
 - Poor denial management
 - Ineffective business office operations
 - Lack of departmental ownership and accountability

Is Your Revenue Cycle Healthy?



Or, Is Your Revenue Cycle Ill?



Where Are You?

- During a recent Webinar, we asked attendees the following question:
- Where are you on your ICD -10 journey?
 - We're on track and will be ready 10/1/2015
 - We've started but have concerns
 - We've tried to start, but have made little progress
 - We're starting today



Where Are You?

- Results
 - Out of 976 webinar participants, 89% responded
 - Where are you on your ICD -10 journey?
 - We're on track and will be ready 10/1/2015 **15% (130 respondents)**
 - We've started but have concerns **45% (391 respondents)**
 - We've tried to start but have made little progress **30% (260 respondents)**
 - We're starting today **10% (87 respondents)**

Where Are You?

- Follow-Up Question
- Out of 976 webinar participants 83% responded
 - What is the biggest challenge to your hospital / physician practice's financial viability?
 - Revenue Cycle Concerns
 - Cash Flow
 - Physician / Hospital Alignment
 - ICD – 10
 - Other

Where Are You?

- Results
- What is the biggest challenge to your hospital / physician practice's financial viability?
 - Revenue Cycle Concerns **47% (380 respondents)**
 - Cash Flow 11% **(89 respondents)**
 - Physician / Hospital Alignment 5% **(41 respondents)**
 - ICD – 10 35% **(284 respondents)**
 - Other 2% **(16 respondents)**

Tales from the Road

- Over the past 24 months we have worked with 125 hospitals and physician groups surrounding ICD-10
- All of the issues, concerns, and excuses repeat
- Ultimately the groups fall into one of 4 categories

The false start



The treadmill



The excuse maker



The doer



The False Start

- Tries to get meetings going but runs into something more important and places ICD-10, Denial Management on the back burner
- Department heads are generally frustrated by the lack of progress across all areas
- Revenue Cycle Operations are controlled by the latter process components (Coding/Business Office)
- Revenue Cycle Reports are non-existent
- Departments feel no ownership or accountability of process
- Facility has ineffective customer service policies
- Budgets are provided, not discussed

False Start Hospital Interview April 2015

- The Billing Manager is not worried about claims getting out on time, and there is currently no data to determine time required to clear edits, resolve denials or process files
- IT has not released an implementation date for an ICD-10-ready version of the coding and billing software, but is in talks with vendor
- Currently, the lab enters and runs medical necessity on orders and generates an ABN if diagnosis does not support medical necessity. The Lab team has not been educated in new codes or system changes.
- Infusion Nurses and Cardiology testing technicians have significant experience in ICD-9, and contact providers in real time while the patients are waiting if an order contains a diagnosis that does not appear to be covered
 - Neither department has received ICD-10 training and none is scheduled
 - The Director stated she has not been invited to any ICD-10 meetings
 - She “didn’t think any thing of it. Thought ICD-10 was a flash in the pan.”

The Treadmill

- Have ICD-10 Implementation meetings but never assign ownership or accountability. Same meeting over and over and over....
- Facility culture is “that’s the way we always do it”
- Departments have no accountability or ownership
- The same Revenue Cycle Improvement projects get brought up over and over with no resolution or improvement:
 - Denial Management
 - Physician Documentation
 - Customer Service policies
- Business office runs the revenue cycle

Treadmill Hospital ICD-10 Interviews January, 2015

- Hospital has reserved a large budget of up to \$1,000,000 for ICD-10 implementation
- The Primary pillars of ICD-10 Implementation meet regularly
 - Administration
 - IT
 - HIM
 - Business Office
- IT has stated confidence in their readiness plan
- HIM, which is responsible for education, CDI, and testing does not know when the system will be ready to begin their part
- Business Office is responsible for testing but does not know when the system will be ready to test
- HIM and Business office do not know when or how interfaces from Physician to coding to billing to clearinghouse to payor can be scheduled
- Same meeting happens every two months with no outcome or next steps

The Excuse Maker

- I know this is important, but...
- You don't understand, we don't have the staff!
- We tried to get started but we never get any support
- We don't have any denials
- Our system is awful, and it can't give us the reports we need
- We're not billers and coders, we're nurses. We don't have anything to do with business!
- I'm the department head, I don't have anything to do with the chargemaster, pricing or revenue capture. That's the billing office's job. Talk to them.
- I'm sure we're doing fine financially, administration would let us know if there was an issue...

Excuse Maker ICD-10 Checklist Review, March 2015

- Personnel queries for education assessment and evaluation not completed, HIM director on parental leave
- Evaluation of current state – incomplete due to lack of response
 - Coding production and quality
 - Practitioner documentation quality
 - Edits and rejections for possible process improvement
 - Not completed, HIM Director on leave
- Schedule impacts on training, education, and testing pre-ICD-10 – not scheduled departments too busy to assist
- Review of prior error reports and reject files to develop test and training scenarios not completed, responsible party absent from meeting
- Risk Management plans for all scenarios not completed, team could not agree on format

The Doer

- Has meetings
- Assigns responsibility
- Sets expectations
- Holds people accountable
- Revenue cycle focuses on the patient
- Quality and control are vital components
- Reports are informative, detailed and consistent
- Revenue Cycle is an administrative concern
- Participants are empowered to make a difference
- There is no difference between clinical quality and business quality



Doer Monthly ICD-10 Meeting Minutes, April 2015

- Education Updates
 - All coders are now certified. Coding manager has secured a grant for Advanced ICD-10 PCS training to augment skills of IP coders. PCS training scheduled for May 17
 - Facility secured grant for physician education. 100 physicians will receive up to 8 hours training in two 4-hour sessions. Employed providers get first preference, then providers credentialed to perform services in facility, then community docs. Outreach to community providers via letter. Training scheduled May 28
- IT upgrade update
 - Upgrade currently in test environment
 - Billing, Coding, Registration participating in Testing, so far no issues
 - Review of test files scheduled with vendor to ensure no unintended consequences. Scheduled to move to Live June 1
- HIM update - Additional staffing approved based on review of Risk Assessment plan
 - One part time position to scan documentation and review chart deficiencies converted to full time
 - One new full time coding position approved and interview process begun
 - 3 new coding interns accepted from local Community College
 - Dual coding to begin as soon as Upgrade software is moved to Live
- Registration and Scheduling update
 - Medical Necessity Decision software testing with ICD-10 ready billing software underway
 - Schedulers reviewing future orders for ICD-9 diagnoses
 - Establishing guidelines to require providers to submit ICD-10 codes for future orders

Tales from the Road

The 125 hospitals and physician practices fall into the following groups:

- Doer 10 percent
- Treadmill 35 percent
- False start 20 percent
- Excuse maker 35 percent

Which one are you? Be honest.



Tales from the Road

- There is not a perfect approach
- Hospital / Physician culture is a powerful force
 - The culture can be resistant to change
- Being the Doer does not ensure success
- Being an Excuse Maker does not ensure failure
- It just takes longer for the Treadmill, Excuse Maker and False Start groups to achieve success
- It is critical for every facility to understand the roadblocks or issues that limit opportunities for improvement
 - Some are external, but many issues are internal and self-imposed

Tales from the Road

- Successful revenue cycles have similar traits
- They:
 - Focus on the patient
 - Focus on Revenue Cycle Quality
 - Set Business Office expectations
 - Have Clear lines of communication
 - Have a participative budget

Focus on the Patient

Exceed your customer's expectations.

- Define customer service
- Who is “Customer Service”?
- How do you define customer service?
- How do your patients define customer service?
- Any non-medical staff interaction
 - Registration
 - Self-pay follow-up
 - Customer service help line
 - Outsourced customer service or collections
- Why is Customer service important?
- Respectful, clear, and accurate communication leads to
 - Better cash collection for self-pay
 - Better collection of missing data for submission to payors
 - Updated insurance
 - Missing or incomplete diagnoses
 - Updated demographics for insurance submission
 - Enhanced reputation in the community
 - Transparency in customer service reporting

Focus on the Patient

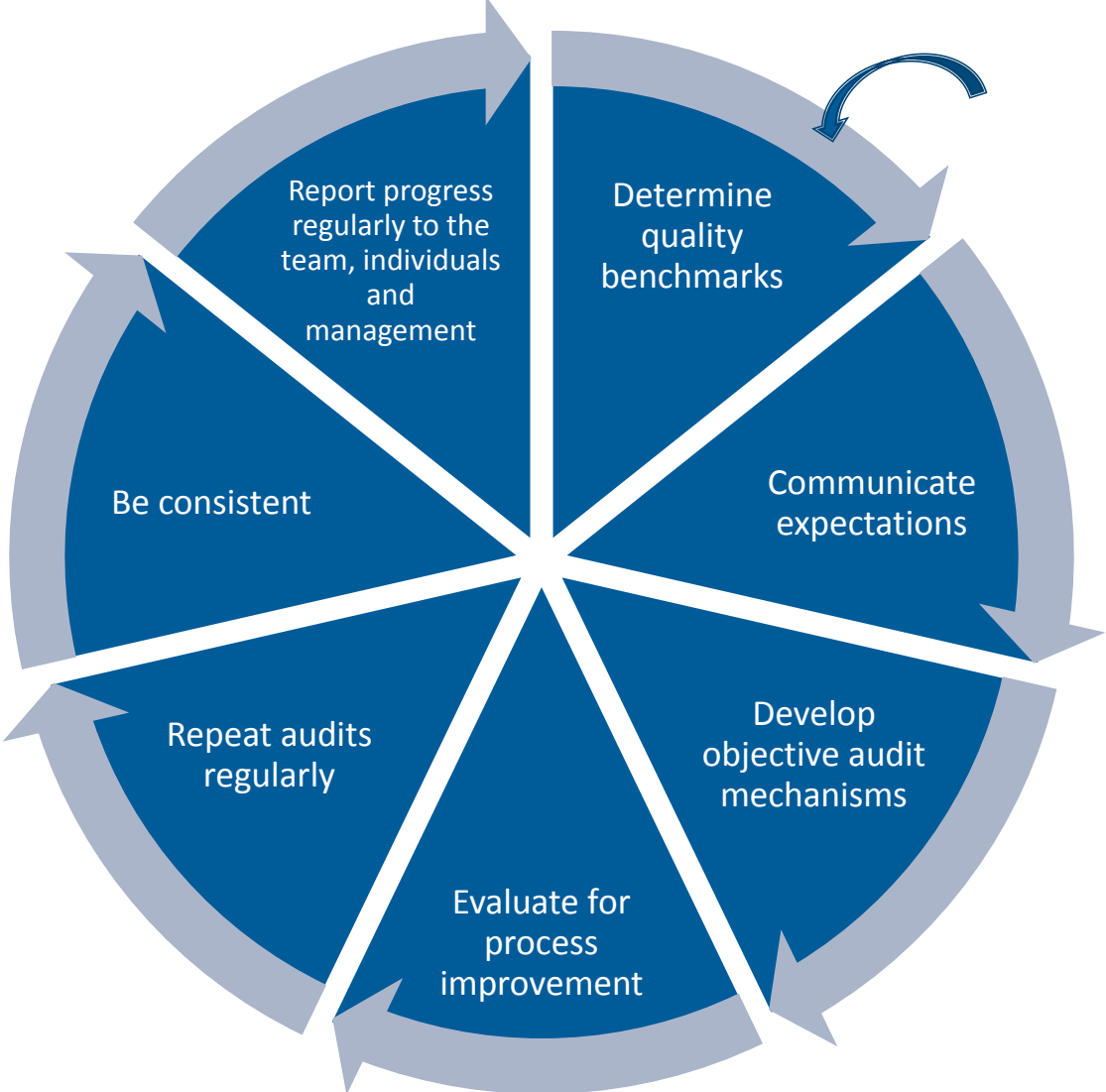
- High-performance hospitals have detailed customer service expectations
- The revenue cycle process is designed through the eyes of the patient
- Departments are educated on the concerns patients might have or present during treatment
- The facility provides the same answers to the same questions on a consistent basis
- Customer service is measured and reported
 - High-performance hospitals apply customer service expectations to:
 - Call monitoring
 - Courtesy and professionalism
 - Accuracy of self-pay quotes
 - Wait time
 - Dropped calls
 - Efficiency/accuracy in information gathering
 - Return call rate

Focus on Revenue Cycle Quality

- Every hospital has a systematic process for identifying and assigning clinical quality standards
- In the clinical arena, Quality is the **Number 1 priority**
- Protocols are established, redundant policies and procedures are implemented to ensure consistent quality clinical outcomes
- Most facilities do not apply the same parameters to the quality of business operations
 - Why not?
- Most hospitals/physician practices have no way to judge revenue cycle quality outcomes
 - How does your facility or practice judge revenue cycle quality?
- Does a quality outcome equal a payment? Clean claim submission?
- Each facility must decide upon their own expectation for revenue cycle quality
- High-performance hospitals empower revenue cycle participants to audit, review and challenge processes to ensure consistent, compliant outcomes
- Quality-driven revenue cycle operations are deliberative, focused and representative

Set appropriate expectations for your revenue cycle. Only through empowering your people with training, education, and provision of resources can you permanently change your culture.

Quality Control Is a Process



Establish Business Office Expectations

- How do you view your business office? Is it a necessary, business cost or a valuable, opportunistic profit center?
- How do your business team members view themselves? Are they outside the revenue cycle or are they integral, value-adding resources?
- Are they respected and utilized as subject matter experts?
- The BO must have the empowerment and knowledge to push back through the revenue cycle to address concerns
- Your financial viability depends on the ability of your business office to completely and efficiently do their jobs and provide the information necessary for others to do theirs

Establish Business Office Expectations

- A well trained and educated business office contributes to revenue cycle success and consistent outcomes
- Administration must set clear yet challenging goals and expectations for business office staff
- High-performance business offices are:
 - Data driven
 - Proactive
 - Participative
 - Prepared
 - Focused on customer service
 - Internal: departments, administration, providers
 - External: patients, payors
- The goal of the revenue cycle should be to put the business office out of business due to the quality of revenue cycle operations

Have Clear Lines of Communication

All components of a department's revenue cycle must be on the same page.

- How is the culture of communication within your facility?
- Is the culture “us” vs. “them” or are we “us”?
- How often do you hear
 - I’m too busy
- Process empathy is critical
- Quality expectations cannot take hold in an environment of “us vs. them”
- High performance hospitals ensure that:
 - Communication is the key to process change and process improvement
 - Communication policies and procedures are patient-centric



Have a Participative Budget

- How do you develop your budget?
 - Last year plus 10% (feeling lucky)
 - Last year minus 10% (it's the economy, stupid)
- High-performance hospitals:
 - Evaluate last FY utilization and meet with department leadership to determine expected change based on staffing, changes to product lines or technology
 - Have a plan for lower reimbursement due to ICD – 10 implementation
 - Have secured potential financing partners should shortfall exceed expectations
- Meet with:
 - Business Office to identify bundled and packaged service changes to billing and reimbursement
 - Coding to identify changes to CPT that combine multiple services into one CPT, and to modifiers allowed or disallowed (services that can no longer be billed together)
 - Contracting to evaluate payor contract changes
 - Department leadership to review previous FY utilization, staffing and service changes
 - Finance to evaluate all data and ask for additional information where warranted

Tales from the Road

- What does it take to be successful on your ICD-10- journey?
 - Don't treat ICD-10 like it's the only concern
 - Have perspective
 - Be the Doer
 - Start with measuring activity within your revenue cycle
- Set expectations. Set **high** expectations.
- Be demanding of the revenue cycle
 - Results
 - Participants
- Plan for two scenarios
 - ICD-10 implementation
 - ICD-10 delay
- For each scenario: What does your budget show for gross and net reimbursement for q4 2015 and q1 2016?

Empower Your Facility to Thrive

- Set out to make your revenue cycle the foundation of your success.
- Make ICD-10 a coding issue. Eliminate all of the process variability that give ICD-10 more weight than it deserves.
- If ICD-10 is delayed, who cares?
- You are the Doer.
 - You make things happen.
 - You make the revenue cycle work for you.
- Excuses happen in other organizations.

Empower Your Facility to Thrive

- In our hospital, Groundhog Day is a good movie, not a way of life



Empower Your Facility to Thrive

- In our hospitals, we don't false start. We prepare. We execute our plan and finish our race strong.
- Start today. Action is the key.
- Improve your strengths and mitigate your weaknesses.
- Use failure to your advantage. Allow people to grow and prove their value. Allow training and education to be a focus point of your revenue cycle.
- Celebrate success. Acknowledge failure. Don't run away from it. The system is designed to delay, deny, and diminish.

Lessons from the Road

- The Doer understands the issues and rises to the challenge.
“ We did it.”
- The Excuse Maker thinks poor performance and preparation is someone else's responsibility and ultimately someone else's fault.
“We never had a chance, the deck was stacked against us.”
- The Treadmill knows change is coming but cannot take the steps to ensure success.
“ We tried our best.”
- The False Start never fully understands the enormity of the challenge. Preparation and planning are pushed aside to address the concerns of the day.
“ We just had too many issues to deal with and never had the ability to put a plan into action.”

Thank You

- Stroudwater Revenue Cycle Solutions was established to help our clients navigate through uncertain times and financial stress. Increased denials, expanding regulatory guidelines and billing complexities have combined to challenge the financial footing of all providers.
- Our goal is to provide resources, advice and solutions that make sense and allow you to take action.
- We focus on foundational aspects which contribute to consistent gross revenue, facilitate representative net reimbursement and mitigate compliance concerns. Stroudwater Revenue Cycle Solutions helps our clients to build processes which ensure ownership and accountability within your revenue cycle while exceeding customer demands.
- **Contact us to see how we can help.**

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