

Planning for ICD-10 in Provider Organizations

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CD-10 codes must be used on all HIPAA transactions, including outpatient claims with dates of service, and inpatient claims with dates of discharge on and after October 1, 2013. Provider organizations are already contending with HIPAA changes, the American Recovery and Reinvestment Act (ARRA)/Health Information Technology for Economic and Clinical Health (HITECH) meaningful use incentive drivers and penalty avoidance, e-Prescribing incentives/penalties, Physician Quality Reporting Initiative (PQRI) incentives, and penalties. So, given the 2013 deadline, many provider organizations have put ICD-10 on the back-burner, while they deal with these more pressing items. This could result in those organizations not being well prepared for ICD-10.

WHAT IS ICD-10?

The International Classification of Diseases (ICD) was developed and is maintained by the World Health Organization (WHO). Its 10th revision was created in 1994 to provide greater detail and the ability to capture advancements in clinical medicine. The U.S. is the only industrialized nation still using ICD-9. ICD-10 was adopted by the UK in 1995, France in 1997, Australia in 1998, Germany in 2000, and Canada in 2001. Lack of ICD-10 severely limits the ability to compare outcomes of new technologies and treatments, and presents problems in identifying and tracking new health threats and the surveillance of emerging diseases.

In the U.S., the generic term ICD-10 is used to cover the updated classification system developed specifically for the United States: ICD-10-CM and ICD-10-PCS. ICD-10-CM (Clinical Modification) was developed and is maintained by the National Center for Health Statistics (NCHS) under authorization of WHO to provide a further degree of specificity. ICD-10-PCS (Procedure Coding System) was developed and is maintained by the Center for Medicare and Medicaid Services (CMS). Please note: This change does not affect CPT coding for outpatient procedures.

ICD-10-CM contains over 69,000 diagnosis codes compared to around 13,000 in ICD-9-CM. There are over 72,000 ICD-10-PCS codes compared to only 3,700 procedure codes in ICD-9. To provide a greater level of specificity, the structure of the codes has been changed to include a greater number of characters.

ICD-10 IMPACT ON PEOPLE

Provider organization coding staff is significantly impacted by this change. Coders need to learn the new coding structure and have the necessary understanding of anatomy and physiology to be able to use it. The American Health Information Management Association (AHIMA) is recommending that experienced coding professionals receive 50 hours of training on ICD-10-CM/PCS, plus an additional 50 hours of anatomy and physiology if needed (ahima.org/icd10).

Coders will require significantly more clinical information to be able to review diagnostic test results, operative and pathology reports, and procedure reports along with more detailed physician documentation to code cases appropriately. For most physicians, this will mean significantly more detailed documentation when assessing and treating patients, providing diagnostic test results, and providing pathology, operative, and procedure reports. Several hours of training will be required to communicate documentation and coding needs.

Scheduling and registration staff, business office staff, contract managers, documentation reviewers, corporate compliance, finance department staff, quality and utilization management staff, and performance improvement staff will all require some level of retraining to gain an understanding of the new coding system. Some early education will be required to enable analysis in these areas to identify what will be impacted, and how.

Productivity losses should be expected during the initial 12 months due to the steep learning curve associated with ICD-10-CM/PCS and the time required to perform the needed documentation and coding.

ICD-10 IMPACT ON PROCESSES

Any area using diagnosis and/or diagnosis related grouping (DRG) to document, track, report, or reimburse are impacted. This means:

- Contracts need to be reviewed for reference to, or use of ICD-9, so that appropriate changes can be made.
- Prior authorization/notification processes increase in complexity.
- Coding and billing office workflows will require, at least initially, a greater level of review and additional queries to physicians for further documentation.
- Methods for monitoring revenue impact, claims out delays, and payment in delays will be required.
- Reports based on or using diagnosis and/or procedure coding will need to be changed.
- Historical data analysis will be obsolete, so new methods of comparing ICD-10 data to ICD-9 data in a meaningful way will need to be defined.
- There will be significant complexity and multiple workflows during the change-over period where some records/claims are under ICD-9 and others under ICD-10.

ICD-10 IMPACT ON TECHNOLOGY

Code field type/size increases to 3–7 alphanumeric characters in all applications using ICD codes (including all clinical and financial applications where codes are entered/reported). This change is part of the HIPAA 5010 requirements that went into effect January 1, 2012. However, 5010 only applies for those applications sending or receiving HIPAA transactions. Internal applications (those not sending or receiving HIPAA transactions) will also need to be changed to accommodate the new ICD-10 code formats. Significantly impacted will be:

- Reports
- System interfaces
- Applications that provide codes and use codes, such as encoders and DRG groupers, ABN modules, EHRs (Electronic Health Records), etc.

These applications, interfaces and reports will need to be identified early so that the necessary upgrades can be made and tested.

BASIC STEPS TO PREPARE FOR ICD-10

Sites should begin preparing now for the ICD-10 transition to make sure all is ready by the October 1, 2013 compliance deadline. The following are preliminary planning steps.

- Identify current systems and work processes that use ICD-9 codes. This could include clinical documentation, encounter forms/superbills, practice management systems, electronic health record systems, contracts, and public health and quality reporting protocols. It is likely that wherever ICD-9 codes now appear, ICD-10 codes will take their place.
- Contact vendors and ask what updates they are planning for their systems for both Version 5010 and ICD-10, and when they expect to have it ready to install. Check contract(s) to see if upgrades are included as part of the vendor agreement. Identify and plan for any additional costs these updates will require. When making a system purchase, ask if it is Version 5010 and ICD-10 ready.
- Discuss implementation plans with all clearinghouses, billing services, and payers to ensure a smooth transition. Ask about their plans for the Version 5010 and ICD-10 compliance, and when they will be ready to test their systems for both transitions.
- Plan for testing transactions using Version 5010/ICD-10 codes with payers and clearinghouses. Testing is critical. Allow enough time to first test the Version 5010 transactions, and subsequently, claims containing ICD-10 codes are being successfully transmitted and received by payers, clearinghouses, etc. Check to see when they will begin testing, and the test days they have scheduled.

- Talk with payers about how ICD-10 implementation might affect contracts. Because ICD-10 codes are much more specific than ICD-9 codes, payers may modify terms of contracts, payment schedules, or reimbursement.
- Identify potential changes to work flow and business processes. Consider changes to existing processes including clinical documentation, encounter forms, and quality and public health reporting.
- Assess staff training needs. Identify coding staff and staff that have a need to know the new codes. Identify training opportunities and materials available through professional associations, online courses, webinars, and onsite training. Coding professionals recommend that training takes place approximately six months prior to the October 1, 2013 compliance date.
- Identify ways to take advantage of the ICD-10 implementation to refine IT strategy and improve operational processes.
- Budget for time and costs related to ICD-10 implementation, including expenses for system changes, resource materials, and training. Assess the costs of any necessary software updates, reprinting of superbills, training, and related expenses.
- Develop a robust project plan and project management structure to coordinate the ICD-10 implementation. Be sure it includes plans for the technology upgrades, education and training, workflow, and documentation changes identified.

For additional information regarding ICD-10 implementation and how Vitalize Consulting Solutions can help, please contact us at 610.444.1233, vcs@getvitalized.com, or visit getvitalized.com.

REFERENCE LIST

1. ahima.org/icd10
2. cms.hhs.gov/icd10

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