Surviving ICD-10: A Step by Step Approach for Physician Practices

Indiana MGMA
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ICD-10

– One of the biggest challenges faced by industry
– Each link in the chain must be ready (incl govt)
– Implications of provider compliance: high cost, decreased clinician/coder productivity
– Implications of non-compliance: disrupted $ flow, potential of disrupted patient access to care
– MGMA most recent survey data, collected late January
“There are no more delays and the system will go live on Oct. 1,”

“Let's face it guys, we've delayed this several times and it's time to move on.”
Latest Developments

• House introduced HR 4302 ("Protecting Access to Medicare Act of 2014") Mar 26
• Bill was designed to "patch" the SGR yet again for one year
• Section 212 was inserted:
  – “The Secretary of Health and Human Services may not, prior to October 1, 2015, adopt ICD–10 code sets as the standard for code sets…”
Latest Developments

• In a highly unusual move, under “suspension of the rules,” GOP and Dem leaders agree to an expedited voice vote in the house, which passes Mar 27

• Senate holds several hours of debate on the bill, but ICD-10 is not mentioned

• Senate votes 64-35 in favor of the bill Mar 31

• President signs bill into law Apr 1
Recent CMS Announcements

• May 5th:
  – Oct. 1, 2015 will be the new compliance date
  – Covered entities not permitted to use ICD-10 in the HIPAA standard transactions prior to Oct. 1, 2015
  – CMS cancelling its planned July end-to-end testing
  – Agency expects to release an interim final rule shortly
Why the Delay?

• Concern about competing priorities for providers and vendors
• Concern about readiness levels of:
  – PM and EHR vendors
  – Commercial health plans
• Concern about the cost to physician practices
  – Small (3 FTE) practice: $56,639 - $226,105
  – Medium (10 FTE) practice: $213,364 - $824,735
  – Large (100 FTE) practice: $2,017,151 - $8,018,364*

* Jan. 2013 AMA Study
Concerns remained constant

Please rate your level of concern for each of the following ICD-10 implementation issues:

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>% of respondents that indicated “Concerned or very concerned”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 2013</td>
</tr>
<tr>
<td>Changes to clinical documentation</td>
<td>89%</td>
</tr>
<tr>
<td>Loss of clinician productivity after implementation</td>
<td>87.5%</td>
</tr>
<tr>
<td>Loss of productivity of coding staff after implementation</td>
<td>86.8%</td>
</tr>
</tbody>
</table>
External Communication and testing delayed

Respondents who indicated they have not heard from their major health plans and clearinghouse regarding claims testing

- June 2013: 70% (Major Health Plans), 60% (Clearinghouse)
- January 2014: 60% (Major Health Plans), 47% (Clearinghouse)
When has your vendor indicated that they will make the ICD-10 upgrade or replacement available to you?

### Practice Management System
- **By April 1, 2014**: 37%
- **We have not heard from our vendor regarding a specific date**: 22%
- **Already upgraded or replaced our software**: 22%
- **2%**: Already upgraded or replaced our software by April 1, 2014

### EHR
- **By July 1, 2014**: 31%
- **By Oct. 1, 2014**: 17%
- **Not applicable**: 8%
- **Our vendor will not be upgrading or replacing our software**: 13%
# Overall Readiness Level

Please rate your practice’s current overall readiness level for ICD-10 implementation:

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>June 2013</th>
<th>Jan. 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not yet started our implementation</td>
<td>55.4%</td>
<td>38.4%</td>
</tr>
<tr>
<td>Somewhat ready</td>
<td>33.6%</td>
<td>40.9%</td>
</tr>
<tr>
<td>Approximately half completed</td>
<td>6.2%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Made significant progress</td>
<td>4.7%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Completely finished with our implementation</td>
<td>0.1%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Why the Delay?

• Non covered entities such as state workers comp plans (to date, only 16 states indicated they expected to adopt ICD-10)

• Would require maintaining:
  – Two code sets
  – Two workflows
  – Two staff training regimens
Why the Delay?

• Medicare/Medicaid readiness level unknown

• Medicare testing
  – First said no testing (MGMA letter)
  – November 2013 announced “front-end” testing in March (MGMA letter)
  – Then announced “end-to-end” testing, but…
    • Only limited to 500 providers (all types)
    • Wouldn't start until July
    • When would results have been published?
Physician Practice Concern and Push Back

- MGMA has raised concerns for more than a decade
  - No proven ROI
  - No pilots
  - No designated testing period
  - Non-covered entities not required to move to ICD-10
  - Potential of catastrophic cash flow disruption
- AMA HoD voted consistently against moving to ICD-10
Diagnosis Code Sets in Perspective

- ICD-10-CM ~ 70,000
- ICD-9-CM ~ 14,000
- ICD-10-CA ~ 16,000 used in Canadian inpatient clinical settings
- Number of diagnosis codes used by Ontario physicians for use on claims
  ~ 600!
Industry Reaction to Delay

• Health Plans, Hospitals, AHIMA:
  – Upset, they wanted the date to stay, will push for no additional time beyond 2015. Concerned about the investment, loss of momentum.
  – Recent letter (AHIP, BCBSA, AHIMA, CHIME) asked for a firm date ASAP
MGMA Advocacy

For more than a decade, MGMA has been advocating for CMS to:

- Undertake a comprehensive ROI analysis
- Conduct a comprehensive pilot
- Explore staggered compliance dates such as:
  1. Plans, clearinghouses first THEN providers
  2. Hospitals first, then outpatient facilities
  3. Hospitals only
- Implement a dual coding period (plans to accept both codes for some period of time)
Great Unanswered Questions

Key issues on the table include:

- Can willing trading partners go to ICD-10 now (as “pilots”)?
- Will CMS alter its typical implementation approach?
- If no changes, where will industry be in one year?
- Will CMS listen to industry?
Next Steps

– MGMA has led effort to hold an industry summit to identify a better pathway forward
– April 30, WEDI “Emergency ICD-10 Summit” in VA
– Multi-stakeholder input—leading to consensus on a number of key issues, including:
  • Testing/concern about small practices, non-covered entities, and vendors
– June NCVHS hearing – recommendations to HHS
What About ICD-11?

• Process is:
  – WHO creates foundation set (release delayed until 2017)
  – CDC/NCHS/specialty societies work to create the “CM” version tailored to US specs
  – Then published as a proposed rule
  – Once rule finalized, typically 12-24 month implementation period
  – Earliest reasonable timeframe…
  – 2021
Should Practices Take Steps to Move Forward?

• Yes, but…
  – Avoid spending much money specific to ICD-10
  – If you budget $, expect push back from your physicians
  – Conduct low impact, low cost activities
  – Take steps that will help the practice in other ways
Now with the Delay-Low Impact, Low Cost Implementation Steps

1. Re-Organize Internally and conduct an Internal Assessment
2. Evaluate and Chart Readiness
3. Clinical Documentation Improvement
4. Trading Partner Monitoring/Outreach
5. Identify Testing Opportunities
6. Explore automation
1. Organize and Assess

- Review changes to compliance timeframes
- ID leaders who represent impacted functions from coding to technology
- Establish WGs to execute revised implementation plan
- Present ICD-10 overview presentation to staff – explain the date changes as well as the importance and scope of this new code set
- Communicate regular updates and alerts
- Dates, contacts, staff responsibility, progress
- ID vulnerabilities (ie, clinical trials, workers comp)
2. Evaluate and Chart Readiness

Create an “ICD-10 Action Steps” spreadsheet that contains:

- Dept, division or impacted area of the practice
- Software product
- Software needs to be upgraded (yes/no)
- Software needs to be replaced (yes/no)
- Vendor contact info (not just the sales rep)
- Vendor contacted (yes/no)
- Vendor responded (yes/no)
- Date indicated for upgrade/replacement
- Estimated cost (including training and hardware)
- Workflow change required (yes/no)
- Practice staff assigned/responsible
- Notes/resolution
3. CDI

- Why is CDI important?
  - Foundation for ICD-10

- How can it help your practice:
  - More complete documentation can assist your RCM staff more accurately bill for services
  - Additional protection in the case of an audit (old adage…”if it wasn’t written down, it didn’t happen”)
  - Improved information flow to the patient (more and more gaining access)
  - Improved information flow for transitions of care (i.e., to PC, specialist, skilled-nursing, long-term care)
Examples of Details that Could be Added to EHR Templates

• Laterality
• Encounter type (initial, subsequent, sequela, routine healing, delayed healing)
• Anatomic details
• Severity
• Disease relationships
Reduce Rework: Engage During Patient Encounter

• “Back office” coding results in “chasing” the clinician = delay in coding = delay in cash.
• Immediate interaction with the clinicians on weak or incomplete documentation.
• Have coders “on the floor” for test period with the care team on occasion to assist/reinforce.
• Expand the directive to the clinical team…include both needs/severity of illness & intensity of service and specificity/laterality/ and other unique ICD-10 requirements.
• Your CDI (Clinical Documentation Improvement) department can start now conducting ICD-10 documentation audits – or hire a consultant

• Identify your top 25 most frequently billed codes using ICD-9-CM principal diagnosis codes using previously and successfully adjudicated claims and map to ICD-10-CM codes

• Determine whether the records contain the necessary clinical information to support the ICD-10-CM principal diagnosis

• Teaching opportunity

• Utilize peer-to-peer dialogue
Action Steps: Dual Coding

• Again with your top 25 ICD-9-CM principal diagnosis codes, practice “dual coding” live claims by mapping to ICD-10-CM codes

• Begin auditing to determine whether the records contain the necessary information to support the ICD-10-CM principal diagnosis code

• Consider this exercise with multiple payers (especially once they release payment policies)
4. Trading Partner Monitoring/Outreach
Software upgrades or replacements are needed

Respondents that indicated their EHR and PM need an upgrade or need to be replaced in order to accommodate ICD-10 diagnosis codes

June 2013: 73% EHR, 65% PM
January 2014: 84% EHR, 82% PM
Trading Partner Outreach-Software Vendors

– Ascertain what systems need to be upgraded or replaced. Then ask vendors:

• Upgrade or replacement?
• Which version(s) will be upgraded?
• Costs covered under maintenance agreement?
• Timeline for installation / testing
• Hardware upgrades required?
• Utilize 4010 or 5010?
• Will software permit both ICD-9/10 codes?
• Are they offering any training?
When has your vendor indicated that they will make the ICD-10 upgrade or replacement available to you?

### Practice Management System
- **2%** already upgraded or replaced software
- **10%** by April 1, 2014
- **22%** by July 1, 2014
- **37%** by Oct. 1, 2014
- **9%** by Nov. 1, 2014
- **9%** by Jan. 1, 2015
- **0%** not applicable

### EHR
- **1%** not applicable
- **9%** by April 1, 2014
- **13%** by July 1, 2014
- **17%** by Oct. 1, 2014
- **21%** by Jan. 1, 2015

- **By April 1, 2014**
- **We have not heard from our vendor regarding a specific date**
- **Already upgraded or replaced our software**
- **By July 1, 2014**
- **By Oct. 1, 2014**
- **Not applicable**
- **Our vendor will not be upgrading or replacing our software**
Will vendors cover the cost?

Respondents who indicated that they will have to pay for the upgrade or replacement or they still do not know

June 2013
- PM: 66%
- EHR: 62%

January 2014
- PM: 59%
- EHR: 49%
## Replace PM/EHR: 10 FTE Practice - $243,385

### Practice Management System

| Average cost per FTE: | $11,500 |

### Electronic Health Record (EHR)

| Average cost per FTE: | $12,885 |
Trading Partner Outreach-Clearinghouses

–Questions to ask:

• What ICD-10 services will you provide?
• What if we are on 4010 (workarounds)?
• What will be the cost of your I-10 services?
• When can you accept test claims?
• Will you publish a listing of payer readiness and payer testing schedules?
Ask Your CH for the Following Reports:

• List of your top claims:
  – Paid (volume, amount)
  – Rejected (payment policy/documentation)
  – Pended (payment policy/documentation)
  – Where unspecified codes were used

• Leverage these reports during your CDI exercises
Working with Your CH

- Majority of claims routed through clearinghouses
- CHs are reporting up to 20% of practices still on 4010
- They can help…but not solve your ICD-10 issues
- Without the clinical documentation, the CH cannot assign or cross-walk codes
Now that CMS has set a hard date...

Complete internal testing to ensure all systems and work processes can function properly with ICD-10 codes
- Can you create administrative transactions, claim, eligibility requests, prior authorizations, etc.?
- Can you generate other reports – quality, public health, etc.?
- Is your PMS – EHR interface working?
- What about other practice software that utilize ICD codes (i.e., case management, clinical trials)?

Include testing manual processes to see how they will flow with system changes

Give yourself sufficient time to remediate
5. Testing-External

● Now that CMS has set a hard date…
● Identify your “top” payers
● Determine if and how each will be testing
  – Many will ONLY be testing with CHs and vendors
● Some may offer “context testing” that will provide limited feedback
● In meeting with payer reps, encourage full end-to-end testing
● Take advantage of any testing offered!
6. Automate Administrative Processes
If You Are Considering Replacing your Current PM…

• Because of ICD-10 and your general IT “spring cleaning,” it may be a good time to consider other electronic functionalities:
  – Real-time and batch insurance eligibility verification
  – Claim status
  – EFT/ERA
Automation Action Steps

• Assess your current RCM processes
  – Does your current PM system leverage the HIPAA transactions? Which ones now, which ones does it have the capability to?
  – Do you use manual processes for any of these transactions?
  – What staff does what and how efficient are these processes? (Hint, just because your practice has been using them for a long time, doesn’t make them efficient!)
  – Do you pay a billing service or clearinghouse for transactions, if so, which transactions and how much?

• ACCESS the AMA-MGMA “Selecting a PMSS Toolkit”
Critical Take-Aways

- Review your current level of ICD-10 preparedness
- Update staff on this and near future developments
- Focus on low impact low cost actions items
- Move ahead with CDI
- Stay on top of your vendors—a new compliance date will mean new communications
- Review your admin processes and consider automation
- Take advantage of any opportunity to test
- Avoid spending money unless there is “value-add”
- As always, prepare for the “what ifs”
Visit our website for full pricing information and to explore all of our membership options, including special rates for group memberships.

Use the code “GAMEM” to wave the application fee when you sign up for an annual membership!
ICD-10 PREPARATION GUIDE

MGMA resources to prepare your practice and work with trading partners on the new code set.

Pilot for End-to-End Testing of Compliance with Administrative Simplification

Presented by: National Government Services, Inc.

Topics
New CMS Resource: www.roadto10.org

CMS has created “Road to 10” to help you jump start the transition to ICD-10.

Built with the help of small practice physicians, “Road to 10” is a no-cost tool that will help you:
- Get an overview of ICD-10 by accessing the links on the left
- Explore Specialty References by selecting a specialty below
- Click the BUILD YOUR ACTION PLAN box to create your personal action plan

To get started and learn more about ICD-10, navigate through the links on the left side of the page. If you’re ready to start building an action plan, select the BUILD YOUR ACTION PLAN box.

Specialty References
Select a profile below to explore the common codes, primers for clinical documentation, clinical scenarios, and additional resources associated with each specialty. You can also get started on your own plan now by choosing BUILD YOUR ACTION PLAN below.

- Family Practice
- Pediatrics
- OB/GYN
- Cardiology
- Orthopedics
- Internal Medicine
- Other Specialty
Questions?

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