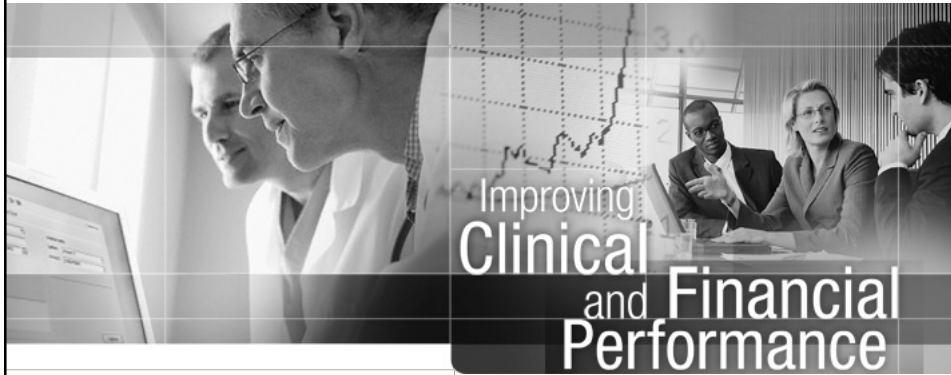


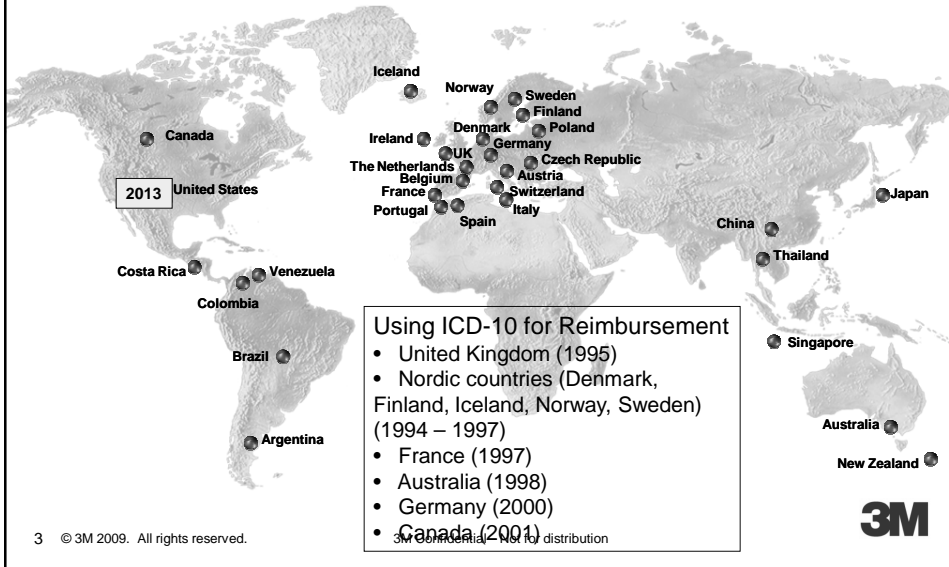
## ICD-10 Overview



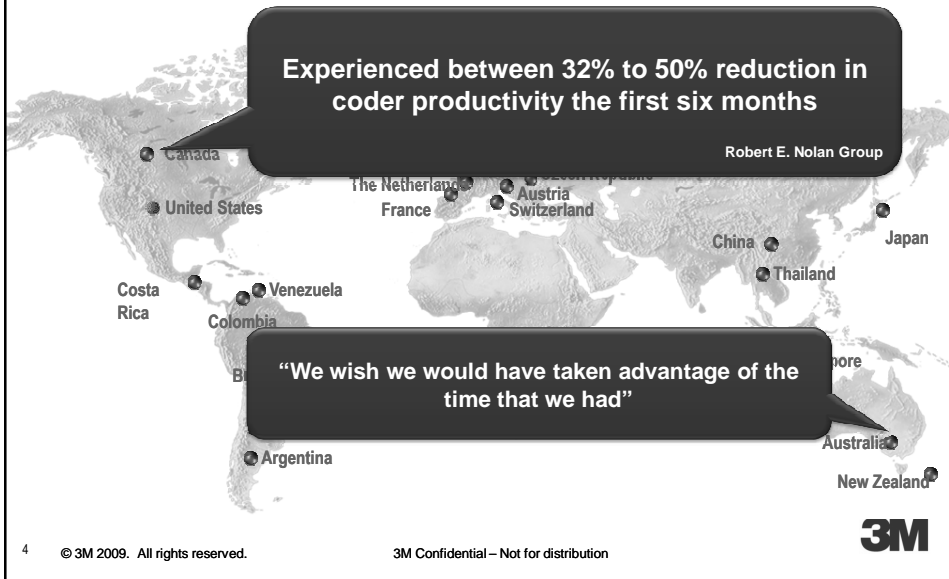
## Your Current State?

- What stage are you at with your ICD-10 transition?
  - Not started, early, assessment complete, active engagement
- How big is your risk/opportunity?
  - Have you identified the gaps/barriers for success?
- Do you have a technical and translation strategy?
- Have you quantified the additional costs required for a smooth transition?

## Global Use of ICD-10 (World Health Organization version)



## Global use of ICD-10: Catching up with the industrialized world



## Why are we doing this?

“The ICD-10 code sets provide a standard coding convention that is flexible, providing unique codes for all substantially different health conditions. It also allows new procedures and diagnoses to be easily incorporated as new codes for both existing and future clinical protocols. ICD-10-CM and ICD-10-PCS provide specific diagnosis and treatment information that can improve quality measurements and patient safety, and the evaluation of medical processes and outcomes. ICD-10-PCS has the capability to readily expand and capture new procedures and technologies.”\*

\* CMS-0013F.pdf pg. 13

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## Why Change After 27 Years?

### ICD-9 Limitations:

- Used for over 27 years
  - Additional codes have been added during that period to describe new procedures and diagnoses that reflect changes in medical practice.
- Total number of codes (approximately 13,000 for diagnoses and 3,000 for procedures) is insufficient
  - To continue to respond to the need for new codes
- Code set was never designed to provide the increased level of detail needed to support emerging needs
  - Biosurveillance
  - Pay-for-performance programs (P4P), also known as value-based purchasing or competitive purchasing.

Source: 8/08 IPSS Proposed Rule: ICD-10-CM and ICD-10-PCS  
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## ICD-10 Implementation

- **October 1, 2013:** ICD-10 Implementation date (all providers and payers)
  - ICD-9-CM codes will not be accepted for services provided on or after 10/01/2013
  - ICD-10-CM: Diagnosis coding
    - *Applicable to all sites of service*
  - ICD-10-PCS: Procedure coding
    - *Applicable to inpatient hospital services*
    - *CPT® will remain the procedure coding system for physicians and all other sites of service*

ICD-10-CM: *Diagnosis Coding* (International Classification of Diseases, 10th Revision, Clinical Modification)

ICD-10-PCS: **Procedure coding** (International Classification of Diseases, 10th Revision, Procedure Coding System)

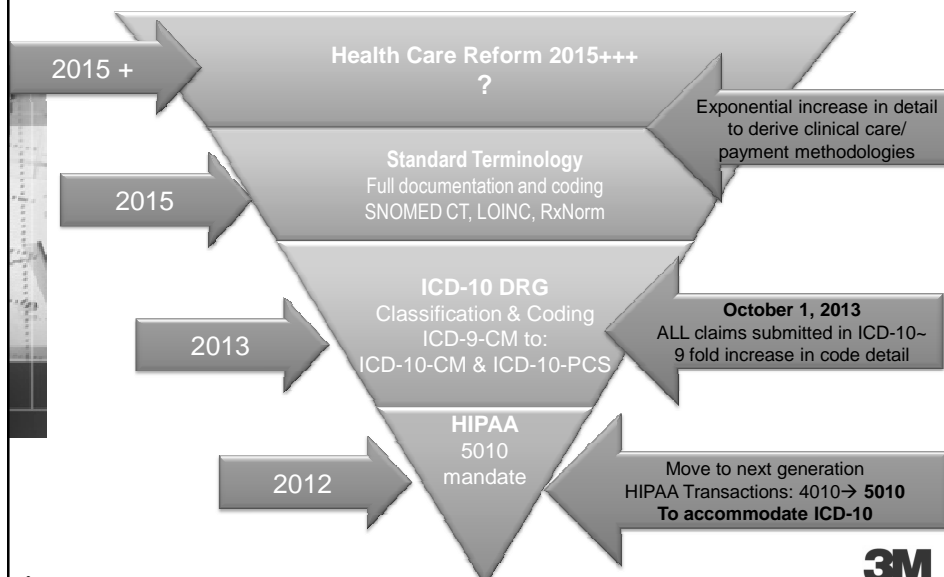
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## ICD-9 → ICD-10 Provides Foundation for Future

Accurate Documentation/ Coding: Critical for Success



## Common Question- What is the Impact to Reimbursement??

Here is what we know today:

- The ICD-10 version of MS-DRGs posted on the CMS website replicates the ICD-9 version of the MS-DRGs (subject to change between now and 2013)
  - The posted version of ICD-10 version MS-DRGs is unlikely to cause a significant redistribution of payments across hospitals
  - Once sufficient data code in ICD-10-CM/PCS becomes available, CMS will likely use the increased specificity of ICD-10-CM/PCS to enhance the MS-DRGs
  - If hospitals are losing money in current MS-DRG's with ICD-9-CM coding and the lack of higher specificity/documentation they will continue to lose money under ICD-10-CM/PCS
- Payers have not stated they will remain budget neutral
  - Payer market is very active and ahead of provider market in preparing for ICD-10-CM/PCS
  - Some payers see this as an opportunity (but in reality it is an opportunity for both provider and payer market)



## Who Does This Impact?

The impact of the transition to ICD-10 is far reaching...

Physicians	Hospitals	Health Plans & HMO's	Federal Government Programs
<ul style="list-style-type: none"> <li>- Electronic Health Records</li> <li>- Practice Management Systems</li> <li>- Billing</li> <li>- Accounts Receivable</li> <li>- Productivity Loss</li> </ul>	<ul style="list-style-type: none"> <li>- Patient Access (Inpatient Ambulatory and Clinics)</li> <li>- Lab / Radiology</li> <li>- Other Ancillary services</li> <li>- Pharmacy</li> <li>- Physician Order Entry</li> <li>- Image Management</li> <li>- Supply Chain Mgmt</li> <li>- HIM / Utilization Review</li> <li>- Bar Coding</li> <li>- Billing</li> </ul>	<ul style="list-style-type: none"> <li>- Claims</li> <li>- Fraud and Abuse</li> <li>- Customer Service</li> <li>- Reimbursement</li> <li>- EOBs/ EOCs</li> <li>- Network Contract</li> <li>- Actuarial</li> <li>- Rating</li> <li>- Underwriting</li> </ul>	<ul style="list-style-type: none"> <li>- Membership</li> <li>- Utilization Review</li> <li>- Benefits</li> <li>- Contracts</li> <li>- EDI</li> <li>- OCR</li> <li>- ERA / EFT</li> <li>- Reporting</li> <li>- Data Warehousing</li> </ul>
Specialty Providers	Supplemental Health Industry Organizations	Major State Government Programs	Health Care Tools & Decision Support
<ul style="list-style-type: none"> <li>- Veteran's Hospitals</li> <li>- Federal Hospitals</li> <li>- Nursing Homes</li> <li>- Home Health Providers</li> <li>- DME Providers</li> <li>- Hospice</li> <li>- Mental Health Providers</li> <li>- Substance Abuse Providers</li> <li>- Physical Therapy Providers</li> <li>- Drug Manufacturers</li> <li>- Supply Chain Companies</li> </ul>	<ul style="list-style-type: none"> <li>- Third Party Administrators</li> <li>- Workers Comp</li> <li>- Auto Liability</li> <li>- Self Admin Employers</li> <li>- Clearinghouses</li> <li>- Programs that address health needs of the poor and uninsured</li> </ul>	<ul style="list-style-type: none"> <li>- University Medical Centers</li> <li>- Children's Health Programs</li> <li>- Student Health Programs</li> <li>- Department of Corrections</li> <li>- County and Rural Health Programs</li> <li>- State Public Health Agencies</li> <li>- State Funded Medical Schools</li> <li>- State Employee Health Programs</li> </ul>	<ul style="list-style-type: none"> <li>- Predictive Modeling</li> <li>- Health Coaching</li> <li>- Personal Financial Tools, e.g. FSA, MSA</li> <li>- Federal, State and local authority collection of diagnosis data from Clinical provider for epidemic and new disease analysis</li> </ul>



## ICD-10 Implementation Myths

**Myth:**  
Health Information Management (HIM) will handle all implementation needs

### Reality

- All individuals involved in revenue cycle and clinical areas will be impacted
- Physician and staff training needs will be large and complex in some instances
- Systems/processes outside of HIM control such as Case Management, Utilization Review, Contracting, Quality reporting are all impacted

**Myth:**  
Short time to implement . We can wait till 2012.

### Reality

- System reconfiguration and testing for claim submission and overall report generation is immense
- Clinical/Financial systems implemented prior to 2012 should be ICD-10 ready

**Myth:**  
Our system vendors will handle the implementation.

### Reality

- Vendors will only address technical aspects of their application
- Workflow integration with other applications will fall to the system users

**Myth:**  
Reimbursement will not be impacted.

### Reality

- Expect increased complexity of medical necessity claim edits
- Medical severity DRG's may increase in number due to improved clinical information being reported
- Coders, physicians, and payors will be adjusting simultaneously to a new coding methodology. Expect initial delays/ requests for further information

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## ICD-10 Implementation: Critical Success Factors

- **Complete and accurate physician documentation to support ICD-9 and ICD-10 codified data** regardless if native or translated/converted
- **Knowledge transfer/education** provided to key leadership/teams staged according to fully integrated program plan development and execution.
- **Enterprise wide gap and impact analysis** completed across hospital or integrated health system
- **Fully integrated IT and other systems** currently containing ICD-9 codes across all hospital, vendor, payer and other integrated systems (electronic and other)
- Comprehensive **internal and external communication** strategy/plan
- **Detailed contracts with other providers, payers and vendors** with clear identification of timing, integration and conversion/translation applications
- **Comprehensive modeling and integrated functional testing** plan across the continuum of care

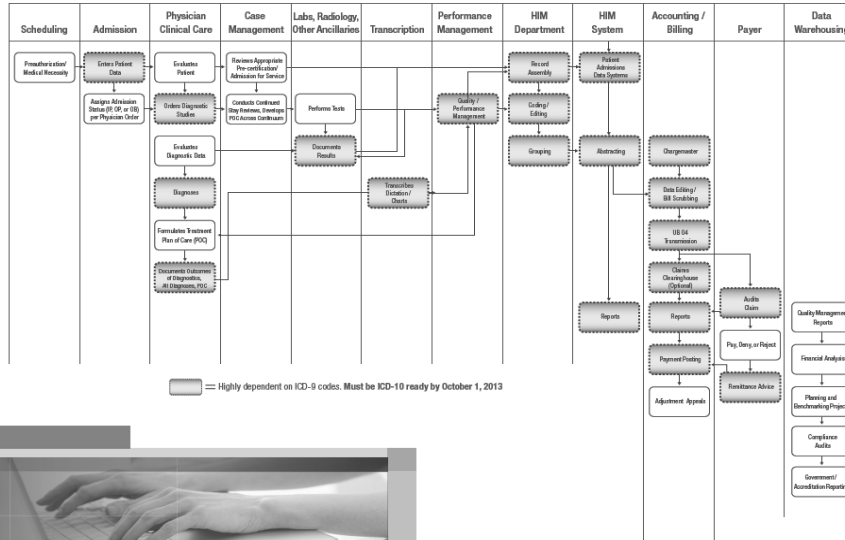
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## Where are you currently using ICD-9 codes?



## What are the GEMs? Alternatives

- General Equivalence Map
- Interim measure to assist throughout the transition
- 4 Bi-directional maps available on the CMS and NCHS websites
- The GEMs give all plausible translation alternatives for the complete meaning of the code being looked up (source system code)
  - Tabular instruction, index entries, guidelines, and applicable Coding Clinic advice
  - Alternatives include 1:1, 'one to many' and 'many to one' translations

Source	Target	aka
From ICD-9-CM	To ICD-10-CM/PCS	"forward mapping"
From ICD-10-CM/PCS	To ICD-9-CM	"backward mapping"



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Blisters with epidermal loss due to burn (second degree) of abdominal wall

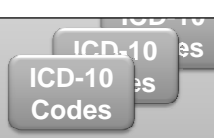
*Index entries referring to 94223*

**94223** Burn (acid) (cathode ray) (caustic) (chemical) (electric heating appliance) (electricity) (fire) (flame) (hot liquid or object) (irradiation) (lime) (radiation) (steam) (thermal) (x-ray) > abdomen, abdominal (muscle) (wall) > second degree

Tabular Frequency

- From and to **T2122xA** Burn of second degree of abdominal wall, initial encounter
- From and to **T2122xD** Burn of second degree of abdominal wall, subsequent encounter
- From and to **T2162xA** Corrosion of second degree of abdominal wall, initial encounter
- From and to **T2162xD** Corrosion of second degree of abdominal wall, subsequent encounter

**S72031A** Displaced midcervical fracture of right femur, initial encounter for closed fracture  
 To **82002** Fracture of midcervical section of femur, closed



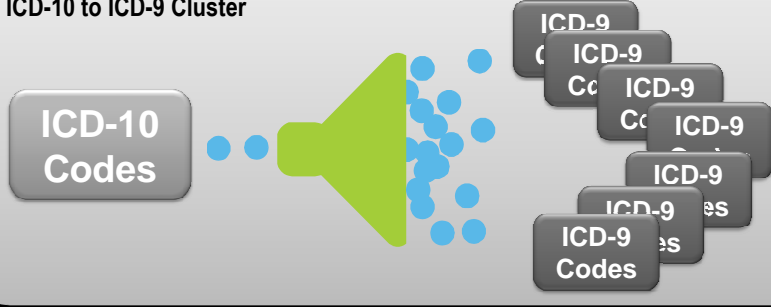
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**E11341** Type 2 diabetes mellitus with severe nonproliferative diabetic retinopathy with macular edema

To **19 cluster**

<b>25050</b> Diabetes with ophthalmic manifestations, type II or unspecified type, not stated as uncontrolled
<b>36206</b> Severe nonproliferative diabetic retinopathy
<b>36207</b> Diabetic macular edema

ICD-10 to ICD-9 Cluster

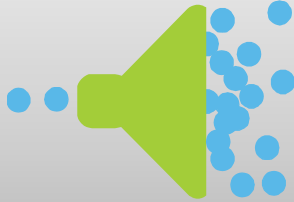


**4862 Anterior Resection Of Rectum With Synchronous Colostomy**  
 To **I10** cluster

**ODTP0ZZ** Resection of Rectum, Open Approach  
**ODTP4ZZ** Resection of Rectum, Percutaneous Endoscopic Approach  
 or **ODTP7ZZ** Resection of Rectum, Via Natural or Artificial Opening  
 or **ODTP8ZZ** Resection of Rectum, Via Natural or Artificial Opening Endoscopic  
**OD1N0Z4** Bypass Sigmoid Colon to Cutaneous, Open Approach  
 or **OD1N4Z4** Bypass Sigmoid Colon to Cutaneous, Percutaneous Endoscopic Approach  
 or **OD1N8Z4** Bypass Sigmoid Colon to Cutaneous, Via Natural or Artificial Opening Endoscopic

**ICD-9 to ICD-10 Cluster**

**ICD-9 Codes**



**ICD-10 Codes**  
**ICD-10 Codes**  
**ICD-10 Codes**  
 Requires One of Each  
**ICD-10 Codes**  
**ICD-10 Codes**  
**ICD-10 Codes**



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**Specificity looks like this...**

**ICD-9-CM**

821.01 Fracture of femur, shaft, closed



**ICD-10-CM**

S72301A Unspecified fracture of shaft of right femur, initial encounter for closed fracture	S72322A Displaced transverse fracture of shaft of left femur, initial encounter for closed fracture	S72326A Nondisplaced transverse fracture of shaft of unspecified femur, initial encounter for closed fracture
S72301G Unspecified fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing	S72322G Displaced transverse fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing	S72326G Nondisplaced transverse fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing
S72302A Unspecified fracture of shaft of left femur, initial encounter for closed fracture	S72323A Displaced transverse fracture of shaft of unspecified femur, initial encounter for closed fracture	S72331A Displaced oblique fracture of shaft of right femur, initial encounter for closed fracture
S72302G Unspecified fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing	S72323G Displaced transverse fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing	S72331G Displaced oblique fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing
S72309A Unspecified fracture of shaft of unspecified femur, initial encounter for closed fracture	S72324A Nondisplaced transverse fracture of shaft of right femur, initial encounter for closed fracture	S72332A Displaced oblique fracture of shaft of left femur, initial encounter for closed fracture
S72309G Unspecified fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing	S72324G Nondisplaced transverse fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing	S72332G Displaced oblique fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing
S72321A Displaced transverse fracture of shaft of right femur, initial encounter for closed fracture	S72325A Nondisplaced transverse fracture of shaft of left femur, initial encounter for closed fracture	S72333A Displaced oblique fracture of shaft of unspecified femur, initial encounter for closed fracture
S72321G Displaced transverse fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing	S72325G Nondisplaced transverse fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing	S72333G Displaced oblique fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing

Many possible codes



**Patient Summary**

Patient comes in with wound of the ear from fall and palpitations due to underdosing of Digoxin. Procedures performed included Suture of ear and IV Digoxin.

**Code in ICD-9**

872.00 (Open wound of external ear)  
785.1 (Palpitations)  
E885.9 (Fall on same level)  
18.4 (Suture of ear)

**Code in ICD-10**

S01.311A (Laceration of right ear w/o foreign body, initial encounter)  
T45.526A (Underdosing of antiarrhythmic, initial encounter),  
R00.2 (Palpitations)  
Z91.138 (Underdosing unintentional),  
W1849xA (Fall from same level, initial encounter)  
09Q0XZZ (Repair of right external ear, external approach)  
Plavix, percutaneous, peripheral vein)

**Added Specificity Needed for ICD-10**

- Type of wound injury
- Foreign Body or not
- Laterality of ear injury
- Episode of care
- Underdosing coded in ICD-10 (not in ICD-9)
- Underdosing was intentional or unintentional
- Anatomical site of procedure
- Approach for procedure



## What You Need to be Addressing Today

- **Comprehensive Assessment of Functional Areas Impacted**
  - Vendor/Payer Gap Analysis
  - Identify Functional Areas and Processes that will be Impacted
  - Develop Roadmap for Successful Implementation
- **Begin Translation Process**
  - Translate Lists of Codes for appropriate applications (software/ paper)
  - Assess Payer Contract Implications and begin Translating/Working with Payer regarding future Contractual Agreement for Transition to ICD-10



## What You Need to be Addressing Today

- **Documentation and current claims assessment**
  - Review of Claim/Code Volume of Codes that Cannot be Translated
  - Identify High Volume Trends (codes, specificity, etc)
  - Documentation Review of these Codes for Accuracy and Specificity
- **Begin Process of Changing Physician Documentation Behavior**
  - Utilize Trends from Documentation and Claims Assessment to begin to Educate and Change Physician Behavior Now

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## ICD-10 Assessment Activities

### Financial Operations

- Assess the need to translate medical necessity/LCDs/NCD's and pre-authorization lists to ICD-10
- Assess the need to update medical necessity or ABN software
- Determine timelines for updates and testing insurance verification/authorization software
- Assess physician order forms/systems that will need updated
- Assess payer contracts/plans for renegotiation and need for translation of code lists
- Assess payment methodology impacts/determine financial impact once groupers available
- Determine denial management strategy
- Determine points of entry and who utilizes ICD-9 codes to determine educational needs

### Clinical Operations

- Conduct departmental assessments to determine current ICD-9 code use (paper vs. electronic)
- Assess clinics, physician offices, satellite centers use of ICD-9 code use and determine educational needs
- Determine education/training needs for UM and Case Management staff
- Assess the need to update/translated physician and departmental charge tools (superbills, etc) with ICD-10 codes
- Determine ICD-10 impacts on quality reporting and information released to outside agencies
- Identify physician educational needs by service line
- Determine ability to build structured templates into EMR to assist physicians with documentation requirements
- Determine educational needs of physician office staff

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## ICD-10 Assessment Activities

### HIM/Coding Operations

- Identify timeline for coder education and transition timeline to begin coding in ICD-10
- Identify service lines/DRGs/codes with the largest impact in ICD-10
- Assess physician documentation issues in high volume service lines
- Determine productivity impacts associated with coding and need to practice in ICD-10
- Determine software needs (code in two systems and store)
- Determine need for data dictionary to get to common language for data prior to and after ICD-10 transition

### Systems Readiness

- Perform system inventory
- Determine vendor timelines/interface specs/testable software dates
- Assess billing software ability to utilize code by date of service
- Assess clearinghouse ICD-10 abilities
- Replicate the current environment and optimize with ICD-10 detail integrated into clinical, financial and operational systems across the enterprise

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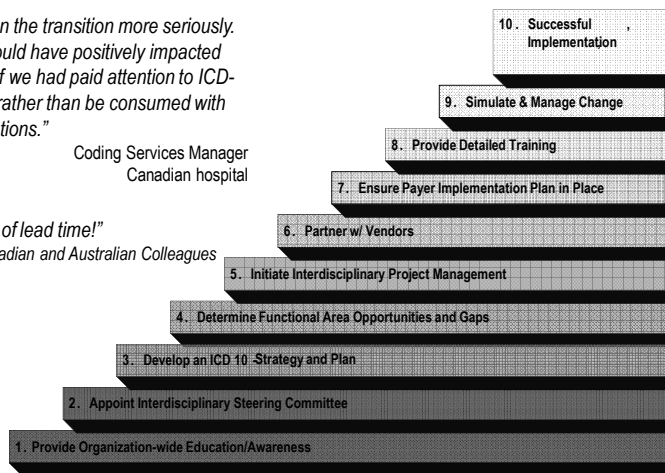
## Ten Steps to Successful ICD-10 Implementation

*"I wish I had taken the transition more seriously. In retrospect, I could have positively impacted my organization if we had paid attention to ICD-10 opportunities rather than be consumed with day-to-day operations."*

Coding Services Manager  
Canadian hospital

*"Take advantage of lead time!"*

Canadian and Australian Colleagues



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## I-10's Largest Challenges

- Overcoming the perception that transitioning to ICD-10 is only a Coding Issue and planning accordingly
  - ICD-10 is a business issue that touches your revenue cycle, medical staff and systems and will require widespread preparedness
- Lack of Documentation Specificity to code in ICD-10
  - Need to understand that documentation requirements are greater under ICD-10 than ICD-9
- Coding Productivity Impact
  - Consider offsetting productivity impact by implementing computerized coding assistance tools



## I-10's Largest Challenges - Continued

- Need to Translate Lists of ICD-9 Codes before coding in ICD-10
  - Need to update any process that uses ICD-9 codes today prior to ICD-10 go live date (superbills, charge tickets, contracts, medical necessity, etc)
- Vendor Readiness
  - When will they “Go Live” with updates to allow testing



## What Are Some Planning Trends?

- Evaluation of Current Clinical Documentation Improvement Program
- Gap Analysis and ICD-10 Documentation Assessment
- Coding Translation Tool
- ICD-10 Modeling and Code Translation Services

## Questions?

