

ICD-10

A dose of reality, a plan for success

Since the early 1900's the U.S. health system has endeavored to standardize disease classification systems to ensure appropriate payments for healthcare. In 1975, the World Health Organization published the International Classification of Diseases system Ninth Revision (ICD-9). Since that release, there has been significant pressure to add specificity in diagnosis coding; hence developers added a fourth and fifth digit to the codes. Providers have long been aware of claims denials due to "fifth digits."

Pursuant to provisions of the Health Insurance Portability and Accountability Act (HIPAA), the Department of Health and Human Services (HHS) published a Final Rule on January 16, 2009 that mandated nationwide conversion to ICD-10. Thus, for any healthcare service that occurs on or after October 1, 2014, providers must use ICD-10 codes.¹ This mandate applies to healthcare reimbursement, research, and reporting services. CMS has confirmed that they will offer no grace period and no additional delays for the transition.

ICD-10 promises a number of advantages. The American Medical Association cites ICD-10's potential for identifying trends in diagnosis, pinpointing public health needs and epidemic outbreaks, and even managing bioterrorism events.² Additionally, ICD-10 has the capability to identify ways to curb healthcare costs by more precisely and efficiently describing a patient's illness using advanced information tools. ICD-10's detailed coding may help to increase efficiency of

electronically approved claims as ICD-10 can help to reduce the need for supporting documentation.³ This could eventually lead to lower administrative costs. It could also help to reduce the claims cycle by minimizing delays and rejections resulting from insufficient information. Properly implemented and adopted, ICD-10's new code sets could help providers improve their first pass submission rates, thereby eliminating many common obstacles to prompt payment.³

While new to the U.S. health system, ICD-10 has been in development since the release of ICD-9. Today, 99 countries use the ICD-10 diagnosis coding system.⁴ Despite ICD-10's international maturity, it very much represents a significant shift for U.S. providers. This transition affects almost every aspect of service delivery, billing, claims processing, and reimbursement. ICD-10 will require testing changes in practice management (PM) and electronic medical record (EMR) systems, billing reporting packages, and decision and analytics tools. In addition, all coders and providers will need retraining.⁵

Conjecture surrounding the impact that ICD-10 will have on healthcare providers and the industry as a whole abounds. According to the Centers for Disease Control and Prevention (CDC), while ICD-10 builds on concepts with which ICD-9 users are very familiar, "ICD-10 does represent an enormous change."⁶

(1) <http://www.cms.gov/Medicare/Coding/ICD10/index.html?redirect=/ICD10>

(2) <http://www.ama-assn.org/ama1/pub/upload/mm/399/icd10-overview-fact-sheet.pdf>

(3) http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_036866.hcsp?dDocName=bok1_036866

(4) AHIMA <http://www.ahima.org/>

(5) Deloitte, ICD 10, Turning regulatory Compliance into Strategic Advantage

(6) <http://www.cdc.gov/nchs/icd/icd10.htm>



ICD-9 AND ICD-10: COMPARING PRIMARY FEATURES

Regardless of one's role in the medical practice, recognizing and managing the key differences in ICD-9 and ICD-10 will be mission critical. Some of key differences follow:

Features	ICD-9	ICD-10
Possible Codes	14,000	Up to 68,000
Characters	3-5	5-7
Pattern	First digit numeric	First digit alpha
Space for Growth	None	Flexible
Laterality	None	Right, left, bilateral
OB Trimesters	None	First, second, third

ICD-10 Structure

The basic structure of the ICD-10 consists of seven characters:

- Characters 1-3 (disease category)
- Character 4 (disease etiology)
- Character 5 (body part affected, R or L)
- Character 6 (severity of illness)
- Character 7 (placeholder for extension of the code to increase specificity)

An example is code S42.321A:

- Character 1-3: Fracture Shoulder/Upper arm,
- Character 4: Of shaft of humerus,
- Character 5: Right arm,
- Character 6: Initial encounter, and
- Character 7: Closed fracture.

See Figure 1 below

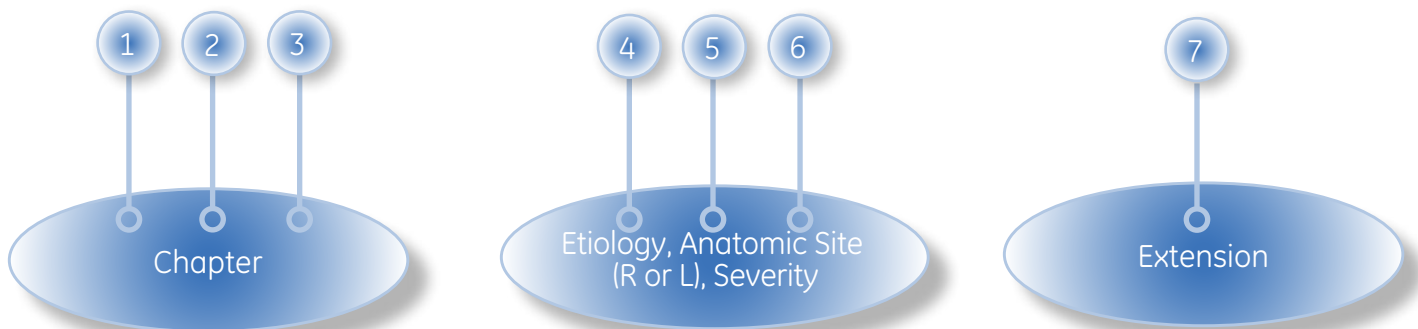


Figure 1

UNDERSTANDING THE COSTS (OF INACTION)

Healthcare entities' business operations face an ever-increasing set of challenges. Primary challenges include the adoption of electronic medical records, the HIPAA 5010 transition, and various forms of payment incentives and penalties. Now, ICD-10 requires its proper share of strategic attention. According to a study commissioned by 11 trade groups (e.g., Medical Group Management Association, American College of Physicians and the American Medical Association), the cost for transition of a ten-physician practice with accompanying support staff is roughly \$285,000. These expenditures derive from six categories.⁷

- Staff education and training
- Business-process analysis of health plan contracts, coverage determinations and documentation
- Changes to superbills
- IT system changes
- Increased documentation costs
- Cash flow disruption

Though practices may find it difficult to account for all of their ICD-10 costs, the industry has learned that inaction or passive approaches to large system changes can stifle business operations. Yet, it does not need to be. There is still ample time to ensure practice readiness, maximize limited resources, and purchase the beneficial software applications to blunt outsized ICD-10 expenditures.

PHASING IN ICD-10

ICD-10's substantial changes will require re-training even highly-experienced ICD-9 professionals. Providers need to plan carefully to avoid reimbursement disruptions. A successful transition will depend on planning and managing this transition process. Experience in other countries demonstrates that early preparation is a critical success factor.⁸ Providers that start early can spread their resources across several months rather than incurring a large investment at one time that may cause schedule crunches that result in lost revenue.

In 2011, the American Health Information Management Association (AHIMA) prepared an exhaustive guide to help organizations with the ICD-10 transition. The following represents the highlights of their strategy framework to ensure success.⁹

(7) <http://www.mgma.com/press/default.aspx?id=22586>

(8) http://library.ahima.org/xpedio/groups/public/documents/ahima/bok3_005558.hcsp?dDocName=bok3_005558

(9) For a detailed view of the AHIMA plan visit: http://www.himss.org/content/files/ICD-10_PCS_TransitionPlanningPreparationChecklist.pdf

Phase I-Planning

To begin transitioning to ICD-10, appoint and empower a decision-making team. The level of effort to succeed with ICD-10 requires cooperation among business, clinical, and financial leaders. To that end, adequate planning matters. Here are a few key steps:

- Perform a risk analysis to determine areas of vulnerability and training requirements
 - Include EMR and PM coding along with reimbursement activities
 - Conduct an ICD-9 audit to understand the systems, interfaces, and databases that utilize ICD-9 codes and which systems will utilize ICD-10
 - Determine your claims application's ability to transition to ICD-10
- Develop a timeline with tasks, resource needs, and task owners
 - Schedule training to occur no sooner than 3 months prior to go-live¹⁰
- Develop goals and measures for the ICD-10 team
- Develop an ICD-10 budget including costs for training, hardware and software upgrades, staff time, cash flow impacts, etc.
- Actively educate stakeholders on the project at hand

Phase II-Implementation Readiness

Second-phase activities in the transition to ICD-10 include:

- Assess how the transition will affect longitudinal data
- Interview clearinghouse and PM/EMR vendors and document readiness for the transition
- Interview major insurance carriers to determine dates for receiving ICD-10
 - Plan system format changes by carrier;
- Anticipate challenges during the go-live and ready resources for a response
- Conduct intensive staff training. Coders and other non-clinical staff can benefit from training on medical terminology because ICD-10's rigor will require a broader baseline of knowledge. Physicians should redouble training on documentation. Reimbursement for "unspecified diagnosis" will no longer pass muster and, in fact, may lead to audits, denials, and/or handicaps when dealing with future payment models involving financial risk.¹¹

Phase III: Monitor and Adjust

Once the transition occurs, in many ways, the project has just begun. With such a high degree of interdependence required for success, leaders must quickly identify challenges and make improvements in real time.

- Immediately monitor reimbursement data in areas of claims, denials, rejections, and efficiency (know the number of claims per full-time equivalent (FTE) for ICD-9 to establish benchmarks for comparison)
- Launch an internal audit to identify key performance indicators and which drives an honest reflection of coding accuracy, physician documentation, and payer challenges
- Re-engage training as necessary

APPLICATIONS MATTER

ICD-10 is not a total departure from other format and coding changes experienced in the past. The right planning coupled with the right technology can increase success. An advanced PM/EMR can help alleviate many challenges associated with this transition. As the complexity of ICD-10 increases, users will need intuitive and efficient tools to drive productivity.

The preeminent PM/EMR systems will arm users with features designed to speed workflows related to the visit and related provider coding and help decrease costly errors resulting from inefficiencies, while enabling backwards compatibility for the existing ICD-9 code sets. Some EMR and Practice Management systems offer truly innovative features to further speed the process. Some systems have intelligent search capabilities that can be applied to instantly present the user with frequently accessed codes. For example, if a coder searches for a case of "acute cystitis with hematuria," users can type an "a" or "ac" to locate the code. If a frequent diagnosis, the proper code can be added to a favorites list.

Other application tools to consider include health claims denial, online repair, and tasking. The ability to identify issues and correct them immediately will enable efficient workflows helping providers enjoy continued reimbursements for services. The application of smarter technology will make the transition to ICD-10 faster and easier.

LEVERAGING THE BEST HEALTHCARE IT SOLUTION

Centricity Practice Solution

Centricity Practice Solution, a fully integrated EMR and Practice Management System, can help enhance the clinical and financial productivity of your ambulatory practice — while helping you respond to today's healthcare challenges. In addition, Centricity Practice Solutions offers a fully integrated electronic data interchange to our clearinghouse. Coupled with the integrated EMR and PM system, the clearinghouse provides a single, seamless solution for managing the ICD-10 transition.

The newest Centricity Practice Solutions release features truly progressive technology that helps users do more with less rework. Predictive search, one click problem entry, easier benchmarking capabilities and intuitive ICD-9 to ICD-10 mapping highlights technology within Centricity Practice Solution that minimizes redundancies and helps care givers do more.

Our advanced predictive search algorithm easily retrieves the codes most commonly used by a provider, while simultaneously retaining full search capability, and enables problem entry with just one click. Both ICD-9 and ICD-10 codes come pre-loaded in the chart, and are delivered through a dynamic search engine, enabling users to efficiently learn the new coding system and assign diagnosis codes efficiently. The search engine uses an algorithm to both predict search terms based on user history and map ICD-9 codes to ICD-10 codes to help aid the transition to the new coding system. It also gives providers advanced exposure to ICD-10 codes where a one-to-one match is present and code search capabilities well ahead of the conversion deadline. All of which will help your organization make a disruption-free transition into the future of medical coding.

FOR MORE INFORMATION AND DETAILS

Please visit www.gehealthcare.com/centricity-practice-solution.

(10) www.cms.gov/ICD10

(11) <http://www.kareo.com/gettingpaid/2012/09/know-how-unspecified-icd-9-cm-diagnosis-codes-could-hurt-your-practices-bottom-line/>

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Our “healthymagination” vision for the future invites the world to join us on our journey as we continuously develop innovations focused on reducing costs, increasing access and improving quality around the world.

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