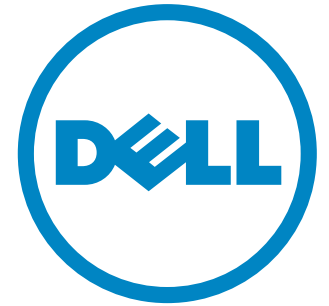

ICD-10 Implementation Strategies

Massachusetts Health Data Consortium
October 5, 2011



Cedrial Moore, RHIA
Consulting Director
Dell Services Healthcare Group

Agenda

- **ICD-10 Update**
- **Where Do I Begin**
- **ICD-10 Planning and Implementation**
- **The Importance of Collaboration**
- **Overcoming Challenges**
- **Success Factors and Lessons Learned**
- **The Checklist**
- **Questions & Discussion**

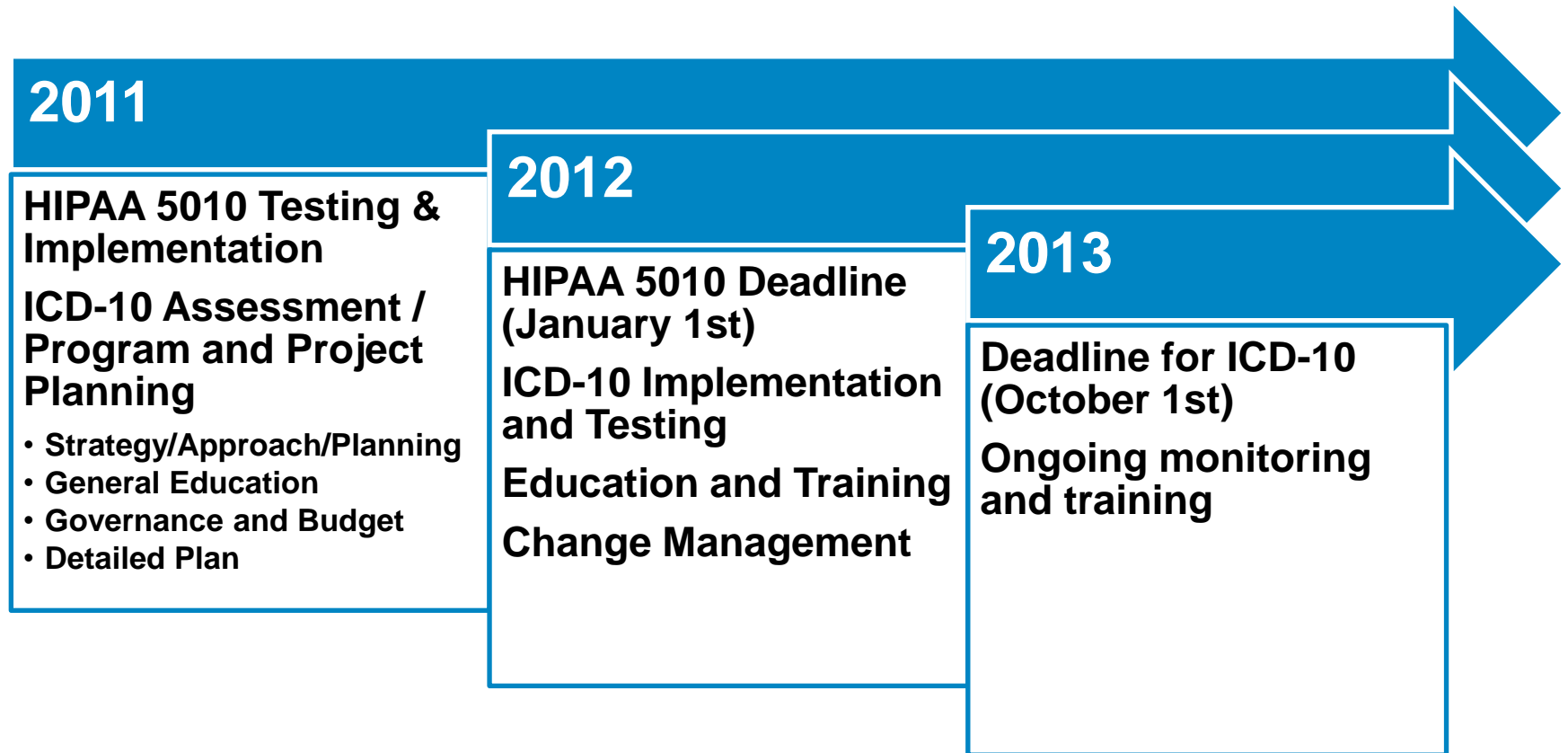
ICD-10 Overview

HIPAA 5010 and ICD-10 Overview

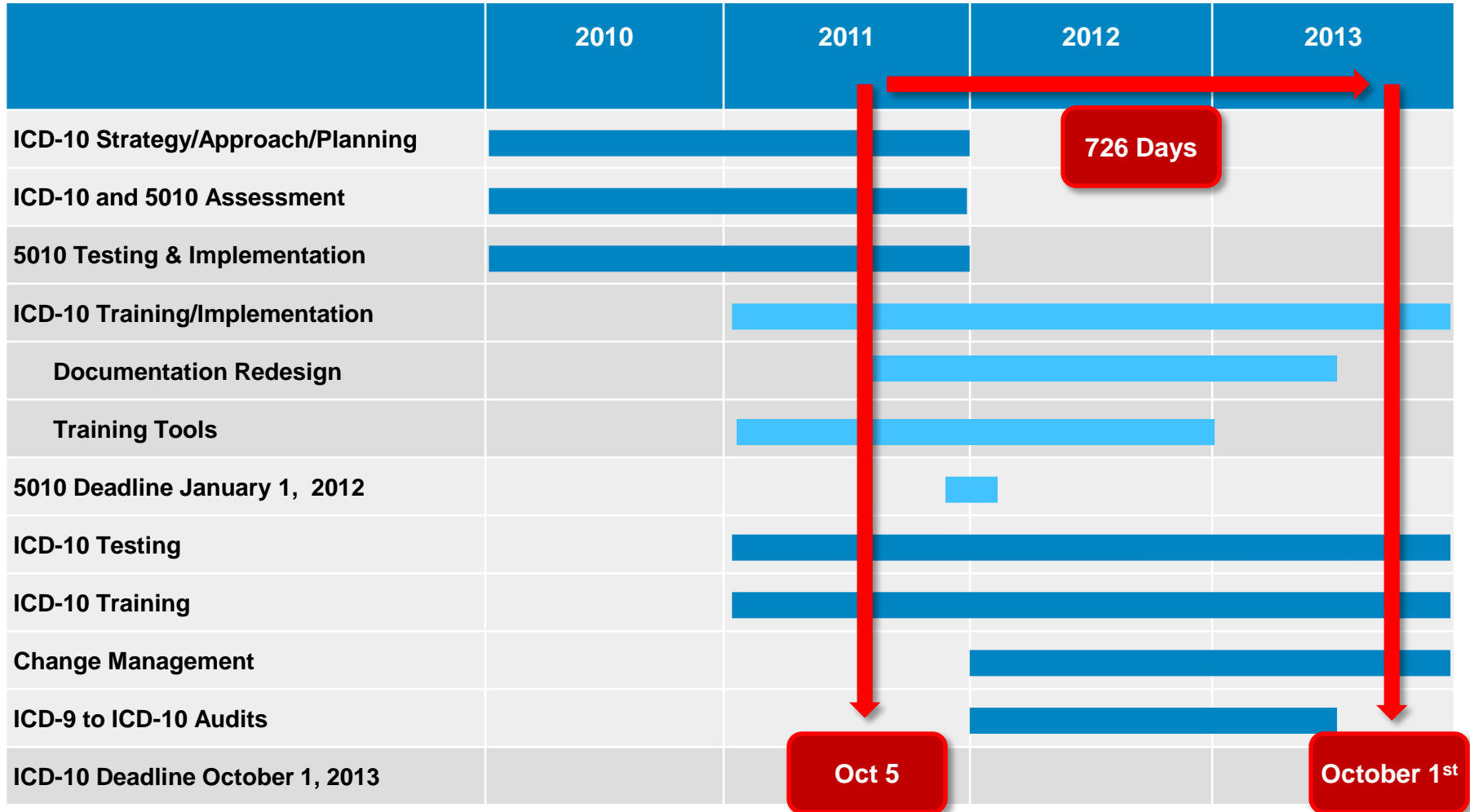
January 2009, the U.S. Department of Health and Human Services (HHS) released two final rules and implementation dates supporting continued transformation of the U.S. healthcare system toward a comprehensive electronic data exchange environment.

- HIPAA 5010—January 2012**
- ICD-10—October 2013**

The Clock is Ticking...



Tick Tock...



Version 5010 Final Rule Overview

- **Current 4010 standard is widely recognized as outdated and lacking in the functionality currently needed by the industry.**
- **Version 5010 will correct the outdated transaction standard and enhance administrative data exchanges**
- **Further standardization of formats:**
 - 270 / 271 for Eligibility;
 - 276 / 277 for Claim Status;
 - 278 for Referral Certification / Authorization;
 - 835 for Remittance Advice; and
 - 837 I / P for Claims submission
- **Provides mechanism to process ICD-10 Codes**

ICD-10

The Elephant in the Room

Do You Remember?

- DRG Implementation Impact
- 2000 Implementation Impact
- MS-DRG Implementation Impact
- BBA Impact

Failure to Prepare May Result in Substantial Financial and Compliance Issues



ICD-10 Compliance Date—October 1, 2013

Code Set	ICD-9	ICD-10
Clinical Modification (CM)	14,000 (3-5 digits)	68,000 (3-7 characters)
Procedural Coding System (PCS)	4,000 (3-4 digits)	72,000 (7 characters)

- **Countries currently using ICD-10:**
 - United Kingdom
 - France
 - Australia
 - Germany
 - Canada



ICD-10 Represents A Significant Change and Risk

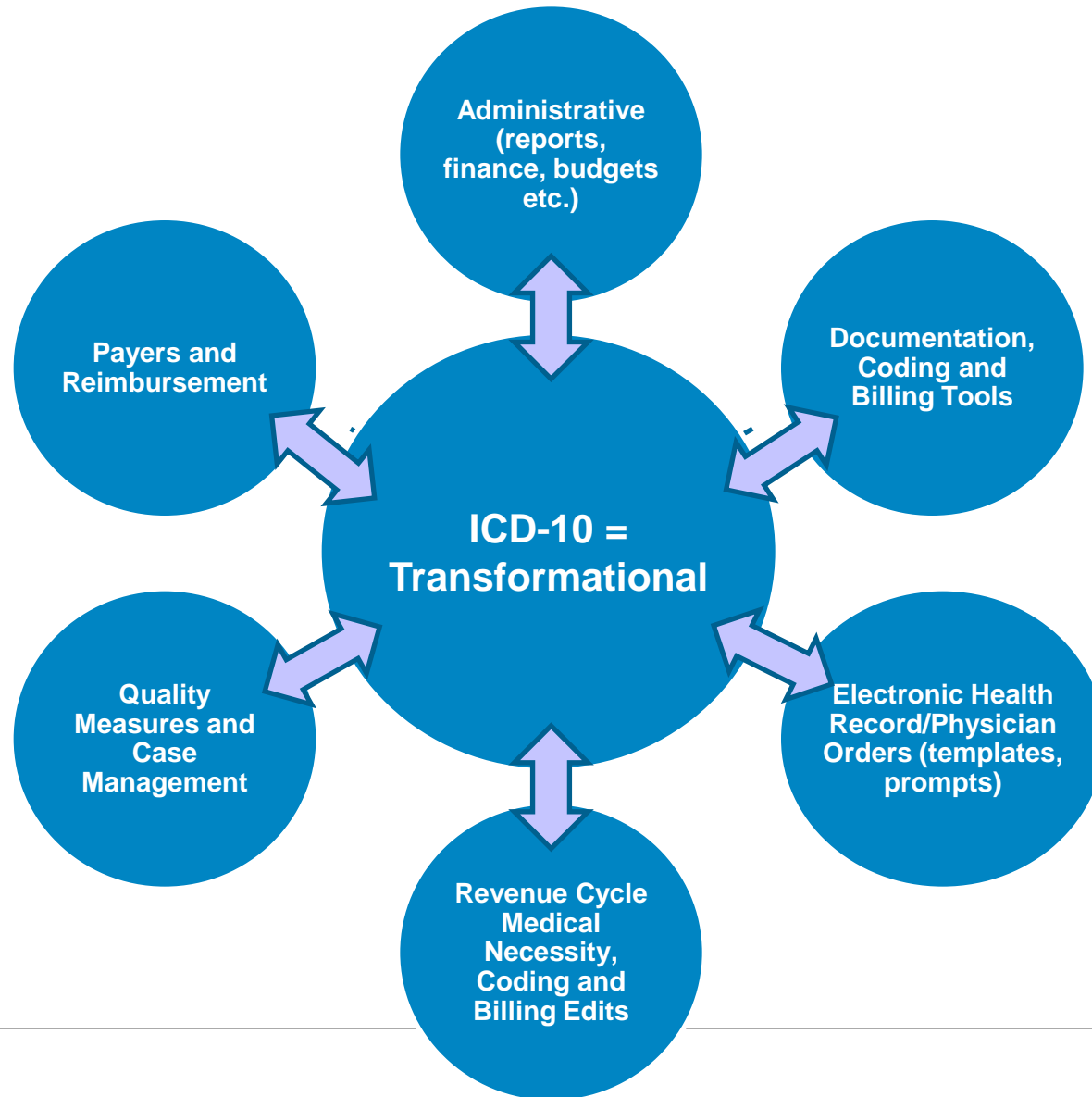
Compliance Date: October 1, 2013

- Standards based on World Health Organization (WHO)
- Replaces ICD-9 codes (3 – 5 digits, numeric only) with ICD-10 (3 – 7 digits, alpha and numeric) codes
- Provide more specificity with coding by increasing available codes from 25,000 in ICD-9 to 140,000 in ICD-10
- Will facilitate refined reimbursement models and improved outcomes management

Risk of Non Compliance

- Revenue stream at risk, potential impact to AR days, denials, and reimbursements
- Lack of ability to comply with new national reporting/analytic standards
- Failure to comply with government mandates

ICD-10 Potential Operational Impacts



ICD-10 Implementation Presents an Opportunity to Ensure Transformational Value:

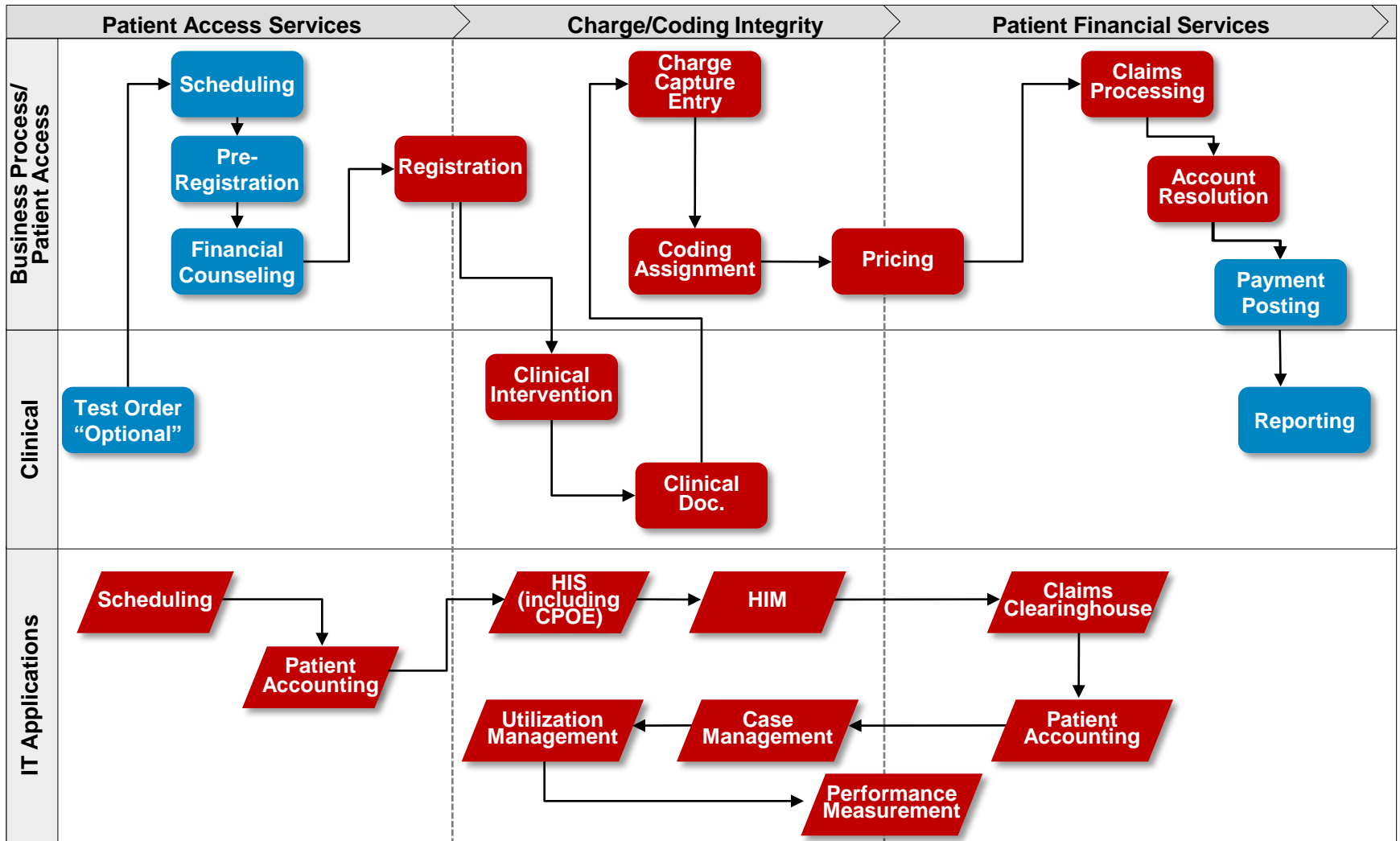
- **Patient Care** – specificity in diagnoses and procedures, allows for diagnosis-based decision support
- **Operations** – improvements in uniform data sets promotes advantages in business intelligence and clinical performance and/reporting
- **IM / IT** – granularity allows for greater standardization between clinical and administrative applications and reporting capabilities
- **Patient Security / Interoperability** – HIPAA 5010 and NCPDP implemented for fully leveraged ICD-10
- **Financial** – transparency in billing and collection methodologies, decreased diagnosis related denials, improved accuracy and specificity in both governmental and non-governmental payer contracts

Who will be Affected by ICD-10?

EVERYONE! *(Hospitals and Physician Practices)*

- Information Systems
- Revenue Cycle (Scheduling through Billing)
- Accounting, Reporting and Finance
- Health Information Management
- Physicians/Medical Staff
- Clinical Departments
- Internal Reporting and Data Storage
- Payers
- Business Associates and Vendors

Organizational Impact



● Medium Impact to process and training

● Large impact to process and training





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 payment 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 providers are losing money in current MS-DRGs with ICD-9-CM coding and the lack of higher specificity / documentation, you will continue to lose money under ICD-10-CM/PCS.
 - Remember the RACs!
- **Payers are developing expertise, but remaining mute on proposed changes**
 - Payer market is very active and ahead of provider market in preparing for ICD-10-CM/PCS

Where Do I Begin?

Deciphering Fact vs. Fiction

Fiction		Fact
Our system vendors will handle the implementation		<ul style="list-style-type: none"> • Vendors will only address technical aspects of their application • Workflow integration with other applications will fall
Health Information Management (HIM) will handle all implementation needs		<ul style="list-style-type: none"> • 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 • Some impacted systems/processes reside outside of HIM control including Case Management, Utilization Review, Contracting and Quality Reporting
Reimbursement will not be impacted		<ul style="list-style-type: none"> • Expect increased complexity of medical necessity claim edits • Medical severity DRGs may increase in volume due to improved clinical information being reported • Coders, physicians and payers will be adjusting simultaneously to a new coding methodology • Expect initial delays and requests for further information
Short time to implement - We can wait till 2012		<ul style="list-style-type: none"> • System reconfiguration and testing for claim submission and overall report generation is immense • Clinical and financial systems implemented prior to 2012 should be ICD-10 ready

Answering Key Questions to ICD-10 Readiness

ICD-10 Strategy and Readiness	Questions
<p>1. Organization wide education/awareness of ICD-10 synergies with other regulations (ARRA, HIPAA/HITECH)</p>	<ul style="list-style-type: none"> ➤ Do functional areas understand ICD-10 implications for planning? ➤ How well are these plans integrated with other regulatory initiatives?
<p>2. Governance Structure and Budget</p>	<ul style="list-style-type: none"> ➤ Are Clinical, Operational, and Finance/Revenue Cycle areas included? Physicians? ➤ Is there an approved Budget for ICD-10 Remediation?
<p>3. ICD-10 Strategy – Comply/Optimize</p>	<ul style="list-style-type: none"> ➤ Do you have a strategy? ➤ Does the strategy include making improvements in processes and capitalizing on the specificity? ➤ Are you modeling contracts to negotiate with payers?
<p>4. Functional/IT/ Operational Gaps</p>	<ul style="list-style-type: none"> ➤ Does the scope include external vendor readiness?
<p>5. Interdisciplinary Project Management</p>	<ul style="list-style-type: none"> ➤ Is the scope of the Program Plan end to end across the continuum?
<p>6. Vendor Assessment/Partnership</p>	<ul style="list-style-type: none"> ➤ Will vendors be ready and what interim measures might they use?



Answering Key Questions to ICD-10 Readiness

ICD-10 Strategy and Readiness	Questions
7. Systems Integration	➤ How will you assess end to end integration, interim dual coding, potential dual storage with transparent functionality?
8. Detailed Training	➤ Do you have a detailed matrix training plan through 2013 including function specific detail?
9. Simulate, Test, and Manage Changes	➤ How and when will you implement within a step –wise process?
10. Implementation	<ul style="list-style-type: none">➤ Do you have a detailed Project Plan?➤ Have you identified a Project Manager?➤ Have you initiated the budgeting process?➤ Have you identified an Executive Sponsor?➤ Have you identified required resources from clinical and operational areas of the organization?➤ Have you included contingency planning in your overall plan?➤ Do you have regular touch points scheduled with vendors/business partners?

ICD-10 Strategy, Planning and Implementation

Three Tiered Approach to Success

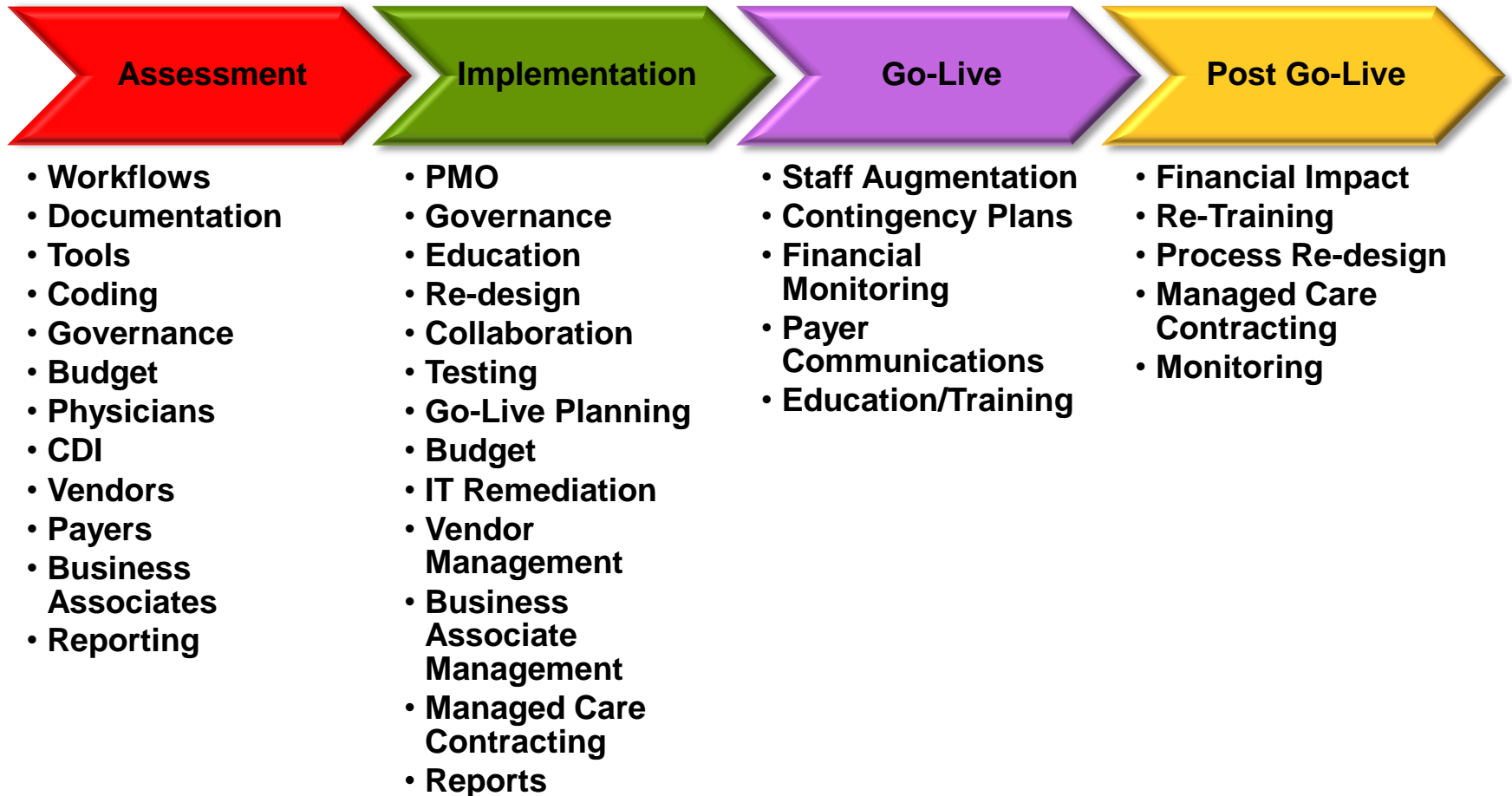
Tier 1: Assessment

Tier 2: Implementation “The Plan”

Tier 3: Pre/Post Go -Live



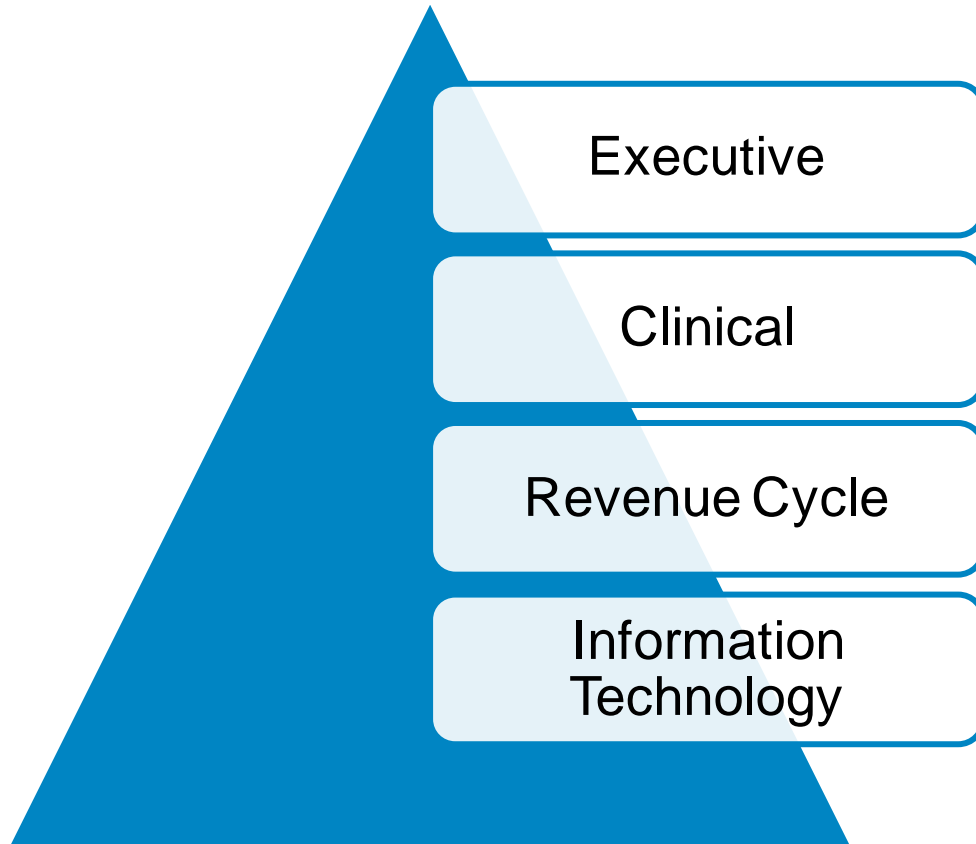
ICD-10 Implementation Phases



The Assessment – The Foundation to The Plan

Assessment

- **Executive**
 - Strategic imperatives
 - Executive sponsorship
 - Governance
 - Change management
- **Clinical & Revenue Cycle**
 - Identify operational areas
 - Understanding of change readiness
 - Process improvement
 - Resource / staffing needs
 - Training and/or retraining
- **Information Technology**
 - Impacted systems readiness
 - Resource issues



Developing “The Plan”

- **Perform organizational impact assessments and ICD-10 readiness assessments for clinical, HIM, physician, business, IT and third-party vendors**
 - Staff readiness
 - System IT readiness
 - Vendor readiness
 - Business process
 - Health plan/payer
 - Financial data and financial impact analysis
- **Develop GAP analysis and resolution plan for all functional areas, including IT**
- **Strength, Weakness, Opportunity, Threat (SWOT) Analysis**
- **Risk assessment and mitigation plan**
- **Develop resource needs analysis for high impact areas**
- **Perform system capacity analysis to determine system scale/capacity to handle ICD-9 to ICD-10 coding and long-term ICD-10 transaction growth**

Education and Training – Who, When, How?

The implementation of ICD-10 provides an the opportunity to improve clinical documentation, coding accuracy, operational processes, and quality.

- **The Education Strategy should include key components:**
 - Educational strategy and timeline by Role
 - › Administration
 - › Revenue Cycle (Patient Access/Patient Accounting)
 - › Clinical Documentation Improvement Staff
 - › Research
 - › Decision Support/Finance/Reimbursement
 - › Physician (Employed/ Community/Specialist)
 - › HIM (Staff,)Coders
 - › Information Technology
 - › Others
 - Phased approach with specific milestones
 - Detailed educational curriculum by Role and Phase
 - Training Delivery Methods
 - Ongoing/Post-Implementation Education Strategy

“The Plan”

- **ICD-10 Strategy, Program, and Detailed Project Plans**
 - Readiness assessment results
 - Gap analysis and SWOT analyses
 - Strategy and approach
 - ICD-10 Remediation Inventory of Systems, Databases and processes
 - Change management needs
 - Governance structure
 - ICD-10 Roadmap: Timelines, milestones, and performance measures
 - Reimbursement Impacts (Managed Care Contracting/GEMs)
 - High-level budget for financial and board requests
 - Education sessions and ICD-10 update sessions
- **Detailed Project Plan for ICD-10 Implementation**
- **Education Plan for Clinicians, HIM, Physicians, Business Office, and IT**

Implementing “The Plan”

Outcomes

- Policies and procedures
- Documented redesigned workflows
- Established training program – Learning Management System (LMS)
- Audit results with risks identified
- Test plans
- Documented test results and issue resolution log
- Completed upgrades and mapping exercises
- Redesigned reports

- Implement PMO/Project Director
- Governance Structure
- Vendor Management
- Education and Training (Phased Approach)
- Implement/validate IT system and interface changes
- Implement/validate operational/process changes
- Evaluate upgrades to applications impacted
- Process Redesign
- Report redesign and modification
- Initiate testing services

Sustaining Success and Ongoing Monitoring

Tools

- Policies and procedures
- Documented redesigned workflows
- Established training program – Learning Management System (LMS)
- Audit results with risks identified
- Education updates
- Risk assessment and documentation
- Financial impact analysis
- Accounts receivable billing and collection and support

- Review documentation and coding quality post-October 1, 2013
- Ongoing Education/Training
- Ongoing Financial Impact analysis
- Support accounts receivable billing and collection backlog and activity, as needed
- Staff Augmentation Plans

Collaboration Across the Enterprise

ICD-10 Continuum of Care

- **Within the health care community**
 - Patient
 - Provider (primary care, specialty provider, therapist, psychologist, psychiatrist)
 - Acute Care Hospital
 - › Inpatient care
 - › Outpatient diagnostic testing
 - › Outpatient therapeutic services
 - › Emergent or Urgent evaluations / treatment
 - Inpatient Rehab Hospital
 - Home Health Agency
 - Skilled Nursing Facility
 - Long Term Care Facility
- **External but Interested Parties**
 - Payers and governmental quality evaluators



Integrated Process Redesign

- **Patient Access**

- Tools
- Physician Office Communication
- Scheduling
- Medical necessity screening
- Insurance Verification

- **Order Entry**

- CPOE
- Tools/EHR

- **Clinical Documentation Improvement**

- Tools
- Collaboration with Case Management and HIM
- Physician Communication/Coaching
- Working vs. Final DRG
- Query Process



Integrated Process Redesign (cont.)

- **HIM**

- Coding
- Collaboration with Clinical Documentation Improvement
- Working DRG vs. Final DRG
- Physician Query
- Staff Education
- Edits (if applicable)

- **Business Office**

- Billing edits
- Payment posting/Collections
- Denial management

- **Finance/Reports**

- Case Mix
- State Reporting
- Quality Reporting
- Other



Overcoming Implementation Challenges

Potential Roadblocks and Show Stoppers

- **Organizational Awareness**
- **Healthcare Provider Collaboration**
- **Medical Necessity Screening/Requirements**
- **Clinical Documentation Improvement**
- **Physician Workload will increase significantly**
- **“The Learning Curve”**
- **Maintaining daily operations during implementation**
- **Getting Started**

Potential Challenges

- **Re-designed payment systems, reimbursement rate changes, resulting in potential changes in revenue generation**
- **Software/Hardware capabilities**
- **Training needs**
- **Documentation/coding gaps**
- **Decreased productivity in functional areas that routinely use ICD-9**
- **Increase in denials and billing delays during the initial implementation period**
- **Vendor dependencies and Managed Care contract impacts**
- **Financial impacts**
- **Others**

Critical Success Factors and Lessons Learned

Understanding the Organization

- **Roadblocks and Challenges**
- **Key Stakeholders**
- **Champions for Change**
- **Physicians**
- **Change Drivers**
- **Ability to Sustain Success**

Critical Success Factors for Implementation

- **An integrated Enterprise-wide approach**
- **Build a strong ICD-10 Implementation foundations**
- **See ICD-10 as a “must do” and a benefit**
- **Train and Educate: Deliver the right message to the right people at the right time**
- **Ensure effective communications**
- **Optimize use of available tools and technologies**
- **Understand, mitigate and plan for the financial impacts**
- **Manage Vendor and Payer relationships**
- **Comprehensive modeling and integrated functional testing plan across the continuum of care**

Tips for Success – the ABCs

Awareness

Budget

Collaboration

Developing “The Plan”

Educate

Financial Plan

Governance Structure

Holding the Team Accountable

Case Study: The Rotherham Foundation Trust

- **Situation:**
 - 750 bed acute care facility in the UK
 - ICD-10 Implementation
- **Scope:**
 - MEDITECH 6.0 Implementation
 - Strategy
 - Project and Program Planning
 - Gap Analysis
 - Implementation
 - Admitting
 - Scheduling
 - Ancillary
 - Clinical
 - HIM
 - IT

Lessons Learned

- Rotherham was an early adopter
- 1st U.K MEDITECH 6.0 Implementation
- Imbedded ICD-10 and Snomed CT
- Move close to the Business Owners
- Earn Trusted Advisor Relationship
- Incorporate both ICD-10 and Snomed CT is best practice

Case Study: The Rotherham Foundation Trust

- **Multiple Vendor collaboration**
 - **MEDITECH, SNOMED CT, 3M**
- **MEDITECH ICD-10**
 - **In use Canada and the United Kingdom**
- **SNOMED CT**
 - **Database of 300,000+ clinical concepts**
 - **Clinician friendly entry with several search layers**
- **3M Dialect Encoder**
 - **Clinical Coding software designed to work with SNOMED CT**
 - **Interfaced with MEDITECH**

The Checklist – Where Should I Be Today?

What Have You Completed With Your ICD-10 Planning?

- ✓ **ICD-10 Steering Committee**
- ✓ **Comprehensive Assessment completed with gaps identified**
 - **IT Systems Inventory**
 - **Decision Support**
 - **Case Management**
 - **Utilization Review**
 - **Managed Care/Payer Contracts**
 - **Quality Department**
 - **Functional Areas that use ICD-9 codes today that need translation**
 - **5010 Readiness**
 - **Educational Needs within Organization**
 - **Documentation Assessment**
- ✓ **Claims analysis to identify top specialties most impacted**
- ✓ **Vendor readiness**
- ✓ **Managed care/payer contract readiness**
- ✓ **Detailed Education Plan Developed**
- ✓ **Detailed Clinical Documentation Improvement Plan Developed**
- ✓ **Roadmap and Detailed Plan completed for Implementation**

What Have You Completed With Your ICD-10 Implementation

- ✓ **ICD-10 Steering Committee**
- ✓ **PMO Organization**
- ✓ **High – Level Financial Impact**
- ✓ **Comprehensive Implementation Plan with updated timelines, milestones and accountabilities**
- ✓ **High Level Baseline Education Completed**
- ✓ **Work Teams Identified**
- Recommended Workflow Remediation Plan**
- Information Technology Remediation Plan**
- Updated/Revised Physician Champion Strategy**
- Reports Remediation Plan**
- Updated Budget**
- Education Plan**
- Managed Care Remediation Plan**
- Vendor Remediation Plan**
- Information Technology Remediation Plan Physician Detailed Implementation Plan by Stakeholder**
- Educational Plan, Timeline and Curriculum by Role and/or Department Activation**

Questions & Discussion

Thank you

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