Transitioning to ICD-10-CM/PCS
Challenges & Opportunities

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I. HIPAA 5010 EDI Changes & Lessons Learned
I don't know if you know this, but I'm kind of a big deal....
Key Building Blocks:
HIPAA 5010 and ICD-10

**HIPAA 5010**
- Update standards for electronic transactions including claims. Impacts all HIPAA Covered Entities and all HIPAA covered transactions.

**ICD-10**
- International Classification of Diseases, 10th Edition
- Update of sign, symptom and condition codes developed by World Health Organization.
- Used by physicians and health care professionals to report diagnoses and inpatient procedures; payers use the codes to accurately pay for procedures and services.
- ICD-9 codes no longer accepted for dates of service on and after October 1, 2014

**Effective Date**
- **Proposed**: October 1, 2014
- **Effective Date**: January 1, 2012
5010 Enforcement Action

On March 15, 2012 the Centers for Medicare & Medicaid Services’ Office of E-Health Standards and Services (OESS) announced that it would not initiate enforcement action of HIPAA 5010 non-compliance until July 1, 2012 — *(This is the SECOND enforcement delay).*

- The compliance date has not changed, this is an enforcement delay only
- *UnitedHealthcare went live with 5010 on 1/1/2012 as planned*

- Recommended to Providers:
  - Continue to work with trading partners to become compliant before the enforcement delay deadline
  - Talk to trading partners to determine 5010 readiness and ability to accept the new standards as of January 1, 2012
Lessons Learned 5010

Overall

➢ Improvements can be made across the industry with regard to:

➢ Program/Project Planning
  ▪ Obtain Key Resources Early in Project – Start Earlier
  ▪ Clearly Define Scope (Meaningful Use, EMR adoption, etc)
  ▪ Improve Internal Business Communication Channels
  ▪ Improve Overall Business Department Ownership
  ▪ Improve Trading Partner Testing Approach

➢ Execution and Performance Monitoring
  ▪ Implement Incremental Ramp-up/Go-Live Plan
  ▪ Operational Readiness Reviews
  ▪ Compare 5010 Operational Metrics to 4010
  ▪ Engage Production Support and Focus Attention on 5010 Earlier
  ▪ Extensive Risk Management and Contingency Planning
Lessons Learned 5010

Testing – Internal - Level I

- **Requirement Traceability**
  - Consistent use of a Requirement Traceability Matrix/Tool throughout all Program phases

- **Test Approach & Required Phases**
  - Reach agreement early regarding required test phases

- **Test Environment Applications**
  - Ensure all key applications are included in test environments

- **Test Environment Availability**
  - Ensure Master Test Environment is available for use by all departments to perform certain types of testing (UAT, E2E, TPT)

- **User Acceptance Testing (UAT) Resources**
  - Ensure “dedicated” trained resources or test environments are available to conduct UAT
Lessons Learned 5010

Testing - External – Level II

- **Begin Relationship “Cultivation” Early**
  - Critical for “Early Adopters”
  - Especially important for ICD-10 Transition

- **Provider Testing Capabilities**
  - Providers rarely had opportunities to test directly with payers
  - Testing was primarily conducted with clearinghouses.

- **Improve Trading Partner Communication & Outreach**
  - More technical in nature than Provider Education

- **Improve Issues Escalation Path**
  - Must be able to reach the right people the FIRST time.

- **External End-to-End (E2E) Testing Capabilities**
  - Not readily available for providers in 5010
Lessons Learned 5010

5010 Go-Live

➢ Earlier Targeting of Issues - All
  • 9-digit Zip Code
  • P.O. Box/Pay-to Addresses
  • Subpart Billing/Enumeration

➢ Improve Communication - All
  • Further develop partnership with Providers to ensure 5010 awareness & readiness is appropriately communicated and managed with providers, regardless if a Trading Partner or not
  • Ensure program is adequately represented with 5010 experts that are public-facing
  • Expand core team of experts for all questions - internal and external
  • Communication channels need to be expanded across all parties

➢ Claim Edits - Payers
  • Conversion & tightening of edits caused many unnecessary rejections early in 2012

➢ Improve Escalation Path for Issues – Payers, Vendors, Clearinghouses
  • Many people spread across the Enterprise made tracking the right individuals for issues resolution challenging. Must be able to reach the right people the FIRST time.
II. ICD-10 Challenges & Benefits
ICD-10 Executive Summary

Summary
January 15, 2009 – Department of Health and Human Services (DHHS) published a final rule requiring covered entities (providers, health plans & clearinghouses) to comply with new code set regulations for:
- International Classification of Diseases, 10th Edition (ICD-10)
  - Clinical Modifications (ICD-10-CM) Diagnosis Code Set
  - Procedure Coding System (ICD-10-PCS) Inpatient Hospital Procedure Coding System.

DHHS Proposed Compliance Date: October 2014
– KEEP MOVING FORWARD DESPITE PROPOSED DELAY – ICD-10 IS COMING!
Payers will need to be code-ready far in advance to allow for business process changes, training, contract renewals, and trading partner testing.

Background
ICD diagnosis and procedure codes are fundamental to Payer’s business operations. Significant changes to the coding structure will have major impacts on many business processes and systems. This in turn will require extensive training and updates to medical policies and contracts.

Industry analysts and advocacy organizations have prioritized ICD-10 and HIPAA 5010 as the top two initiatives for health care organizations’ focus for the next three years.

Problem Statement
Implementation costs: Compliance with ICD-10 will require significant information technology (IT) and other resources and capital expenditure.
Operational costs: Due to the “Date of Service” implementation requirement, simultaneous support of ICD-9 and ICD-10 will increase operation costs after implementation.

Organizations will be challenged on how to mitigate the implementation and operational costs of this mandate.
Implications of an ICD-10 Delay

• It is important to continue moving forward with ICD-10!!

• Loss of momentum poses a significant risk to the entire healthcare industry
  – 30 Day Public Commentary Period – Closes May 17th

• Overcome fear of change!

• ICD-10 is coming!
  – Proposal to delay ICD-10 until October 1, 2014 was announced on April 9, 2012.

• Treat the delay as a gift of time
• Additional time will help spread out costs
  – Better Manage the Change Process

• Strategic thinking is more critical than ever!
  – Planning
  – Training
  – Testing
In both Physician and Payer settings, ICD-10 represents a major impact to all business and technology areas that utilize medical codes.
The ICD-10 Challenge

• ICD-10 requires a more complex business approach than HIPAA 5010.
  – HIPAA 5010 changes were specified by CMS by prescriptive EDI technical specifications. CMS recommended health care payers’ use of new and modified HIPAA 5010 data elements.
  – ICD-10, on the other hand, requires health care payers and other stakeholders to interpret the new ICD-10 code set and determine how to modify business processes so that efficiencies can be gained to drive organizational value and competitive differentiation.
  – ICD-10 process changes will impact all physician practices and hospitals but there are benefits too:

  • Medical Management
    – Medical Policy changes made to align with ICD-10 may impact business process
    – Opportunity: richer code set allows for more focused Care Mgmt & Wellness Programs

  • Contracting
    – Updating contracts containing ICD-9 codes & references may impact business process
    – Opportunity: additional detail allows for a more precise pricing structure

  • Fraud & Abuse
    – Richer data set available for Fraud & Abuse analytics may impact business processes
    – Opportunity: greater specificity of code sets allows for more automation in reviews
W58.11XA Bitten by crocodile, initial encounter

→

← W58.01XA Bitten by alligator, initial encounter
ICD-10-CM Diagnosis Code Example

Diagnostic Code Set - Broad Impacts

ICD-10-CM provides 50 different codes for “complications of foreign body accidentally left in body following a procedure,” compared to only one code in ICD-9-CM.

– T81 category for complications due to foreign body show how specific these ICD-10-CM codes are compared to the one general ICD-9-CM.

– ICD-10-CM codes describe the actual complication, e.g. perforation, obstruction, adhesions, as well as the actual procedure that had been done that resulted in the foreign body being left behind.

• T81.530, Perforation due to foreign body accidentally left in body following surgical operation

• T81.524, Obstruction due to foreign body accidentally left in body following endoscopic examination

• T81.516, Adhesions due to foreign body accidentally left in body following aspiration, puncture or other catheterization
ICD-10-PCS Procedure Code Example

Procedure Code Set - Heavily Impacts Inpatient Procedures

ICD-10-PCS provides dozens of combinations of codes for Coronary Artery Bypass Grafts compared to only 7 codes in ICD-9-CM.

- Specificity of an ICD-10-PCS code compared to the more general ICD-9-CM code
- ICD-9-CM codes 36.14 and 36.16 would be reported for this same procedure
- Each ICD-10-PCS character has a specific meaning, and there is no decimal point used in ICD-10-PCS procedure codes

- 02100Z8 Bypass, One Coronary Artery to Right Internal Mammary Artery, Open
  - 0 stands for the medical-surgical section
  - 2 is the heart and great vessels body system
  - 1 is the root operation of bypass
  - 0 is the body part – one coronary artery
  - 0 is the approach, which is open for this case
  - Z indicates no device was used
  - 8 is a qualifier for right internal mammary artery
What Are Crosswalks?

- Crosswalks are a translation tool used to assign an ICD-9 code to the best possible match in ICD-10 (and potentially the reverse as well).
- Crosswalks will be created based on the CMS-created General Equivalency Mapping (GEM) files
  - GEMs are more than crosswalks
  - GEMs are more of 2 way translation dictionaries for diagnosis and procedure codes from which crosswalks will be developed.
  - Interpretation of the GEMs will impact everything from medical necessity to reimbursement.
- The development of a crosswalk ideally should be a temporary measure used for specific purposes.
- Crosswalks should not alter the meaning of a code; rather represent the facts as accurately as possible.
- Creating a crosswalk from “scratch” will incur significant costs.

Crosswalks are not the solution to ICD-10 deployment for the industry, rather a tool to be used in creating the solution.
# Example ICD-9 to ICD-10 changes

<table>
<thead>
<tr>
<th>ICD-9</th>
<th>ICD-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,000 Diagnosis Codes</td>
<td>68,000 Diagnosis Codes</td>
</tr>
<tr>
<td>4,000 Procedure Codes</td>
<td>87,000 Procedure Codes</td>
</tr>
<tr>
<td><strong>Angioplasty (procedure codes)</strong></td>
<td><strong>Angioplasty (procedure codes)</strong></td>
</tr>
<tr>
<td>1 code</td>
<td>854 different codes</td>
</tr>
<tr>
<td><strong>39.50</strong></td>
<td><strong>047K047</strong></td>
</tr>
<tr>
<td><strong>Pressure Ulcer Codes (diagnosis codes)</strong></td>
<td><strong>Pressure Ulcer Codes (diagnosis codes)</strong></td>
</tr>
<tr>
<td>7 codes</td>
<td>125 different codes</td>
</tr>
<tr>
<td><strong>707.00-707.99</strong></td>
<td><strong>L89.131</strong></td>
</tr>
<tr>
<td>Show location, but not depth</td>
<td>Specific location, depth, severity, occurrence</td>
</tr>
<tr>
<td><strong>No equivalent ICD 9 Code</strong></td>
<td><strong>Y71.3</strong></td>
</tr>
<tr>
<td>-Indicated through notes and other methods</td>
<td>Surgical instruments, materials and cardiovascular devices associated with adverse incidents</td>
</tr>
<tr>
<td><strong>Autopsy</strong></td>
<td>No ICD 10 code</td>
</tr>
</tbody>
</table>
ICD-10 Crosswalk Example

- There may be multiple translation alternatives for a source system code, all of which are equally plausible
- Some translation projects require selection of a “best alternative”

Clinical Example

A provider sees a patient in a [subsequent encounter] for a [non-union] of an [open] [fracture] of the [right] [distal] [radius] with [intra-articular extension] and a [minimal opening] with [minimal tissue damage].

ICD-9 Code: 81352 - Other Open Fracture of Distal End of Radius (Alone)

ICD-10 Code: S52571M - Other intra-articular fracture of lower end of right radius, subsequent encounter for open fracture type I or II with nonunion

[Note] For all codes related to fractures of the radius:
  - ICD-9 codes = 32
  - ICD-10 codes = 1731
III. ICD-10 Industry Challenges
Just A Few Industry Challenges…

- COST!
- Impacts of the Delay – Maintaining Momentum
- Competing Priorities/Initiatives
  - Meaningful Use, EMR, ACO, PPACA, HPID, etc
- Readiness
  - Provider/Facility
    - Documentation Improvement
  - Payer
    - Pricing
  - Vendor
    - Product Availability
- Communication/Outreach
  - AMA/MGMA
- Cost/Revenue Neutrality
  - Operational Stability
  - Clinical Integrity
  - Revenue Predictability
- Technology
  - To CAC or not to CAC?
- Crosswalking/Mapping
  - No Industry Standard
- Training/Education
- Staffing
- TESTING!
  - Vastly Different than 5010
Industry Collaboration

- Many organizations are providing collaborative venues for stakeholder engagement:
  - MHDC – Massachusetts Health Data Consortium
  - WEDI – Workgroup for Electronic Data Interchange
  - HIMSS – Health Information Management System Society
  - AAPC – American Academy of Professional Coders
  - AHIMA – American Health Information Management Association
  - MN Collaborative – Minnesota Collaborative for ICD-10

- Collaborate on issues involving ICD-10 Implementation such as:
  - Compliance
  - Acceptance
  - Testing
  - Communication
  - Regulatory Updates
  - Implementation Challenges
  - Implementation Costs
  - Training Solutions
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