ICD-10 Implementation
(At Some Point)

Prepared for
Healthcare Financial Management Association
Tennessee
May 22, 2012

Agenda

- ICD-10 timeline
- Scope of change
- Implementation issues
- Revenue cycle impact
- Cost-saving alternatives

May 12, 2011

December 21, 2012
But Wait!!

- New Mayan Calendar discovered
- Calendar does not end
- Mayans hoping to maintain the world
  - Without end
  - Unchanged

October 1, 2013

Countdown

- 862 calendar days
- 602 business days
Where are you Now?

- ICD-10 Steering Committee
- 5010 Conversion
- Gap Analysis
- Financial Impact

ICD-10-CM/PCS (At Some Point)

Not Just Volume

- Completely different classification system
- Changes in the *Official Coding Guidelines*
- Expanded field length
- Extensively alpha-numeric
X Placeholder

- The letter “x” is used as a dummy place-holder.
- Used as a 5th character place-holder:
  - T42.0x1 Poisoning by barbiturates, accidental (unintentional)
- Used to position the 7th character extension:
  - T67.0xxD Heatstroke and sunstroke subsequent encounter

Zero’s are not O’s, O’s are not Zero’s

- Many codes contain the number zero
- Zero is never the first character in a code.
- The letter O is the first character in Chapter 15 – Pregnancy, childbirth and the puerperium
  - O00.0 = Abdominal pregnancy
    (Read: O zero zero point zero)

Gap Analysis

It’s all about the documentation!!!
Axis of Classification

- Obstetrics
  - I9 = Episode of Care
  - I10 = Duration of Pregnancy

- Orthopedics - Fracture
  - I9 = open versus closed
  - I10 = Gustilo open fracture classification (no default)

- Cardiac - MI
  - I9 = Location, episode of care
  - I10 = Location; relationship of current episode to prior

Laterality

- **D30.00** Benign neoplasm of right kidney
- **L89.214** Pressure ulcer of right hip, stage IV
- **L89.224** Pressure ulcer of left hip, stage IV

There is no...

**UROSEPSIS!!**
ICD-10-PCS Principles

- Diagnostic information is not included in the procedure description
- Explicit not otherwise specified (NOS) code options are not provided
- Limited use of not elsewhere classified (NEC) code options
- Level of specificity – All procedures currently performed can be specified in ICD-10-PCS.
- A unique code is available for variations of a procedure that can be performed

ICD-10-PCS Code Structure

- Seven character alphanumeric code structure
- Each character contains up to 54 possible values
- Each value represents a specific option for the general character definition

Assigning procedure codes is a process that consists of combining the values in each of the seven characters: "building" the code.

Characters and Meanings

Seven characters needed to build a code:

1 – Section
2 – Body System
3 – Root Operation
4 – Body Part
5 – Approach
6 – Device
7 – Qualifier
Root Operations (Character 3)

30 different root operations in the Med/Surg Section

The root operation identifies the objective of the procedure

Each root operation has a precise definition

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Root Operation Definitions

- **Bypass**: Altering the route of passage of the contents of a tubular body part. CABG, colostomy formation

- **Detachment**: Cutting off all or a portion of an extremity. BKA

- **Dilation**: Expanding an orifice or the lumen of a tubular body part. Percutaneous transluminal angioplasty. Pyloromyotomy.

- **Excision**: Cutting out, or off, without replacement, a portion of a body part. Partial nephrectomy. Liver biopsy. (Character 7, Qualifier, is used to identify excision procedures that are biopsies). "Biopsy" is not a root operation.

- **Extirpation**: Taking of or cutting out solid matter from a body part. Thrombectomy, choledocholithotomy

- **Extraction**: Pulling or stripping out or off all or a portion of a body part. Dilation and curettage. Vein stripping.

- **Inspection**: Visually and/or manually exploring a body part. Diagnostic arthroscopy. Exploratory laparotomy.

Root Operation Definitions


- **Repair**: Restoring, to the extent possible, a body part to its normal anatomic structure and function. Herniorrhaphy. Suture of laceration. "Suture" is not a root operation.

- **Resection**: Cutting out or off, without replacement, all of a body part. Total nephrectomy, total lobectomy of lung. Compare to Excision definition.

Procedure: PCTA of left anterior descending artery

- Char. 1 – Section: Medical and Surgical = 0
- Char. 2 – Body System: Heart and Great Vessels = 2
- Char. 3 – Root Operation: Dilation = 7
- Char. 4 – Body Part: Coronary Artery, One Site = 0
- Char. 5 – Approach: Percutaneous = 3
- Char. 6 – Device: None = Z
- Char. 7 – Qualifier: No = Z

02703ZZ

Complexity of Procedural Coding

PCTA of left anterior descending artery

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-CM</th>
</tr>
</thead>
<tbody>
<tr>
<td>00.66</td>
<td>02703ZZ</td>
</tr>
<tr>
<td>00.40</td>
<td></td>
</tr>
</tbody>
</table>
Why can’t we just map ICD-9 to ICD-10??

GEM

General Equivalence Mapping
Numerous choices
No perfect match in either direction

Some things match

<table>
<thead>
<tr>
<th>I-10 Description</th>
<th>Correlation</th>
<th>I-9 Description</th>
<th>Unequal Axis of Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>A02.21 Salmonella meningitis</td>
<td>=</td>
<td>003.21 Salmonella meningitis</td>
<td>None</td>
</tr>
<tr>
<td>C92.01 Acute myeloid leukemia, in remission</td>
<td>=</td>
<td>205.01 Myeloid leukemia, acute, in remission</td>
<td>None</td>
</tr>
</tbody>
</table>
How it Looks on the GEM

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>TARGET</th>
<th>ATTRIBUTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward Mapping</td>
<td><em>Salmonella Meningitis</em></td>
<td></td>
</tr>
<tr>
<td>003.21</td>
<td>A02.21</td>
<td>00000</td>
</tr>
<tr>
<td>Backward Mapping</td>
<td><em>Acute myeloid leukemia, in remission</em></td>
<td></td>
</tr>
<tr>
<td>A02.21</td>
<td>003.21</td>
<td>00000</td>
</tr>
</tbody>
</table>

Some things don’t

<table>
<thead>
<tr>
<th>I-10 Description</th>
<th>Correlation</th>
<th>I-9 Description</th>
<th>Unequal Axis of Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>O26.811</td>
<td>≠</td>
<td>O26.85x</td>
<td>Stage of pregnancy (I-10) vs Episode of care (I-9)</td>
</tr>
<tr>
<td>Spotting</td>
<td></td>
<td>Spotting</td>
<td></td>
</tr>
<tr>
<td>complications</td>
<td></td>
<td>complicating</td>
<td></td>
</tr>
<tr>
<td>pregnancy, first</td>
<td></td>
<td>pregnancy,</td>
<td></td>
</tr>
<tr>
<td>trimester</td>
<td></td>
<td>unspecified</td>
<td></td>
</tr>
<tr>
<td>O26.812</td>
<td></td>
<td>O26.852</td>
<td></td>
</tr>
<tr>
<td>Spotting</td>
<td></td>
<td>Spotting</td>
<td></td>
</tr>
<tr>
<td>complications</td>
<td></td>
<td>complicating</td>
<td></td>
</tr>
<tr>
<td>pregnancy, second</td>
<td></td>
<td>pregnancy,</td>
<td></td>
</tr>
<tr>
<td>trimester</td>
<td></td>
<td>delivered</td>
<td></td>
</tr>
</tbody>
</table>

How it Looks on the GEM

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>TARGET</th>
<th>ATTRIBUTES</th>
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</thead>
<tbody>
<tr>
<td>Forward Mapping</td>
<td>64951</td>
<td>O26851</td>
</tr>
<tr>
<td>64951</td>
<td>O26852</td>
<td>10000</td>
</tr>
<tr>
<td>64951</td>
<td>O26853</td>
<td>10000</td>
</tr>
<tr>
<td>Backward Mapping</td>
<td>O26851</td>
<td>64951</td>
</tr>
<tr>
<td>O26851</td>
<td>64953</td>
<td>10000</td>
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<tr>
<td>O26852</td>
<td>64951</td>
<td>10000</td>
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<tr>
<td>O26852</td>
<td>64953</td>
<td>10000</td>
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<tr>
<td>O26853</td>
<td>64951</td>
<td>10000</td>
</tr>
<tr>
<td>O26853</td>
<td>64953</td>
<td>10000</td>
</tr>
</tbody>
</table>
Attributes

- Approximate
- No Map
- Combination
- Scenario
- Choice List

Source: GEMS Technical Document

Approximate

- Compares Source and Target
- 0 = equivalent
- 1 = not equivalent

No Map

- Whether Source and Target have a map
- 0 = there is a mapping
- 1 = there is no mapping

Example:

V6441 NoDx 11000
Lap converted to open
Z6740 NoDx 11000
Type O Blood, Rh Positive
Combination

• Source has a single translation where there is at least one combination alternative
• 0 = translation alternative in the target system is a single entry rather than a combination.
• 1 = multiple codes provide translation from the source to the target

<table>
<thead>
<tr>
<th>Source</th>
<th>Target</th>
<th>Flags</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>3774</td>
<td>02HN0MA</td>
<td>10000</td>
<td>OR</td>
</tr>
<tr>
<td>3774</td>
<td>02HN0MA</td>
<td>10111</td>
<td>WITH</td>
</tr>
<tr>
<td>3774</td>
<td>02HN3MA</td>
<td>10000</td>
<td>OR</td>
</tr>
<tr>
<td>3774</td>
<td>02HN3MA</td>
<td>10111</td>
<td>WITH</td>
</tr>
<tr>
<td>3774</td>
<td>02HN4MA</td>
<td>100000</td>
<td>OR</td>
</tr>
<tr>
<td>3774</td>
<td>02HN4MA</td>
<td>10111</td>
<td>WITH</td>
</tr>
<tr>
<td>3774</td>
<td>02PA0MZ</td>
<td>10112</td>
<td>WITH</td>
</tr>
<tr>
<td>3774</td>
<td>02PA3MZ</td>
<td>10112</td>
<td>WITH</td>
</tr>
<tr>
<td>3774</td>
<td>02PA4MZ</td>
<td>10112</td>
<td>WITH</td>
</tr>
<tr>
<td>3774</td>
<td>02PAXMZ</td>
<td>10112</td>
<td>WITH</td>
</tr>
</tbody>
</table>

Scenario

• Identifies when a combination code has multiple alternatives in the target
• Each scenario has its own identifier
<table>
<thead>
<tr>
<th>Source</th>
<th>Target</th>
<th>Flags</th>
</tr>
</thead>
<tbody>
<tr>
<td>I25111</td>
<td>41401</td>
<td>10111</td>
</tr>
<tr>
<td>I25111</td>
<td>4139</td>
<td>10112</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>Target</th>
<th>Flags</th>
</tr>
</thead>
<tbody>
<tr>
<td>T422X1A</td>
<td>9662</td>
<td>10111</td>
</tr>
<tr>
<td>T422X1A</td>
<td>E8558</td>
<td>10112</td>
</tr>
<tr>
<td>T422X1A</td>
<td>9660</td>
<td>10121</td>
</tr>
<tr>
<td>T422X1A</td>
<td>E8558</td>
<td>10122</td>
</tr>
</tbody>
</table>

**Choice List**

- Organization for translation alternatives in a combination entry
- Pick lists
- Cluster

  **Example:**
  
  E10341   25051  10111
  E10341   36206  10112
  E10341   36207  10113
**GEM Files Summary Sheet**

"Use the GEMs When…"

- You are translating lists of codes, code tables, or other coded data
- You are converting a system or application containing ICD-9-CM codes
- You are creating a "one-to-one" applied mapping (aka crosswalk) between code sets that will be used in an ongoing way to translate records or other coded data
- You want to study the differences in meaning between the ICD-9-CM classification systems and the ICD-10-CM/PCS classification systems by looking at the GEMs entries for a given code or area of classification."

Source: ICD-10 and GEMS

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**GEM Files Summary Sheet**

"Use the ICD-10-CM/PCS and ICD-9-CM Code Books When…"

- You have a short list of ICD-9-CM codes with their code descriptions
- You have access to the medical record
- You have access to other forms of clinical information, such as text descriptions or clinical terms from surveys, research, or clinical software applications"

Source: ICD-10 and GEMS

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**GEM Files Summary Sheet**

"Note: A medical record that will be processed and stored as ICD-10 data should always be coded directly in ICD-10-CM/PCS, using the code books or an encoder."

Source: ICD-10 and GEMS
How do we get there?

Interdisciplinary Steering Committee
- Risk assessment
- Financial impact analysis
- Budget development
- Project management
- Raise awareness
- Manage the message
- Oversee implementation

Implementation Timeline
- 2010 – Get Organized ✓
- 2011 – Assessment and Background Training ✓
- 2012 – Clinical documentation improvement and start coder training
- 2013 – Documentation improvement, physician education, impact analysis
- 2014 – Intensive coder training, implementation
Planning is Critical

- Compliance Risk
- Reimbursement Risk
- Data corruption
- Poor productivity
- Audit Risk

Processes

- MS-DRG conversion
- Authorization process
- Medical Necessity clearance
- NCD / LCD
- Claims edits
- Provider profiling
- Quality measurement and initiatives
- Data analysis
- Utilization management
- Disease management
- Aggregate data reporting

Are the payers ready?

- Engage your key payers
- Involve Contract Management now
- How will you produce claims if they aren’t?
- Rule applies only to HIPAA covered entities
- Non-covered entities include:
  - Workers’ compensation programs
  - Disability insurance programs

Non-covered entities include:
Systems Impact

- Code field length
- Simultaneous transmission
- Data-reporting elements
- Payment / revenue cycle systems changes
- Coding software
- Encoder software
- Physician technology
- ANY SYSTEM THAT USES ICD-9 CODED DATA!!!
Don’t Forget

**Slower claims adjudication**
**Increased claims rejections**
**Impact on AR and CASH**
**Coder drag will affect DNFB**

---

### Scenario: Today

<table>
<thead>
<tr>
<th>Volume</th>
<th>Charges</th>
<th>Payment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000</td>
<td>$30,000</td>
<td>$10,000</td>
<td>Inpatient Discharges</td>
</tr>
<tr>
<td>5000</td>
<td>$20,000</td>
<td>$5,000</td>
<td>SDS</td>
</tr>
<tr>
<td>25000</td>
<td>$3,000</td>
<td>$800</td>
<td>ED</td>
</tr>
<tr>
<td></td>
<td>$475,000</td>
<td>$145,000</td>
<td>Total Annual</td>
</tr>
<tr>
<td></td>
<td>$1,301,370</td>
<td>$397,260.27</td>
<td>Daily</td>
</tr>
</tbody>
</table>

### 3 day hold

- **20%** $780,822 Average DNFB over 3 days
- **$4,684,932** DNFB with 3 day hold

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### One Month Later....

<table>
<thead>
<tr>
<th>DNFB</th>
<th>Productivity Drag</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/1/2013 $4,684,932</td>
<td>0%</td>
</tr>
<tr>
<td>$8,849,315</td>
<td>10%</td>
</tr>
<tr>
<td>$13,013,699</td>
<td>20%</td>
</tr>
<tr>
<td>$17,178,082</td>
<td>30%</td>
</tr>
<tr>
<td>$25,506,849</td>
<td>50%</td>
</tr>
</tbody>
</table>
Number of Physicians in U.S.

954,000

How many consultants?

???

How to Minimize Drag

- Parallel coding
- Per diem services
- Consultant trainers
- Hire now
- Plan in advance – now is the time!
A Word about your Coders

- Not just volume – accuracy
- Accuracy will not improve by magic
- Practice makes perfect
- Not everyone will make the transition

Current Average Age of Coders

54

Coding Shortage

- Need fully staffed departments
- Experienced, well-trained coders
- ICD-10 may drive some out of coding
- Gear up NOW to avoid problems

Consider:

- Bring on trainees
- Mentor existing employees into coding
Hospital-wide Training

External training
Train the trainer
Group with the HIM staff
Use HIM to train the hospital
Involve physician liaison staff

Speaker
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Director, Health Records Services

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References