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ICD-10-CM & ICD-10-PCS:
“Revenue Cycle Readiness and
Implementation Strategies”

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Objectives

- It has been 30 years since the last revision of the International Classification of Diseases in the United States.
- This session will provide an overview of ICD-10 diagnosis and procedural coding;
- Impact and challenges on revenue cycle management (operational, technological, fiscal, and clinical);
- Recommendations for necessary strategic planning initiatives
- Key stakeholders involvement to drive successful transition to this new coding classification system.

History

ICD-10

- 1990 – Endorsed by World Health Assembly (diagnosis only)
- 1994 – Release of full ICD-10 by WHO
- 2002 (October) – ICD-10 published in 42 languages (including 6 official WHO languages)
- Implementation
 - 138 countries for mortality
 - 99 countries for morbidity
- January 1, 1999 – U.S. implemented for mortality (death certificates)

ICD-10-PCS

- PCS – Procedure Coding System
- Replacement for ICD-9-CM, procedures (inpatient only)
- 1998 – first version released by CMS
- Annual updates since that time
- Provides detailed information on procedures
- Ample space for capturing new technology and devices
- Logical structure with clear, consistent definitions
- Not in use at this time

Overview

- History
- Introduction
- Impact and challenges
- Strategies
- Benefits
- Recommendations

Introduction

- United States is the last industrialized nation to switch from ICD-9 to ICD-10
- ICD-9-CM is outdated
- Deadline for ICD-10-CM/PCS implementation is October 1, 2013

Introduction to ICD-10CM/PCS

- ICD-10 PCS is a procedural coding system developed by the Centers for Medicare and Medicaid services to identify procedures done in the inpatient setting of the hospital.
- These codes uses 7 alpha or numeric digits
- MS DRG ICD 10 will replicate the current DRG logic utilized by MS DRG ICD 9.

Introduction ICD-10CM/PCS

- ICD-10 CM/PCS combines greater specificity with detailed clinical information
- ICD-10 CM- the diagnosis classification system developed by the Centers for Disease and Prevention. These codes have 3 – 7 alpha and numeric digits

Example Combination Coding

- ICD-9-CM
 - Coronary atherosclerosis of native artery 414.01
 - Intermediate coronary syndrome 411.1

- ICD-10-CM
 - Atherosclerotic heart disease of native artery with unstable angina I25.110
 - Atherosclerotic heart disease of native artery with unstable angina & documented spasm I25.111
 - Atherosclerotic heart disease of native artery with other forms of angina pectoris I25.118
 - Atherosclerotic heart disease of native artery with unspecified angina pectoris I25.119

Comparison of ICD-9-CM to ICD-10 – PCS

Excision of lesion of tendon sheath hand/wrist

ICD-9-CM:

-82.21 where 82 = operation on muscle, tendon and fascia of hand; 2 = excision of lesion of muscle, tendon and fascia of hand; 1 = excision lesion of tendon sheath of hand.

Comparison of ICD-9-CM to ICD-10 – PCS

Excision of lesion of tendon sheath hand/wrist

ICD-10-PCS:

- 0L850ZZ where 0 = section (medical & surgical); L = body system (tendon); 8 = root operation (excision); 5 = body part (forearm and wrist tendon, right); 0 = surgical approach (open); Z = device (N/A) and Z = qualifier (N/A)

0: Medical and Surgical Section D Gastrointestinal System B: EXCISION: Cutting out or off, without replacement, a portion of a body part.			
1 Esophagus, upper 2 Esophagus, middle 3 Esophagus, lower 4 Esophagogastric junction 6 Stomach 7 Stomach, pylorus 9 Duodenum A Jejunum B Ileum C Ileocecal valve H Cecum J Appendix K Ascending Colon L Transverse Colon M Descending Colon N Sigmoid Colon P Rectum	0 Open 1 Open Intraluminal 2 Open Intraluminal Endoscopic 3 Percutaneous 4 Percutaneous Endoscopic 5 Percutaneous Intraluminal 6 Percutaneous Intraluminal Endoscopic 7 Transorifice Intraluminal 8 Transorifice Intraluminal Endoscopic	Z None	X Diagnostic Z None
Q Anus R Anal Sphincter	0 Open 3 Percutaneous 4 Percutaneous Endoscopic	Z None	X Diagnostic Z None
S Greater Omentum T Lesser Omentum V Mesentery W Peritoneum	0 Open 3 Percutaneous 4 Percutaneous Endoscopic 7 Transorifice Intraluminal 8 Transorifice Intraluminal Endoscopic	Z None	X Diagnostic Z None

General Equivalence Mappings

- General Equivalence Mappings (GEM) was developed as a tool to assist with the transition from ICD-9-CM to ICD-10-CM.
- The GEMs are forward and backward mappings
- GEMs will be updated annually for a minimum of three years

Impact and Challenges on Information Technology

- Conversion to HIPAA X12 5010 standards, deadline January 1, 2012
- Revising business logic and processes to accommodate the specificity of ICD-10-CM
- Modifying field lengths to accommodate expanded field and alphanumeric characters
- Expanded Database
- Ability to accommodate dual code sets

Possible Systems and Applications Affected (AHIMA Suggestions):

- Encoding software
- Medical record abstracting
- Registration and scheduling systems
- Decision support systems
- Utilization management
- Case management
- Test ordering systems
- Performance measurement systems
- Disease management systems
- Case mix systems
- Billing systems
- Accounting systems
- Clinical systems
- Quality management
- Clinical protocols
- Clinical reminder systems
- Medical necessity software
- Provider profiling systems
- Aggregate data reporting

Impact and Challenges on Revenue Cycle Management - Fiscal

- Payment delays
- Slower claims processing
- Slower claim filing while employees are going through the initial learning curve
- Decreased coding due to decreased productivity level

Impact and Challenges on Revenue Cycle Management - Operational

- Projected cost by the Nolan Corp. industry wide cost of 1.6 to 13.5 billion
- Reimbursement
- Pay for Performance
- Reporting requirements may increase
- New value based purchasing initiatives may be introduced

Impact and Challenges on Revenue Cycle Management – Operational

- Improved clinical documentation is necessary to support the greater specificity in ICD-10-CM
- Shortage of coders, older coders may opt for retirement instead of learning a new system
- Staff will need training on the new code set and technology

Impact and Challenges to the Revenue Cycle Management - Clinical

- Training on ICD-10-CM/PCS
- Obtaining buy-in from the clinical staff
- Teaching Practitioner's documentation strategies to ensure compliance

Strategies for ICD-10-CM/PCS Implementation

- Review the ICD10-CM final rule
- Create an implementation checklist
- Create an organizational plan
- Develop a phased approach
- Identify the impact on the organization

Strategies for ICD-10-CM/PCS Implementation

- Assess the impact
- Identify and appoint a Project Manager
- Select a project team
- Create a timeline
- Identify the key objectives and goals

Strategies for ICD-10-CM/PCS Implementation

- Identify the target audience
- Create a budget
- Identify and assess staff's training needs
- Hire consultants to perform needs and gaps analysis
- Identify stakeholders
- Identify a Physician Champion

Strategies for ICD-10-CM/PCS Implementation

- Create an implementation committee
- Identify a representative from the Executive leadership team to be on the committee team
- Work with vendors to ensure their systems are ready

Benefits of ICD-10-CM/PCS

- More specific and detailed clinical information
- Trimesters added to obstetrical codes
- Revision of the Diabetes mellitus codes
- Expanded codes
- Code extensions were added for injuries and external causes

Benefits of ICD-10-CM/PCS

- Updated medical terminology and classification of diseases
- Includes codes for comparison of mortality and morbidity data
- Provides better data for research and tracking

Recommendations

- Offer incentives to coders to retain the experienced coders
- Hire temporary coders during the initial learning curve to maintain productivity
- Hire consultants to perform needs and gap analysis
- Start ICD-10 preparation now
- Coordinate the HIPAA 5010 code set implementation with ICD 10 initiatives

WEB SITES

- <http://aspe.os.dhhs.gov/ncvhs>
- <http://www.hcfa.gov/stats/icd10/icd10.htm>
- <http://www.cdc.gov/nchswww/about/otheract/icd9/abtictd10.htm>
- <http://www.ahima.org>



Thank you!

