KY HFMA
Fall 2014 Annual Meeting
ICD-10-CM Transition

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AHIMA Approved ICD-10 CM/PCS Trainer
Another day Another delay...

• Where was your facility before the announcement?
  – Full steam ahead
  – Slow going
  – The wheels are turning
  – I know I should be doing something
  – What announcement?
Another day Another delay...

• Where was your facility after the announcement?
  – Full steam ahead – we are not losing momentum!
  – Slow going – thank goodness for a break!
  – The wheels are turning – will a year be enough?
  – I know I should be doing something – what should I do with this year?
  – What announcement?
Another day Another delay...

• Will there be another delay?
  – CMS and the final rule.
  – If we don’t use our training, we will lose it?
  – Cost of another delay?
  – Of course they will delay it... Fool me once....
  – Really?
## Costs

<table>
<thead>
<tr>
<th></th>
<th>Typical Small Practice</th>
<th>Typical Medium Practice</th>
<th>Typical Large Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>$2,700-$3,000</td>
<td>$4,800-$7,900</td>
<td>$75,100</td>
</tr>
<tr>
<td>Assessment</td>
<td>$4,300-$7,000</td>
<td>$6,535-$9,600</td>
<td>$19,320</td>
</tr>
<tr>
<td>Vendor/Software Upgrades</td>
<td>$0-$60,000</td>
<td>$0-$200,000</td>
<td>$0-$2,000,000</td>
</tr>
<tr>
<td>Process Remediation</td>
<td>$3,312-$6,701</td>
<td>$6,211-$12,990</td>
<td>$14,874-$31,821</td>
</tr>
<tr>
<td>Testing</td>
<td>$15,248-$28,805</td>
<td>$47,906-$93,098</td>
<td>$428,740-$880,660</td>
</tr>
<tr>
<td>Productivity Loss</td>
<td>$8,500-$20,250</td>
<td>$72,649-$166,649</td>
<td>$726,487-$1,666,487</td>
</tr>
<tr>
<td>Payment Disruption</td>
<td>$22,579-$100,349</td>
<td>$75,263-$334,498</td>
<td>$752,630-$3,344,976</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td><strong>$56,639-$226,105</strong></td>
<td><strong>$213,364-$824,735</strong></td>
<td><strong>$2,017,151-$8,018,364</strong></td>
</tr>
</tbody>
</table>
Costs

- Low numbers on training and process remediation
- Very high numbers on productivity loss and payment disruption
Costs

• CMS has estimated that another one-year delay of ICD-10 would likely cost the industry an additional $1 billion to $6.6 billion on top of the costs already incurred from the previous one-year delay. This does not include the lost opportunity costs of failing to move to a more effective code set.

  – AHIMA
Costs

• Part B News Survey
  – When asked how the delay of ICD-10 will affect their organization’s preparation:
    • 73% of respondents said they would continue as is or reset the timeline but keep the same preparations.
    • 22% identified that their biggest obstacle to ICD-10 implementation was documentation for accurate code selection, closely followed by a resistance of physicians to participate/support in the transition (19%) and that resources are scarce and/or allocated elsewhere.
    • In light of the delay, 65% will devote the most effort for the rest of 2014 toward complying with HIPAA privacy and security rules, followed by meeting meaningful use (53%), participating in quality programs (48%) and increasing coding accuracy (47%).
Costs

• Meaningful Use
  – “Any further delay [of ICD-10] would be a distinct disadvantage to CMS and the industry because ICD-10 is integrated into other e-health initiatives. CMS is depending upon the granularity of ICD-10 data to contribute to ‘improved quality and outcomes data, provide cost effective approaches to delivering health care, and supply us with information for better research

  • Secretary Kathleen Sebelius
Costs

• 88% of Providers Displeased With ICD-10 Delay
• Half of respondents plan to move ahead with ICD-10 implementation on a voluntary basis
• 42 percent of respondents report that their organizations have already spent $1 million on transition preparation
• 91 percent of respondents are against implementing ICD-10 in different states
• 54 percent of respondents want to maintain the partial code freeze during the grace period
some stories don't have
a clear beginning, middle,
and end. life is about not
knowing, having to change,
taking the moment and making
the best of it, without knowing
what's going to happen next.
delicious ambiguity...

-gilda radner
Uncertainty

“We always hope for the easy fix: the one simple change that will erase a problem in a stroke. But few things in life work this way. Instead, success requires making a hundred small steps go right - one after the other, no slipups, no goofs, everyone pitching in.”

— Atul Gawande, Better: A Surgeon's Notes on Performance
Uncertainty

“In times like these it is good to remember that there have always been times like these.”

— Paul Harvey
Broadcasting
Uncertainty

• Training
• Resources
• Physician
• Budgets
Training
Training

• Clinical Documentation
  – Clinical providers: get it documented
  – Staff: understand what must be documented

• Anatomy and Physiology

• Query Process
Training

• Start reviewing charts/claims using ICD-10-CM codes.
• If you code it once, you will code it a thousand times
  – Find your high risk codes!
    • Know your ICD-9-CM codes
    • Learn your ICD-10-CM codes
    • Break it up - one code at a time
Training

• Concentrate on:
  – High risk codes
  – High risk documentation
  – Most common codes
  – The documentation for those conditions
  – Create reference sheets
  – Create documentation standards
Resources
Resources– Vendor Relations

• Important questions:
  – When will you install the update and when can I begin testing?
  – Will any of my current services be changed, interrupted, or discontinued?
  – Will you provide periodic updates for new products?
    • Will there be a charge?
  – Will I need new hardware?
  – What are the costs associated with maintaining new products?
  – Will you offer product support?
    • How long?
Resources– Vendor Relations

• Important questions:
  – Response time to issues/concerns?
  – Will you provide training on your software?
  – Will you help me test my system with payers and other trading partners?
  – Does your product give me the ability to search for codes by the ICD-10 alphabetic and tabular indexes? By clinical concept?
  – Will your product allow for coding in both ICD-9 and ICD-10 to accommodate transactions with dates of service before October 1, 2014, and transactions with dates of service after October 1, 2014?
Resources–Vendor Relations

• Important questions:
  – Are your EHR products ICD-10 ready?
  – Can your products help me with the ICD-10 transition?
    • Suggest code for ICD-10
    • GEMs
  – Do your products map SNOMED-CT to ICD-10 codes to help connect clinical and administrative data?
Resources– Vendor Relations

• Important questions:
  – When will you be ready for the ICD-10 upgrade?
    • Length of time?
    • Training costs?
Resources–Vendor Relations

• Buyer Beware!!
  – GEMS
  – Suggested documentation
  – Suggested codes
  – Cloning abilities
Resources—Vendor Relations

• Contractors and Consultants
  – Experts
  – Expense
  – Maximize the expense
    • Research
    • Terminal projects
  – Unbilled/ incomplete work -
    • Dual coding down time
    • Training down time
    • Research
Budgeting
Budget

• Continually review the budget plan
  – Continuous overview

• Assessment
  – Gap Analysis
    • Information Technology
    • Coding
      • Coding related positions
  – Where are you now?
  – Where should you be now?
  – Where do you need to be on September 30, 2015?
  – Troubleshooting
  – Associated costs
Budget

• Continue to build the ICD-10 nest egg
• Vendors
  – Current
  – Alternative options
• Training
• Experts
  – Projects
  – Research
Budget

• Baseline Budget
  – Keep your starting point in mind

• Approval
  – Ensure everything has been reviewed and accepted

• Constant review
  – Keep on track
Budget

• Rainy day fund – continue to grow this fund
• Contingency plan
• Phased approach
• Keep your ICD-10 budget separate from your regular budget.
Questions?

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References

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