ICD-10 Updates and Discussion

Co-Presented by Kevin Derrick, President, EA Health
Ralph Henderson, President, Healthcare Staffing, AMN Healthcare

Sponsored by: AMN Healthcare
presents

ICD-10 Updates and Discussions
Today’s Webinar: ICD-10 Updates and Discussions

Presenters:

- **Kevin Derrick**, *President, EA Health*
  - EA Health Support Team –
    - Jennifer Surban, *VP, Revenue Cycle Services*
    - Yvonne Hill, *CPC, CCS*

- **Ralph Henderson**, *President, Healthcare Staffing, AMN Healthcare*
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<th>Title</th>
<th>Organization</th>
</tr>
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<tbody>
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<td>Scott &amp; White</td>
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Kevin Derrick, President, **EA Health**

With over 20 years of experience leading, building, and managing companies and strategic initiatives, Kevin Derrick has served as President of EA Health since May 2011. Kevin leads the operations of the company in support of the core service lines of On-Call Compensation, Revenue Cycle Management, Professional Coding, and Custom Solutions and is the architect of the organization's expansion into complementary services beyond the established base of On-Call Compensation Services.
Ralph Henderson joined AMN Healthcare as President of Nurse Staffing in September 2007, moving to President of Nurse and Allied Staffing in 2009 and to President of Healthcare Staffing in February, 2012. Ralph is responsible for leading the sales and financial performance of AMN's temporary staffing business. Prior to joining the Company, he served as Senior Vice President, Group Executive for Spherion, Inc., one of the largest staffing providers in the United States.
Today’s Agenda

Kevin Derrick, EA Health
- What is ICD-10 and who is affected?
- Coding ICD-10-PCS vs. ICD-9-CM procedures
- Coding ICD-10-CM diagnosis vs. ICD-9-CM diagnosis
- Physician documentation changes for ICD-10
- ICD-10 Timelines

Ralph Henderson, AMN Healthcare
- Coder demand, pre- and post- ICD-10 implementation
- Technology and the impact on demand for coders
- Discussion on offshore coder utilization
What is ICD-10?

ICD-10-CM/PCS

- (International Classification of Diseases, 10th Edition, Clinical Modification/Procedure Coding System)

- ICD-10-CM for diagnosis coding
  - For use in all U.S. healthcare settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar.

- ICD-10-PCS for inpatient procedure coding
  - For use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding. Coding under ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.
When is ICD-10 Compliance Required?

October 1, 2014

is the official (and now believed to be final) implementation date

196 days  4 hours  41 minutes  30 seconds

Until ICD-10 implements
Who Needs to Transition?

- ICD-10 will affect diagnosis and inpatient procedure coding for everyone covered by HIPAA, not just those who submit Medicare or Medicaid claims. The change to ICD-10 does not affect CPT coding for outpatient procedures.

- Healthcare providers, payers, clearinghouses, and billing services must be prepared to comply with the transition to ICD-10, which means:
  - All electronic transactions must use Version 5010 standards, which have been required since January 1, 2012. Unlike the older Version 4010/4010A standards, Version 5010 accommodates ICD-10 codes.
  - ICD-10 diagnosis codes must be used for all healthcare services provided in the U.S., and ICD-10 procedure codes must be used for all hospital inpatient procedures. Claims with ICD-9 codes for services provided on or after the compliance deadline cannot be paid.
Why ICD-10?

- ICD-9 Limitations
  - Produces limited data
  - Outdated
  - Categories are full

- ICD-10 Benefits
  - Quality measurement
  - Public Health
  - Research
  - Organization monitoring and performance
    - Key for HIT advances
  - Reimbursement
Scope of Changes Ahead

ICD-10 will change everything.

Physicians
- **Documentation:**
  The need for specificity dramatically increases by requiring laterality, stages of healing, weeks in pregnancy, episodes of care, and much more.
- **Code Training:**
  Codes increase from 17,000 to 140,000. Physicians must be trained.

Clinical Area
- **Patient Coverage:**
  Health plan policies, payment limitations, and new ABN forms are likely.
- **Superbills:**
  Revisions required and paper superbills may be impossible.
- **ABNs:**
  Health plans will revise all policies linked to LCDs or NCDs, etc., ABN forms must be reformatted and patients will require education.

Nurses
- **Forms:**
  Every order must be revised or recreated.
- **Documentation:**
  Must use increased specificity.
- **Prior Authorizations:**
  Policies may change, requiring training and updates.

Lab
- **Documentation:**
  Must use increased specificity.
- **Reporting:**
  Health plans will have new requirements for the ordering and reporting of services.

Managers
- **New Policies and Procedures:**
  Any policy or procedure associated with a diagnosis code, disease management, tracking, or PQRI must be revised.
- **Vendor and Payer Contracts:**
  All contracts must be evaluated and updated.
- **Budgets:**
  Changes to software, training, new contracts, new paperwork will have to be paid for.
- **Training Plan:**
  Everyone in the practice will need training on the changes.

Front Desk
- **HIPAA:**
  Privacy policies must be revised and patients will need to sign the new forms.
- **Systems:**
  Updates to systems are likely required and may impact patient encounters.

Billing
- **Policies and Procedures:**
  All payer reimbursement policies may be revised.
- **Training:**
  Billing department must be trained on new policies and procedures and the ICD-10-CM code set.

Coding
- **Code Set:**
  Codes will increase from 17,000 to 140,000. As a result, code books and styles will completely change.
- **Clinical Knowledge:**
  More detailed knowledge of anatomy and medical terminology will be required with increased specificity and more codes.
- **Concurrent Use:**
  Coders may need to use ICD-9-CM and ICD-10-CM concurrently for a period of time until all claims are resolved.
Implementation Phases and Planning

- Planning
- Communication and awareness
- Assessment
- Operational implementation
- Testing
- Transition

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<tr>
<th>Planning</th>
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<tr>
<td>Establish project management structure</td>
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<td>Establish governance</td>
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<tr>
<td>Plan to communicate with external partners</td>
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<tr>
<td>Establish risk management</td>
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<th>Communication &amp; Awareness</th>
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<tr>
<td>Create a communication plan</td>
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<tr>
<td>Assess training needs and develop a training plan</td>
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<td>Meet with staff to discuss effect of ICD-10 and identify responsibilities</td>
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<th>Assessment</th>
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<td>Assess business and policy impacts</td>
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<td>Assess technological impacts</td>
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<td>Evaluate vendors</td>
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<th>Operational Implementation</th>
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<tr>
<td>Identify system migration strategies</td>
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<tr>
<td>Implement business and technical modifications</td>
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<tr>
<td>Prepare and deliver training</td>
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<th>Testing</th>
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<tr>
<td>Complete Level I internal testing</td>
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<td>Complete Level II external testing</td>
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<th>Transition</th>
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<td>Prepare and establish the production and go-live environments</td>
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<td>Deliver ongoing support</td>
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ICD-10 Timeline for Small Hospitals at a Glance

**PLANNING**
- Identify resources
- Create project team
- Assess effects
- Create project plan
- Secure budget

**COMMUNICATIONS**
- Inform staff
- Contact vendors
- Contact payers
- Monitor vendor prep
- Monitor payer prep

**TESTING**
- High-level training for test team
- Level 1: internal
- Level 2: external

**COMPREHENSIVE TRAINING**
- Documentation
- Coding

**DEADLINE:** Oct 1, 2014

*Ongoing practice before “go live”*
Implementation Guidance

- **Systems** – ICD-10 updates to EMR, charge capture, and billing systems should be at or near completion.
- **Testing** – begin transaction testing with payers and/or clearinghouse.
- **Coding Education** – Inpatient coder training should be underway, and outpatient coder training now rolling out.
- **Documentation Education** – finalize physician education now and begin rolling out.
Coding ICD-10-PCS vs. ICD-9-CM Procedures

- Inpatient coders will be learning two new code sets: ICD-10-CM for diagnosis and ICD-10-PCS for procedures.
- The majority of training should be focused on PCS as the code set is anatomically driven whereas the prior contains more “diagnosis” based descriptions.

<table>
<thead>
<tr>
<th>Repair of Umbilical Hernia</th>
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<tbody>
<tr>
<td><strong>ICD-9-CM Procedure (3 points)</strong></td>
</tr>
<tr>
<td>1. Repair = 53</td>
</tr>
<tr>
<td>2. Umbilical Hernia = 53.4</td>
</tr>
<tr>
<td>3. Is Open or Laparoscopic? Open = 53.49</td>
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| 53.49                          | 0WQF0ZZ |
Coding ICD-10-CM vs. ICD-9-CM Diagnoses

- Outpatient coders only have one code set to learn--ICD-10-CM for diagnosis coding. Procedures billed in the outpatient setting will continue to use the CPT/HCPCS code sets.
- The training for outpatient coders does not require the same intense focus on anatomy.
- Outpatient coders that utilize books can continue to use the ICD-9 code assignment technique of moving from the Alpha index to the Tabular Index to find codes, in ICD-10.
- Their concentrated change will be using this technique unfailingly. In ICD-10 the Alpha Index will guide you to the correct area in the Tabular. From the Tabular the coder will pick the specifics to complete the code based on the information available in the documentation.
Another change is the elements in the documentation that a coder reviews. Currently there is documented information that a coder does not use for code assignment. With ICD-10 this information will become valuable to code assignment.

For example, physicians currently document a Glasgow score for coma patients, but coders do not use this information for diagnosis code assignment in ICD-9. With ICD-10, a more specific code can be assigned with the provided Glasgow score.

The ICD-9 code for coma is 780.01, with no further specificity to be chosen. In ICD-10, the general category for coma is R40.2, with four choices to further define the type of coma, one of which is a Glasgow score. Those 4 choices further break into 19 choices for even more specificity.
## Example: Coma Diagnosis

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-CM</th>
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</thead>
<tbody>
<tr>
<td>• Index: Coma = 780.01</td>
<td>• Index: Coma = R40.2</td>
</tr>
<tr>
<td>• Tabular: 780.01 = only code selection</td>
<td>• Tabular:</td>
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<tr>
<td></td>
<td>R40.20 Unspecified Coma</td>
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<td></td>
<td>R40.21 Coma scale, eyes open</td>
</tr>
<tr>
<td></td>
<td>• 1=never, 2=to pain, 3=to sound, 4=spontaneous</td>
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<td></td>
<td>R40.22 Coma scale, best verbal response</td>
</tr>
<tr>
<td></td>
<td>• 1=none, 2=incomprehensible words, 3=inappropriate words, 4=confused conversation, 5=oriented</td>
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<tr>
<td></td>
<td>R40.23 Coma scale, best motor response</td>
</tr>
<tr>
<td></td>
<td>• 1=none, 2=extension, 3=abnormal, 4=flexion withdrawal, 5=localizes pain, 6=obeys commands</td>
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<tr>
<td></td>
<td>R40.24 Glasgow coma scale, total score</td>
</tr>
<tr>
<td></td>
<td>• 1=13-15, 2=9-12, 3=3-8, 4=other, without score or with partial score</td>
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| 780.01                     | R40.242                     |
Physician Documentation Changes for ICD-10

- Physician documentation will need to be addressed with regards to the greater specificity required to assign codes.

- Current documentation should be reviewed with feedback given for improvement for ICD-10. Physicians may need to document further specificity so codes can be assigned.

- The additional details that ICD-10 diagnosis code assignment requires can be targeted by specialty.
  - For example, in ICD-9 a GI physician may document only Crohn’s Disease as a diagnosis and from that a code can be assigned. 555.9 Unspecified Site
  - With ICD-10, additional information must be documented – small or large intestine? With or without complications? If with complications what specifically: obstruction, abscess, bleeding? The more specific code in ICD-10 can only be assigned with this additional information.

- The objective is to eliminate those instances where a diagnosis cannot be obtained from the information provided in the documentation. Without a diagnosis, medical necessity can not be met and no code can be assigned.
Ralph Henderson, AMN Healthcare

- Coder demand, pre- and post- ICD-10 implementation
- Technology and the impact on demand for coders
- Discussion on offshore coder utilization
Demand of Coders and ICD-10

There is consensus within the Healthcare Workforce Advisory Council that demand of coders will increase as a result of ICD-10.

- Coders are already in demand, prior to ICD-10.
- ICD-10 learning curve will decrease productivity initially, and additional coders may be needed to fill the gap.
- Organizations performing dual coding (both ICD-9 and ICD-10 for same record) may already be experiencing an increase in demand.
- Related increase in demand of clinical documentation specialists is also anticipated.
Technology Impact on Coder Demand

- Specifically with regard to Computer Assisted Coding, there is consensus within the Healthcare Workforce Advisory Council that overall these solutions are 3 to 5 years out from widespread adoption and impact.
  - EMR/EHR systems capable of incorporating this technology are a gating factor.
  - Physician documentation behavior is also a gating factor.
  - Even when adopted, existing coders may convert to a coding auditor and/or documentation education role.
  - For those early adopters that have implemented CAC and may have minimized the need for coders, that has already been realized. New adopters may require 6 to 12 months to do so.
Offshore Coders

➢ The *Healthcare Workforce Advisory Council* is divided on this topic...

➢ First and foremost, risk and compliance issues must be considered. By policy, some organizations forbid this outright.

➢ Increasing competency, coupled with limited domestic supply, and a lower cost, can make it attractive.

➢ Some early adopters have retreated from this due to compliance issues, language barriers, and vendor management challenges.
Offshore Coders (continued)

- Recommendations, if you can outsource by policy and choose to do so:
  - Carefully consider a situation in which you transfer clinical HIPAA data out of the country.
  - Alternatively have offshore coders use your coding system with only minimal necessary access.
  - Consider utilizing an outsourced vendor with U.S. operations.
  - Include offshore coders in existing audit and compliance reviews.
  - Execute valid BA agreement and perform appropriate due diligence including review of security risk analysis, attestation of employee training, and/or a full security audit.
QUESTIONS
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Next HWF Webinar Series: Population Health
June 18th, 2014
10:30 AM PST

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