Countdown to ICD-10

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Today’s Discussion

• The Current ICD State
• ICD-10 - What is it?
• Why is the ICD-10 implementation so important?
• What does it look like?
• What challenges do we face?
• What should we be doing right now?
ICD-10—The Current State

• April 9, 2012-HHS Published the proposed rule extending the deadline for ICD-10 Compliance to 10/1/2014
  – Thirty (30 day comment period)
  – Delay will allow small providers and small hospitals to reach compliance

• The one year delay will cost 10-30% more to implement ICD-10
ICD-10—The Current State

• The code freeze is currently in effect

• Lifting the code freeze would require extensive reprogramming
  – One health plan estimated lifting the code freeze would cost an additional $1 million in additional expense and overall nationally over $2 billion

• One year delay will give more time to continue on with implementation activities
Potential Costs for 2014 Implementation

<table>
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<tr>
<th>Potential Cost by Hospital Size</th>
<th>&gt; 100 Beds</th>
<th>100-400 Beds</th>
<th>400+ Beds</th>
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<tr>
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<td>$250,000-$300,000+</td>
<td>$620,000 – $1.85 Million</td>
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# Potential Costs for 2014 Implementation

## Potential Cost by Medical Practice Size

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<td>$8,000 - $15,000</td>
<td>$148,000- $2.9 Million</td>
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Learning from International Implementations
Big Mistake!

You should not stop your implementation timeline
Change to ICD-10

• Most countries use some version of ICD-10
• The international version of ICD-10 = 12,500 diagnostic codes
• United States version of ICD-10 = 69,847 codes (2012)
• ICD-10-PCS codes are only used in the US
Why So Important?

- Largest change to ever happen to healthcare
- Will take many hospitals and other health care organizations years to accomplish full implementation
- May require significant funding
- May take years to Recover
Why So Many Diagnosis Codes?

- 34,250 (50%) of all ICD-10-CM codes are related to the musculoskeletal system
- 17,045 (25%) of all ICD-10-CM codes are related to fractures
  - 10,582 (62%) of fracture codes to distinguish ‘right’ vs. ‘left’
- ~25,000 (36%) of all ICD-10-CM codes to distinguish ‘right’ vs. ‘left’
Lets Look at ICD-10-CM
Format and Structure

- Categories: Alphanumeric, 3 characters
- Subcategories: 4 or 5 characters
- Codes: Up to 7 characters

Category

Etiology, Anatomical site, Severity

Extension
Diabetes Mellitus

- There are five diabetes mellitus categories in the ICD-10-CM They are:
  - E08 Diabetes mellitus due to an underlying condition
  - E09 Drug or chemical induced diabetes mellitus
  - E10 Type I diabetes mellitus
  - E11 Type 2 diabetes mellitus
  - E13 Other specified diabetes mellitus
- Note: All the categories above (with the exception of E10) include a note directing users to use an additional code to identify any insulin use, which is Z79.4. The concept of insulin and noninsulin is a component of the diabetes mellitus categories in ICD-10-CM.
Diabetes Mellitus
ICD-10-CM

- Documentation Requirements:
  - Type
  - Body System Affected
  - Complication or manifestation
  - If type 2 DM, if long term insulin use

- Elimination:
  - Dual Diagnoses Coding
  - Controlled versus Uncontrolled - No Longer Captured in ICD-10-CM
Mapping Diabetes

An Example of One ICD-9-CM code being represented by Multiple ICD-10-CM Codes

2 5 0 6 1
Diabetes mellitus with neurological manifestations type I not stated as uncontrolled

E 1 0 . 4 0
Type 1 diabetes mellitus with diabetic neuropathy, unspecified

E 1 0 . 4 1
Type 1 diabetes mellitus with diabetic mononeuropathy

E 1 0 . 4 4
Type 1 diabetes mellitus with diabetic amyotrophy

E 1 0 . 4 9
Type 1 diabetes mellitus with other diabetic neurological complication

The industry expects that mapping ICD-9 and ICD-10 codes will be a complex task
Diabetes with Manifestation

- A 60 year old patient presents with Type 1 diabetes has a **chronic left heel ulcer** with **muscle necrosis** due to the **diabetes**.

- Diagnosis code(s):
  - E10.622-Type 1 diabetes mellitus with other skin ulcer
  - A note underneath the code identifies to “Use additional code to identify site of ulcer
  - Secondary diagnosis: L97.423 - non-pressure chronic ulcer of left heel with necrosis of muscle
Injury Example

• A patient who has Type 1 diabetes mellitus is treated for a second-degree burn on her left knee which radiated down to her ankle. The patient was burned when a hot skillet fell and hit her left knee causing the burn. She was in her kitchen when the injury occurred.
How it is Coded

- L24.222-Second degree burn of left knee
- When reviewing the tabular list instructions, the instructions indicate a 7th character is required. The choices in category T24 are:
- The appropriate 7th character is to be added to each code from category T24.
  - A Initial encounter
  - D Subsequent Encounter
  - S Sequela
How it is Coded

• In additional the instruction notes instruct the user to select a code to identify the source, place and intent of the burn.

• Since the patient was injured by a skillet which fell on her knee while she was cooking in the kitchen at home, the following needs to also be reported.
  – What injury occurred
  – Place of Occurrence
  – Activity
  – Status
How it is Coded

- Correct diagnosis code sequence and reporting:
  - First listed diagnosis: L24.222-Second degree burn of left knee
  - Secondary diagnosis: X15.3XXA- Contact with hot saucepan or skillet
  - Tertiary diagnosis: E10.69 – Type1 diabetes mellitus with other specified complication
  - Additional Diagnosis: Y92.010 - Kitchen of single-family (private) house as the place of occurrence of the external cause
  - Additional Diagnosis: Y93.g3 – Activity involving cooking and baking
  - Additional Diagnosis: Y98.8- Other external cause status
Tobacco Abuse/Addiction

- Tobacco abuse/addiction 6th character sub-classification
  - 20 choices in ICD-10-CM for nicotine dependence
  - Documentation must include
    - Uncomplicated
    - In remission
    - With withdrawal
    - With other nicotine induced disorders
    - Cigarettes, chewing tobacco, other tobacco products and unspecified
    - Example: F17.211 Nicotine dependence, cigarettes, in remission
Nicotine Dependence

- F17.200 Nicotine dependence, unspecified, uncomplicated
- F17.201 Nicotine dependence, unspecified, in remission
- F17.203 Nicotine dependence unspecified, with withdrawal
- F17.208 Nicotine dependence, unspecified, with other nicotine-induced disorders
- F17.209 Nicotine dependence, unspecified, with unspecified nicotine-induced disorders
- F17.210 Nicotine dependence, cigarettes, uncomplicated
- F17.211 Nicotine dependence, cigarettes, in remission
- F17.213 Nicotine dependence, cigarettes, with withdrawal
- F17.218 Nicotine dependence, cigarettes, with other nicotine-induced disorders
- F17.219 Nicotine dependence, cigarettes, with unspecified nicotine-induced disorders
Other Nicotine Dependence

- F17.220 Nicotine dependence, chewing tobacco, uncomplicated
- F17.221 Nicotine dependence, chewing tobacco, in remission
- F17.223 Nicotine dependence, chewing tobacco, with withdrawal
- F17.228 Nicotine dependence, chewing tobacco, with other nicotine-induced disorders
- F17.229 Nicotine dependence, chewing tobacco, with unspecified nicotine-induced disorders
- F17.290 Nicotine dependence, other tobacco product, uncomplicated
- F17.291 Nicotine dependence, other tobacco product, in remission
- F17.293 Nicotine dependence, other tobacco product, with withdrawal
- F17.298 Nicotine dependence, other tobacco product, with other nicotine-induced disorders
- F17.299 Nicotine dependence, other tobacco product, with unspecified nicotine-induced disorders
Injury Example

• **CC:** Hurt left knee-TV fell on it
  
  • HPI: Patient hurt her knee and it is bruised and it hurts to walk. She was moving a TV in her bedroom last night and she fell into the TV with her knee causing her to collide with it. Her lower back has been hurting since then as well.
  
  • A/P: L knee strain
    
    – Lumbar strain
  
  • S86.812A—Strain, left knee, initial encounter
  
  • S39.012A—Strain, Back, initial encounter
  
  • W18.09xA—Fall striking other object, initial encounter(activity)
  
  • Y92.013—House, single family home, bedroom (place of occurrence)
  
  • Y99.8-Other specified Activity (Status Code)
Example of Placeholders

• A patient was bitten by a dog while taking a walk on the sidewalk in her neighborhood. The dog bit the patient on the arm which is now red and swollen.
• First diagnosis condition-swelling (arm)
• Second diagnosis: Dog bite: W54.0 (requires 7 characters)
• Third diagnosis: Place of occurrence
• Fourth diagnosis: Activity
• Fifth diagnosis. External Status
How this is Coded

- Swelling arm: M79.89
- **Dog Bite:** W54.0xxA (initial encounter)
- Place: Sidewalk - Y92.480
- Activity: Walking - Y93.01
- External Status - Y99.8 (Other external cause status)
Injury Coding

• Requires a minimum of 4 codes
  – The Injury or injuries
  – Activity
  – Place of Occurrence
  – External cause status
    • No longer optional
Injuries

• Sports injuries now coded with sport and reason for injury –
  – ICD-9 code - **Striking against or struck accidentally in sports without subsequent fall** (E917.0)
  – 24 ICD-10-CM Detail Codes
Examples of ICD-10 Specificity

- W21.00 Struck by hit or thrown ball, unspecified type
- W21.01 Struck by football
- W21.02 Struck by soccer ball
- W21.03 Struck by baseball
- W21.04 Struck by golf ball
- W21.05 Struck by basketball
- W21.06 Struck by volleyball
- W21.07 Struck by softball
- W21.09 Struck by other hit or thrown ball
- W21.31 Struck by shoe cleats
  - Stepped on by shoe cleats
- W21.32 Struck by skate blades
- Skated over by skate blades
- W21.39 Struck by other sports foot wear
- W21.4 Striking against diving board
- W21.11 Struck by baseball bat
- W21.12 Struck by tennis racquet
- W21.13 Struck by golf club
- W21.19 Struck by other bat, racquet or club
- W21.210 Struck by ice hockey stick
- W21.211 Struck by field hockey stick
- W21.220 Struck by ice hockey puck
- W21.221 Struck by field hockey puck
- W21.81 Striking against or struck by football helmet
- W21.89 Striking against or struck by other sports equipment
- W21.9 Striking against or struck by unspecified sports equipment
Place of Occurrence

- **Y92.03 Apartment as the place of occurrence of the external cause**
  - Condominium as the place of occurrence of the external cause
  - Co-op apartment as the place of occurrence of the external cause
    - Excludes: common areas and hallways of apartment building (Y92.xx)
  - Y92.030 Kitchen in apartment as the place of occurrence of the external cause
  - Y92.031 Bathroom in apartment as the place of occurrence of the external cause
  - Y92.032 Bedroom in apartment as the place of occurrence of the external cause
  - Y92.038 Other place in apartment as the place of occurrence of the external cause
  - Y92.039 Unspecified place in apartment as the place of occurrence of the external cause
Activity Codes

• Y93 Activity code
  • The activity of the injured person at the time the event occurred.
  • It may also be used to describe the activity of a person who suffers from a health condition other than an injury, such as a heart attack or stroke that occurs while engaged in the specified activity.
• Use in conjunction with place of occurrence code.
• The activity code should be recorded only at the initial encounter for treatment
Activity Codes

• **Y93.0 Sports activity**
  • Y93.01 Individual sport
  • Y93.010 Running or jogging
  • Y93.011 Walking or hiking
  • Y93.012 Skating (ice) (inline) (roller)
  • Y93.013 Horseback riding
  • Y93.014 Swimming
  • Y93.015 Golf
  • Y93.016 Bowling
  • Y93.017 Bike riding
    • Excludes1: transport accident involving bike riding (V10-V19)
External Cause Status Codes

- Use in conjunction with external cause codes V00-Y95
- Indicates Status of person at time of event
- 5 Active Codes in 2012
  - Y99.0 Civilian activity done for income or pay
  - Y99.1 Military activity
  - Y99.2 Volunteer Activity
  - Y99.8 Other external cause status
  - Y99.9 Unspecified external cause status
Example

- A 16-year old male dislocated his right shoulder joint while playing basketball in the school gym. He is on the HS basketball team.
- Documentation
  - Condition (dislocated shoulder joint)
  - Laterality(right)
  - Activity (playing basketball)
  - Place (school gym)
  - Status (student activity)
Answer

- S43.004A  Unspecified dislocation of right shoulder joint
- Y93.67   Activity-basketball
- Y92.39   School gymnasium
- Y99.8    Status external cause-student activity
ICD-10-PCS Section

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<tr>
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<th>Character 3</th>
<th>Character 4</th>
<th>Character 5</th>
<th>Character 6</th>
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<tbody>
<tr>
<td>Section</td>
<td>Body System</td>
<td>Root Operation</td>
<td>Body Part</td>
<td>Approach</td>
<td>Device</td>
<td>Qualifier</td>
</tr>
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</table>

- All codes in PCS are seven characters
- Letters O and I not used in PCS
  - Numbers 0 and 1 used
- Each character has a meaning
- Meanings change by sections
- Section provides first character value
- Sections of ICD-10-PCS listed in manual
ICD-10-CM/PCS

- Same hierarchical structure
- ICD-10 codes are alphanumeric
  - ICD-9-CM--V and E codes are incorporated into main I-10 classification
  - ICD-10 can be as long as 7 characters for greater specificity
  - Significant improvements in coding primary care encounters, external causes of injury, mental disorders, neoplasms, and preventive health
  - Codes with more detail on socioeconomic, family relationships, ambulatory care conditions, problems related to lifestyle, and results of screening tests
  - Laterality accommodated
  - More space for future expansion
  - ICD-10-PCS has no relationship to the basic I-10, which does not include procedures. Its structure is totally different, accommodating complex medical procedures:

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<td>Approach</td>
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</table>
A 56-year old patient was admitted for resection of an adrenal mass. The patient has hypertension currently under control with medication. ACTH and short suppression testing along with a 24 urinary free cortisol confirmed the presence of Cushing’s syndrome. A 5cm, well-circumscribed round, benign cortical tumor was resected from the adrenal gland via an open approach. Pathology diagnosis confirmed the tumor is benign.
### Coding

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Now What!
Areas of Impact: Everywhere!

- Disease Management
- Financials
- Reimbursement
- Case Mgt
- Test Ordering
- Health Policy
- Billing
- Identifying Fraudulent Practices
- Payment Systems and Claims Processing
- Pharmacy
- Research & Studies
- Scheduling
- Reporting
- Registration
- Performance Improvement & Measurements
- Quality Measures
- Clinical Decision Making
- Registries
- Encoding Software
ICD-10 Code Set Reporting Proposed Dates

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Key Obstacles

• Resistance to change
• Challenge of updating skills
• Information systems will need to be updated or changed
• Uses of coded data—more complex
# Health Care Settings

<table>
<thead>
<tr>
<th>Settings</th>
<th>ICD-10-CM</th>
<th>ICD-10-PCS</th>
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# ICD-10 Implementation Plan

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Checklist: [http://www.ahima.org/icd1-/ICD-10 PreparationChecklist.mht](http://www.ahima.org/icd1-/ICD-10 PreparationChecklist.mht)
Phase 1—Impact Assessment

- Assess Readiness
- Develop organizational implementation strategy
- Develop Communication Plan
- Inventory Systems and Reports
- Assess Training Needs
- Conduct Gap Analysis
- Identify backup needs to support downtime
- Develop Budget
Phase 2- Preparing for Implementation

- Review and revise implementation strategy
- Develop material for communication plan & deliver materials
- Assess change management processes
- Provide training based upon assessment
- Implement documentation improvement plan
- Align outside resources for backup support
  - Anticipate lower productivity and quality
- Test systems and processes
- Assess budget against actual costs
  - Allocate 20% of total expenses
Phase 3 & 4
Go-Live & Post Implementation

- Assess backlog necessary for coding ICD-9
- Align resources for ICD-9 coding
- Begin coding in ICD-10
- Review/audits ICD-10
- Conduct training as needed
- Communicate successes
Who will need training?
PHASE II Training Plan

- Senior Mgt
- Coders
- Physicians
- Clinical Dept. Managers
- Data Security
- Patient Access & Registration
- Business Office
- Auditors & Consultants
- Accounting
- Epidemiologists
- Lab
- HIM
- Clinicians
- Utilization Management
- Data Analysts
- Information Systems
- Software Vendors
- Quality Management
Challenges Ahead
## Cost to Implement ICD-10

<table>
<thead>
<tr>
<th>STEP</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Analysis</td>
<td>$50,000 - $280,000</td>
</tr>
<tr>
<td>GAP and System Analysis</td>
<td>$50,000 - $210,000</td>
</tr>
<tr>
<td>Documentation Assessment</td>
<td>$45,000 - $180,000</td>
</tr>
<tr>
<td>Consulting Costs</td>
<td>$50,000 - $300,000</td>
</tr>
<tr>
<td>Post-Implementation</td>
<td>$30,000 - ?</td>
</tr>
</tbody>
</table>
Documentation

• For documentations supporting diagnoses or procedures
  – Physicians first must ensure that the services provided are consistent with the symptoms of the patient and that they satisfy generally accepted medical standards
  – Physicians must ensure that their documentation is adequate for coding and quality assurance purposes
    • Part of this effort requires that physicians understand and remain current on the relevant documentation standards.
Training

• Training Time
  – Range from 16-80+ hours depending on need and job function
  – United Kingdom recommends a minimum 10 days of basic training (7 hours x 10 = 70 hours)
    • Keep in mind they have been through this themselves
  – Rand Study estimates cost nationally up to $100 million
  – Final rule-CMS under-estimated costs for training
Productivity Impact

• Productivity will be affected
  – Prior to and after implementation
  – Staff when training
  – More documentation will be required to support new coding system
    • It will take more time for the provider to document encounters
  – It will take longer to code claims until learning curve has been realized
Productivity Impact

• Key areas:
  – Queries from coders to clarify documentation in the medical record
  – Increased billing inquiries from payers
  – Increased number of adjustments and pended or suspended claims
Challenges Ahead

• Documentation may not be sufficient for the level of detail in ICD-10-CM and ICD-10-PCS

• Systems and Processes must be reviewed, updated and addressed very soon or time will run out
  – Systems may be outdated and need replaced or upgraded
  – Impact Assessment and GAP Analysis must be performed now
Challenges Ahead

• Medical [policy changes
• GEMS mapping files not 100% accurate
• Not all payers must comply
  – Workers Compensation (exempt)
  – Auto Insurance (exempt)
• Will all payers/carriers be ready?
• Will you?
• Payers who put a Band-Aid on their old legacy systems will map the claim from ICD-10-CM or PCS back to ICD-9-CM to pay the claim
  – What problems do you see with this picture?
Challenges Ahead

- What will this COST!!!
- Hardware upgrades
- Software upgrades (what software do you use?)
- Vendor readiness
- Change in health plan policies
- Training - everyone will need some form of training
  - Not all staff will need in-depth training
    - Coders and physician’s need the in-depth training
  - Consulting fees-pre and post implementation
Pull Trigger on Go Live Plan!!!!
Post Implementation Challenges

- What about productivity-time is money
- Suspended denied claims
- Payers using old legacy systems and using reimbursement maps
- What about the old claims prior to October 1, 2014?
- Will you need additional coding and/or billing help
  - For how long?
- Documentation will still be an issue
Keys to Success

Transform task force into action team

Budget

Schedule

Train

Implement

Assess Risk

Share Information

Identify Key Stakeholders

Rank needs and development Strategy
Stay positive when educating physicians and don't expect them to become coders.

Computer assisted coding (CAC) and medical transcription systems can help achieve the documentation needed to create ICD-10 codes but the technology is not fully developed yet for all specialties.

There is a fear that payers won't be ready for ICD-10 codes and the issues it creates.

Hospitals and physicians need to be financially ready for increased accounts receivables and payment delays.

Schedule to test with payers early 2014.
Questions, Answers, Discussion
THE COUNTDOWN IS NOW!!!