ICD-10
Rural or urban; It impacts all providers

Presented by: Joe Nichols MD (Health Data Consulting)
Date: Sept 27, 2013
Agenda

• ICD-10, how will it impact my business?
• What is the role of the physician and office practice manager in this transition?
• What do I need to do to prepare?
  – Awareness
  – Training
  – Resources
  – Planning
  – Testing
• Why is clinical documentation and good coding important?
• How can I identify what needs to be documented?
• What are some strategies for reducing the physician burden?
• How can I make sure that documentation quality and coding quality is achieved and maintained?
Business Impacts

- Coding
  - EHR updates
  - Super Bill???
  - Training
  - Coding software

- Contracting
  - Scope of services
  - Case rates
  - Carve outs

- Billing
  - Billing code updates
  - Charge masters
  - Billing Edits

- Benefits and coverage determinations
Business Impacts (Cont.)

- **Compliance**
  -HIPAA
  -Reporting
    -National
    -State
    -Regional Initiatives
  -Contract requirement
  -Accreditation

- **Reimbursement**
  -Pay for performance
  -POA, “never events”, re-admissions, HACs, tiered payment models
  -Network inclusion
  -Denials

- **Audits**
  -RAC
  -Fraud and abuse
  -Coding
Clinical / Business/Coding Relationships
Creating a new working relationship

1. The role of the clinician is to document as accurately as possible the nature of the patient conditions and services done to maintain or improve those conditions.

2. The role of the coding professional is to assure that coding is consistent with the documentation.

3. The role of the business manager is to assure that all billing is accurately coded and supported by the documented facts.

Source: Health Data Consulting
The ICD-10 Transition

Getting your ducks in a row
What are the moving parts of the practice?

- **Action**: Create an inventory of all functional aspects of the practice

- **Action**: Determine the areas that may directly or indirectly impact coding or the use of codes.

- **Action**: Prioritize the areas of impact based on cost, volume, clinical and business importance.

Source: Health Data Consulting
Where are my dependencies?

Action: Inventory all areas where you have a dependency that may impact your ability to successfully implement ICD-10

- Payers
- Other providers
- Software vendors
- Regulatory agencies
- Internal and external resource critical to your business.
Getting Started - Training

Key questions to address

- Who needs to understand ICD-10?
  - **Action**: Identify all person by role who may be impacted by ICD-10 or the documentation needed to support proper coding.
  - **Action**: Define your approach to education
    - Train the trainer?
    - Role based education – the right level of information with the right focus and content at the right time.
    - How will you know if training was successful?

Source: Health Data Consulting
Getting Started - Implementing
Key questions to address

- What do I need to do to implement?

✔ **Action:** Identify your tasks based on:
  - An analysis of the business and clinical areas impacted directly or indirectly by ICD-10
  - Identification of prioritization of critical areas
  - Analysis of key dependencies

✔ **Action:** Create a realistic project plan:
  - Organize your tasks based on timing, priority and critical path dependencies
  - Identify and assign resources
  - Execute and measure progress

Source: Health Data Consulting
How do I know my efforts are working?

- **Action:** Define and implement test cases consistent with areas of high volume, high financial impact and key business or clinical importance.

- **Action:** Identify your measures of success.
  - Coding accuracy
  - Coding specificity
  - Financial continuity

Source: Health Data Consulting
Scenario-Based Testing
What is it?

- **The Scenario:**
  - The identification of some event or condition that we are familiar with today
  - Recreating that event virtually through some verbal or data representation
  - Defining a variety of assumptions and variables around this virtual representation

- **Applying one or more of these scenarios in a Reference Implementation Model (RIM).**
  - Walk through current systems or processes using these scenarios with varying assumptions and variables to determine if expected results can be achieved and the required changes to achieve those expected results.

Source: Health Data Consulting
Key Financial Metrics
Tracking across the transition

- Denial and Rejection Rates
  - What is your current baseline rate for claims denials and rejections?
  - Does this vary by individual provider or business area?
  - Is this rate changing across the transition and where are the changes occurring?
  - Are denials appeals successful?

- Ratio of billed to paid
  - Has there been a change in the ratio of what you were paid before as it relates to what you billed?
Key Financial Metrics (Cont.)
Tracking across the transition

- **Payment delays**
  - ✓ What is your current claim lag (from billed to paid)?
  - ✓ Is that changing across the transition?
  - ✓ If there is a change; which payers or business areas?

- **Audits**
  - ✓ Are audits increasing?
  - ✓ Are appeals related to adverse audit findings successful?
Current Distribution of ICD-9 diagnosis codes
3 Years of Data - All claims - All lines of business - 1million Lives

Total Charges by Diagnosis Code (ICD-9)
3 years - $10 Bill

Source: Health Data Consulting
## Varying Changes by Clinical Areas

Changes in the number of codes

<table>
<thead>
<tr>
<th>Clinical Area</th>
<th>ICD-9 Codes</th>
<th>ICD-10 Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fractures</td>
<td>747</td>
<td>17099</td>
</tr>
<tr>
<td>Poisoning and toxic effects</td>
<td>244</td>
<td>4662</td>
</tr>
<tr>
<td>Pregnancy related conditions</td>
<td>1104</td>
<td>2155</td>
</tr>
<tr>
<td>Brain Injury</td>
<td>292</td>
<td>574</td>
</tr>
<tr>
<td>Diabetes</td>
<td>69</td>
<td>239</td>
</tr>
<tr>
<td>Migraine</td>
<td>40</td>
<td>44</td>
</tr>
<tr>
<td>Bleeding disorders</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td>Mood related disorders</td>
<td>78</td>
<td>71</td>
</tr>
<tr>
<td>Hypertensive Disease</td>
<td>33</td>
<td>14</td>
</tr>
<tr>
<td>End stage renal disease</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Chronic respiratory failure</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Health Data Consulting
Documentation
It could be better...

Bad Mojo
is not a diagnosis

• Poor quality documentation is bad for Payers, Providers and Patients.
  ✓ Billing accuracy
  ✓ Quality measures
  ✓ Population management
  ✓ Risk management
  ✓ Healthcare analytics
  ✓ Patient Care
Documentation
Why is it important?

• Supports proper payment reduced denials
• Assures accurate measures of quality and efficiency
• Assures accountability and transparency
• Captures the level of risk and severity
• Provides better business intelligence
• Supports clinical research
• Enhances communication with hospital and other providers
• *It’s just good care!*
“Documentation for ICD-10 is an unnecessary burden.”

• The number and type of new concepts required for ICD-10 are not foreign to clinicians.

• The focus of documentation is good patient care.

• Patients deserve to have accurate and complete documentation of their conditions.

• If other industries understand the value of accurate and complete documentation of data about encounters; shouldn’t we?
Coding – The Patient Interface
Where it all begins

- History
- Physical Exam
- Internal Record Review
- External Record Review
- Assessment/Diagnosis
- Studies
Getting to the Code

A Necessary Evil?

Back-office Coding

The “Super Bill”

Back to the Doctor?
## The Super Bill

### Not That Super Really...

### OSTEARTHRITIS

#### FRAC TURES OF THE RADIUS

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>082.4</td>
<td>Fracture of the radius and ulna</td>
</tr>
<tr>
<td>226.3</td>
<td>Fracture of the radius and ulna, including the elbow</td>
</tr>
</tbody>
</table>

### CONCLUSIONS

- **ICD-9 codes = 32**
- **ICD-10 codes = 1731**

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[Note] For all codes related to fractures of the radius:
- ICD-9 codes = 32
- ICD-10 codes = 1731

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Source: Health Data Consulting

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22
Type of condition

- Type I or Type II diabetes

Onset

- When did it start?

Etiology / Cause

- Infectious agent
- Physical agent
- Internal failure
- Congenital
Anatomical location
- Which anatomical structure
- Proximal, distal, medial, lateral, central, peripheral, superior, inferior, anterior, posterior...

Laterality
- Right side or left side

Severity
- Mild, moderate or severe

Environmental factors
- Smoking
- Geographic location
What they taught us in medical school

- **Time parameters**
  - Intermittent/Paroxysmal
  - Recurring
  - Acute or chronic
  - Post-op, post delivery

- **Comorbidities or complications**
  - Diabetes with neuropathic joint
  - Intracranial injury

- **Manifestations**
  - Paralysis
  - Loss of consciousness

- **Healing level**
  - ROUTIRG healing, delayed healing, non-union, malunion...
What they taught us in medical school

- **Findings and symptoms**
  - Fever
  - Hypoglycemia/hyperglycemia
  - Wheezing

- **External causes**
  - Motor vehicles, injury locations
  - Assault, accidental, work related, intentional self harm

- **Type of encounter**
  - Initial encounter, subsequent encounter, encounter for condition sequela, routine evaluation, administrative encounter
## Documentation Requirements

### Recurring Concepts

<table>
<thead>
<tr>
<th>Concept</th>
<th>Number of Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Encounter</td>
<td>13,932</td>
</tr>
<tr>
<td>Subsequent Encounter</td>
<td>21,389</td>
</tr>
<tr>
<td>Sequela</td>
<td>11,974</td>
</tr>
<tr>
<td>Right</td>
<td>12,704</td>
</tr>
<tr>
<td>Left</td>
<td>12,393</td>
</tr>
<tr>
<td>Routine Healing</td>
<td>2,913</td>
</tr>
<tr>
<td>Delayed Healing</td>
<td>2,913</td>
</tr>
<tr>
<td>Nonunion</td>
<td>2,895</td>
</tr>
<tr>
<td>Malunion</td>
<td>2,595</td>
</tr>
<tr>
<td>Assault</td>
<td>1096</td>
</tr>
<tr>
<td>Self-harm</td>
<td>1057</td>
</tr>
<tr>
<td>Accidental</td>
<td>1262</td>
</tr>
</tbody>
</table>

Source: Health Data Consulting
Otitis Media
ICD-10 Relevant Documentation

Otitis Media Concepts:

**Type:**
- Serous
- Suppurative or non-suppurative
- Tubotympanic
- Atticoantral
- Allergic
- Mucoid

Source: Health Data Consulting
ICD-10 Relevant Documentation (Cont. 1)
Otitis Media Concepts:

**Type (alternate terms):**

- Sanguinous
- *Seromucinous*
- *Exudative*
- *Transudative*
- *Secretory*
- *with effusion (non-purulent)*
- *Catarrhal*
- *Purulent*
- *Myringitis*
ICD-10 Relevant Documentation (Cont. 2)

Otitis Media Concepts:

Associated with:

- With spontaneous rupture of the TM
- Without spontaneous rupture of the TM
- Infectious or other external agent...
- Smoking
  - Exposure to environmental tobacco smoke
  - History of tobacco use
  - Occupational exposure to environmental tobacco smoke
  - Tobacco dependence
  - Tobacco use
- Allergic or non-allergic
ICD-10 Relevant Documentation (Cont. 3)

Otitis Media Concepts:

**Temporal Factors:**
- Acute or subacute or chronic
- Recurrent

**Laterality:**
- Left or right
- Bilateral or unilateral
## ICD-10 Relevant Documentation (Cont. 4)

### Code Examples – Otitis Media:

<table>
<thead>
<tr>
<th>ICD-10 Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B053</td>
<td>Measles complicated by otitis media</td>
</tr>
<tr>
<td>H6501</td>
<td>Acute serous otitis media, right ear</td>
</tr>
<tr>
<td>H65113</td>
<td>Acute and subacute allergic otitis media (mucoid) (sanguinous) (serous), bilateral</td>
</tr>
<tr>
<td>H65194</td>
<td>Other acute nonsuppurative otitis media, recurrent, right ear</td>
</tr>
<tr>
<td>H6532</td>
<td>Chronic mucoid otitis media, left ear</td>
</tr>
<tr>
<td>H66012</td>
<td>Acute suppurative otitis media with spontaneous rupture of ear drum, left ear</td>
</tr>
<tr>
<td>H6613</td>
<td>Chronic tubotympanic suppurative otitis media, bilateral</td>
</tr>
<tr>
<td>H6622</td>
<td>Chronic atticoantral suppurative otitis media, left ear</td>
</tr>
<tr>
<td>J1183</td>
<td>Influenza due to unidentified influenza virus with otitis media</td>
</tr>
</tbody>
</table>
Pulmonary Disease

COPD
Chronic Bronchitis
Asthma
ICD-10 Relevant Documentation
Chronic Pulmonary Disease Concepts:

Caused by:

• Chemical or environmental agents
  ✓ Define agent...

• Smoking
  ✓ Exposure to environmental tobacco smoke
  ✓ History of tobacco use
  ✓ Occupational exposure to environmental tobacco smoke
  ✓ Tobacco dependence
  ✓ Tobacco use

• Allergic/non-allergic
ICD-10 Relevant Documentation (Cont. 1)

Chronic Pulmonary Disease Concepts:

**Temporal Factors:**
- Acute
- Chronic
- Intermittent
- Persistent

**Severity:**
- Mild
- Moderate
- Severe

Source: Health Data Consulting
ICD-10 Relevant Documentation (Cont. 2)
Chronic Pulmonary Disease Concepts:

**Bronchitis specific:**

- Simple
- Mucopurulent
- Mixed simple and mucopurulent
- *Tracheitis*
- *Tracheobronchitis*
ICD-10 Relevant Documentation (Cont. 3)
Chronic Pulmonary Disease Concepts:

**Emphysema specific:**

- Unilateral pulmonary emphysema
  - MacLeod’s syndrome
  - Swyer-James syndrome
  - Unilateral hyper-lucent lung
  - Unilateral pulmonary artery functional hyperplasia
  - Unilateral transparency of lung

- Panlobar emphysema
  - Panacinar emphysema

- Centrilobar emphysema

Source: Health Data Consulting
ICD-10 Relevant Documentation (Cont. 4)
Chronic Pulmonary Disease Concepts:

**Emphysema specific:**

- Other emphysema
  - Bullous emphysema (lung)(pulmonary)
  - Emphysema (lung)(pulmonary) NOS
  - Emphysematous bleb
  - Vesicular emphysema (lung)(pulmonary)
ICD-10 Relevant Documentation (Cont. 5)
Chronic Pulmonary Disease Concepts:

Other COPD:

• With acute lower respiratory infection
  ✓ Define infectious agent...

• With exacerbation
  ✓ Decompenated COPD

• Other COPD
  ✓ Chronic obstructive airways disease
  ✓ Chronic obstructive lung disease

Source: Health Data Consulting
ICD-10 Relevant Documentation (Cont. 6)
Chronic Pulmonary Disease Concepts:

**Asthma Specific - Types:**

- Detergent asthma
- Eosinophilic asthma
- Lung diseases due to external agents
- Miner's asthma
- Wheezing
- Wood asthma
- Exercise induced bronchospasms
- Cough variant asthma
- Atopic asthma

Source: Health Data Consulting
Asthma Specific - Types (alternate terms):

- Allergic (predominantly) asthma
- Allergic bronchitis
- Allergic rhinitis with asthma
- Atopic asthma
- Extrinsic allergic asthma
ICD-10 Relevant Documentation (Cont. 8)
Chronic Pulmonary Disease Concepts:

Asthma Specific – Types (alternate terms):

- Hay fever with asthma
- Idiosyncratic asthma
- Intrinsic non-allergic asthma
- Non-allergic asthma
- Asthmatic bronchitis
- Childhood asthma
- Late onset asthma

Source: Health Data Consulting
ICD-10 Relevant Documentation (Cont. 9)

Chronic Pulmonary Disease Concepts:

**Asthma Specific:**

- Uncomplicated

or

- with (acute) exacerbation

or

- with status asthmaticus
## ICD-10 Relevant Documentation (Cont. 10)

### Code Examples – Chronic Pulmonary Disease:

<table>
<thead>
<tr>
<th>ICD-10 Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>J418</td>
<td>Mixed simple and mucopurulent chronic bronchitis</td>
</tr>
<tr>
<td>J431</td>
<td>Panlobular emphysema</td>
</tr>
<tr>
<td>J432</td>
<td>Centrilobular emphysema</td>
</tr>
<tr>
<td>J440</td>
<td>Chronic obstructive pulmonary disease with acute lower respiratory infection</td>
</tr>
<tr>
<td>J441</td>
<td>Chronic obstructive pulmonary disease with (acute) exacerbation</td>
</tr>
<tr>
<td>J4521</td>
<td>Mild intermittent asthma with (acute) exacerbation</td>
</tr>
<tr>
<td>J4552</td>
<td>Severe persistent asthma with status asthmaticus</td>
</tr>
<tr>
<td>J45990</td>
<td>Exercise induced bronchospasm</td>
</tr>
</tbody>
</table>
Getting Specific

When is unspecified OK?
Poorly Specified Coding
A proposed definition

“Coding that does not fully define important parameters of the patient condition that could otherwise be defined given information available to the observer (clinician) and the coder.”

Source: Health Data Consulting
Coding specificity
A place for “unspecified” codes

• Sometimes unspecified makes sense...
  ✓ The patient may be early in the course of evaluation
  ✓ The claim may be coming from a provider who is not directly related to diagnosis of the patients condition
  ✓ The clinician seeing the patient may be more of a generalist and not able to define the condition at a level of detail expected by a specialist
Coding specificity (Cont.)
No place for “unspecified” codes

• If there is sufficient information available to more accurately define the condition

• For basic concepts such as:
  ✓ Laterality (Right, Left, Bilateral, Unilateral)
  ✓ Anatomical locations
  ✓ Trimester
  ✓ Type of diabetes
  ✓ Known complications or comorbidities
  ✓ Description of severity, acute or chronic or other known parameters...

• Where care is implemented that demands a more specific level of detail

• At specialty level that should be able to define the detail required

Source: Health Data Consulting
Good patient data
It’s all about good patient care...

1. Complete *observation* of all objective and subjective facts relevant to the patient condition

2. *Documentation* of all of the key medical concepts relevant to patient care currently and in the future

3. *Coding* that includes all of the key medical concepts supported by the coding standard and guidelines

Source: Health Data Consulting
Getting to Quality Data

- Good data = (proper assessment + completed documentation + accurate coding)
- Good data will not happen without ongoing audits and continuous feedback
Leveraging ICD10
A changing world of cost containment

Accurate and complete documentation and coding provides opportunities to support the transition into a “value-based”, “accountable care” reimbursement environment.

• Better representation of severity and risk
• Recognition of varying levels of complexity
• Better claim information to support automated processing and more rapid reimbursement
• Opportunities to reduce audit risk exposure
• Improved business intelligence to support population risk management
• More accurate measures of quality and efficiency

Source: Health Data Consulting
Summary

• ICD-10 will have a substantial impact on how we define the patient condition for a wide variety of purposes.

• This will change how we do business.

• The requirements for good documentation have not changed.

• ICD-10 codes can support much better definition of the key parameters of the patient condition.
• Complete and accurate documentation of important clinical concepts of the patient condition is a requirement for good patient care.

• Better data translates into better understanding of efficiency, effectiveness and quality.

• Changes in payment models will leverage the key medical concepts defined in these codes.