

The logo for HIMSS (Healthcare Information Management Systems Society) is displayed in white text on a dark blue background. The letters 'HimSS' are in a bold, sans-serif font, with a registered trademark symbol (®) to the upper right of the 'S's.

www.himss.org

A background image showing two people in white lab coats. One person is holding a pen and writing on a clipboard, while the other has their hands clasped. The image is slightly blurred and has a white text overlay.

change is everywhere...
opportunity is here

ICD-10 PlayBook: New Tools for Successful Transformation

May 25, 2011

transforming healthcare through IT™

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Today's Learning Objectives:

1. Review how to access the industry's best tools and tactics from this free, web-based resource maintained by leading ICD-10 experts
2. Explore the wide range of ICD-10 challenges and solutions – from implementation to risk mitigation strategies
3. Learn how the ICD-10 Playbook can help you during every step of conversion process
4. Take your questions to this panel of ICD-10 experts and top professionals from healthcare associations, health plans, providers, banks and financial institutions.

Housekeeping items:

- You may submit a question or comment at any time by accessing the Q & A box at the lower bottom right corner of your screen
- Type your question in the Q&A text box and press “send”
- We will make every effort to answer your questions
- We will try to address questions either through typed chat or on the air during the presentation’s live Q&A

Legal Disclaimer

Today's webinar is presented for informational purposes only, and none of its content should be construed as legal advice. HIMSS members are strongly encouraged to read the respective legislative texts and/or consult with legal counsel. If you have any questions regarding the information shared during this webinar, or any HIMSS activities, please contact us. Visit our website for the latest developments.

Today's Moderator

Tori Sullivan, MHA, RHIA, PMP

- *ICD-10 Business Solutions Professional*
IBM, Global Business Solutions Division
- currently serves as co-chair for the HIMSS Revenue Cycle

Today's Presenters

Tyson McDowell

- CEO of Benchmark Revenue Management
- currently serves as co-chair for the HIMSS Revenue Cycle Improvement and Financial Systems Task Force.
- has focused on leveraging the Internet for true interoperability, scalability, and rapid application development.

Today's Presenters, (cont.)

Ross Lippincott

- Vice President of 5010 and ICD-10 deployment programs at UnitedHealthcare
- held a variety of roles supporting hospital and physician operations
- spent 13 years as a consultant with Accenture's Healthcare and Government practice
- holds an MBA from the University of Kansas

A banner for the ICD-10 PlayBook. The left side is a dark blue circle with white text and faint geometric patterns. The right side shows a doctor in a white coat looking at a computer monitor in a clinical setting.

ICD-10 PlayBook

HIMSS

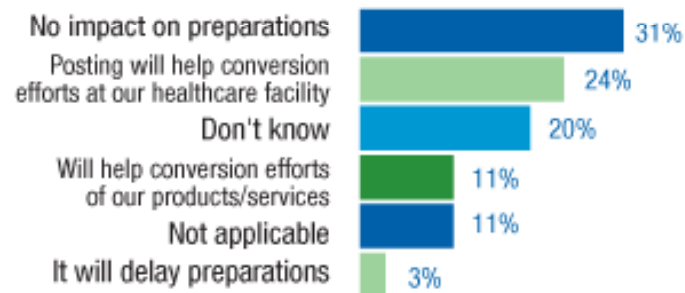
ICD-10 PlayBook Demonstration

Vantage Point Survey

- Survey launched in April of 2011 and results included 353 Responses.
- Nearly 1/3 of respondents noted that the information would have no impact on their organization's prep. for converting to ICD-10.
- A similar percent noted the guidelines would be of use either in the conversion processes underway either at healthcare organizations or of the products and services offered to the industry in this area.
- 73 percent of respondents noted that they turn to associations as a resource for information on their ICD-10 conversion; 72 percent turn to the federal government.

Impact of 2011 CDC Guidelines on ICD-10 Conversion

One-third of respondents noted that CDC's posting of guidelines has had no impact on their organization's preparations for converting to ICD-10. Another quarter noted that the posting will help the conversion efforts at their healthcare facility, and 11 percent indicated that this information will be useful as modifications are made to products and services in advance of the conversion process. The greatest concern that respondents have with regard to their ICD-10 conversion is the revenue loss they face due to coding issues.



Greatest Challenge Associated with ICD-10 Conversion

One-third of respondents noted that the greatest challenge organizations face as they undertake ICD-10 conversion is a lack of staffing resources. Another 19 percent noted that a lack of synchronization between payers and providers would present challenges.



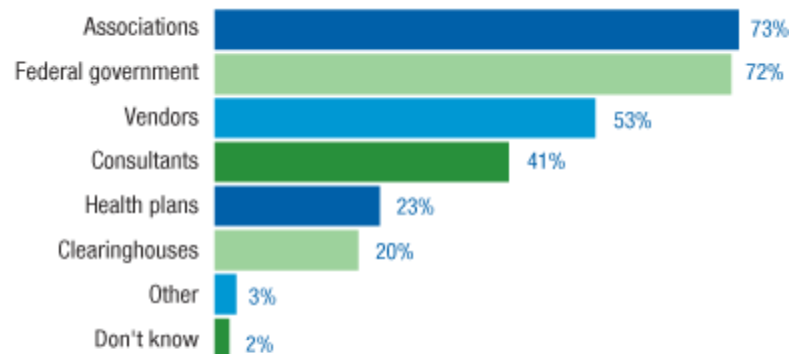
Greatest Concern Related to Meeting ICD-10 Implementation Guideline

Nearly half of respondents noted that their greatest concern related to meeting the ICD-10 implementation guideline is a revenue loss due to a bottle neck of coding issues. Only five percent of respondents are concerned that their organization will miss the October 2013 deadline and be penalized.



Information Sources for ICD-10 Conversion

Nearly three-quarters of respondents noted that they turn to associations for information on their ICD-10 conversion. A similar percent report turning to the federal government. Clearinghouses were least likely to identify as a resource.



IDC-10: Impact on the Revenue Cycle

Tyson McDowell
CEO, Benchmark Revenue Management
tmcdowell@benchmarkrevenue.com

Learning Objectives

- Clarify definite areas of potential financial impact
- Understand the investments that will protect you from the unknown
- Understand the analyses that will bring “ICD10 bleed” to the fore
- Identify unintended consequences of poor ICD10 implementation and maintenance

This Isn't Payer Versus Provider

- ICD10 challenges both payers and providers
- There is 2 years of uncertainty after implementation for everyone

But, sophistication will yield real financial advantage for those who execute well.

Payer's Perspective

- ICD9 to ICD10 is not apples-to-apples
- Case-mix analysis will include assumptions, adding uncertainty to risk exposure
- Uncertainty in risk exposure means necessary conservatism to projecting risk
- This translates to:
 - Higher premiums
 - More diligence to claims
 - Focus on re-casting contracts and subscriber mix based on new ICD10-based utilization data

Risks Everyone Talks About

- Cost of conversion
- ICD9 – to – ICD10 mapping inconsistencies
- Losses to lack of training

These are all direct and therefore avoidable. It just takes diligence.

Hidden Risks: Reality of Change

- Payer Readiness Variability
- Necessary Payer Conservatism
- Inevitable Lender Uncertainty
- Reimbursement Restructuring

These are indirect and complex to understand, but can cause irreversible damage.

Hidden Risk: Payer Readiness

- Payers have to do extensive modeling themselves, which will continue after first roll-out
- They may be technically compliant, but will adjust rules regularly as they learn, “changing the game” on the provider
- Configuration mistakes can lead to many re-bills (cash-flow delay, higher cost of admin)

Hidden Risk: Payer Conservatism

- Payers must be more diligent to assume miscoding – Increase denial rate
- Payers must be more diligent to validate appeals – Cash flow delays
- Payers must evaluate contracts on assumptive trend data, erred on the worst case scenario, until real ICD10 trends take over – Contracts negotiated to payer favor

Hidden Risk: Lender Uncertainty

- Lenders know that there will be a blip in cash flow – Increased pressure on cash-on-hand
- Lenders know that there will be a slip in net revenue – Increased scrutiny of operating margin
- Lenders know that historical trends won't necessarily apply going forward – Ratings to be More Conservative

Hidden Risk: Restructured Reimbursement Models

- Payers will get good at ICD10, and adjust reimbursement patterns accordingly
- ICD10 is built for enhanced clarity, starting logically with tightening reimbursements
- Easiest measure is reduced cost of services, not adjusting payment to cover all services provided
- Until efficacy of service is part of model, providers can't win back payer gains in narrower reimbursement models

Hidden Risk: Preparation Distraction

- Many competing initiatives distract
 - EMR, Meaningful Use, ARRA
 - See the HIMSS Revenue Cycle Horizon white paper for details
- ICD10 carries the largest risk to financial health
- ICD10 seems to be a neglected topic by Providers

Risk Mitigation

- Build a data warehouse
 - Financial data merged with clinical data
 - Cover 3 years of history
 - Apply GEM maps
 - Project per-service, per payer gross margins
- Hire an analyst and Cross-Train in ICD10 coding and Revenue Cycle 101
- Consider cooperation in this among friends
- Plan for Outsourcing
- Communicate with your lenders & rating analysts

Take Aways

- 2013 is just the beginning, if you get behind, you will stay behind
- Payer optimization of ICD10-based models through 2015 will have long-term impact, not the conversion complexities
- Sophistication is the only defense, so invest, partner, collaborate, or do all three
- Budget for reduced cash flow and higher denial rates 2013-2015
- Get approved for additional lines of credit, now
- Communicate with financial institutions about your sophistication so they perceive less risk

Suggested Reading

- Milliman White Paper: ICD10 Impact on Provider Reimbursement
 - <http://publications.milliman.com/publications/health-published/pdfs/icd-10-impact-provider.pdf>
- ICD10 Watch: Major ICD10 Factors in Provider Reimbursement
 - <http://www.icd10watch.com/blog/major-icd-10-factors-provider-reimbursement>
- Benchmark ICD10 Readiness Checklist
 - <http://www.benchmarkrevenue.com/icd10>
- HIMSS Revenue Cycle Horizon White Paper

ICD-10 G7 Roundtable Advisory Report & Health Plan Perspective

Ross Lippincott
Vice President 5010 & ICD-10 Programs
UnitedHealthcare

Agenda

- HIMSS ICD-10 G7 Roundtable Summary
- ICD-10 Concerns/Risks Discussed
 - Financial Risks
 - Practice Risks
 - Work Force Risks
- UHC Perspectives on Impacts to Practices
- How to Contact Us
- - UHC Playbook Content

HIMSS ICD-10 G7 Roundtable Summary

- Interactive in person session at Vanderbilt Center for Better Health in Nashville
- Representatives from all industry groups (providers, vendors, clearinghouses, payers, banks)
- Discussed the concept of the playbook
 - How to present the information
 - how to collaborate
 - What should be included

HIMSS ICD-10 G7 Roundtable Summary (Cont.)

- Assigned scenarios from different perspectives that were role played out to identify risks and mitigation thoughts
- Discussed Development of the playbook
 - How do we get it going
 - How do we get the word out
 - What to include in version 1.0
 - How to grow the playbook community
 - Engagement channels

Concerns/Risks Discussed - Financial

Risks

- Sustainability in the face of potential financial impacts
 - Delayed payments due to utilization of new codes
 - Increase in account receivables
 - Cash flow/line of credit risks due to possible negative revenue cycle impacts
- Industry estimates indicate there could be up to a five-year stabilization of cash flow post ICD-10 cut over

Concerns/Risks Discussed - Financial

Mitigation

- Establish a solid financial baseline/revenue cycle up front
 - What does my ICD-9 world look like today?
 - What things do I need to think about from a modeling standpoint going forward?
 - What do I need to monitor on the back end?

Concerns/Risks Discussed - Financial

Mitigation , (Cont)

- Cash flow management
 - Establish bridge plan with banks in advance
 - Consider reserving up to six months of revenue prior to deployment
 - Have tools and processes to analyze your cash flow
 - Establish a contingency plan if a drop in revenue were to occur

Concerns/Risks Discussed - Practice

Risks

- Incremental effort required to support increased granularity of codes could decrease productivity
 - More detailed medical records
 - More time to translate by coders
 - Increase provider queries
 - Increased delays in authorizations
 - Increased claim rejections
 - More time to research/resolve reimbursement issues

Concerns/Risks Discussed - Practice

Risks, (Cont)

- Training requirements
 - Physicians
 - Coders
 - Office Staff
- Possible patient throughput loss due to incremental effort required during transition to ICD-10

Concerns/Risks Discussed - Practice

Mitigation

- Establish a solid practice performance baseline up front. If you don't know where you started it's hard to gauge how effective you were when finished.
- Collaborate with payers prior to implementation to understand baseline performance.
 - New coding will change everyone's numbers
 - Need awareness of what your change is relative to

Concerns/Risks Discussed - Practice

Mitigation, (Cont.)

- Perform an external coding audit
 - Blank coding exams and certification exams for staff during the project implementation phase
 - Make sure that you understand how to translate the currency of your business...coding

Concerns/Risks Discussed – Work Force

Risks

- Job transitions/Retirement
 - Aging workforce
 - Shortage of ICD-10 coding skills requiring years to master
 - Timing will have impact
 - more stress = more “*search for greener pastures*” (work environment, pay, etc.)
- Inexperienced workforce coming into a very difficult climate
- Training
- Lack of tools
- Competing priorities (5010, EMR, Meaningful Use, etc.) further increase stress

Concerns/Risks Discussed – Work Force

Mitigation

- Understand, value and invest in your people
- Consider augmenting your staff for the initial transition
 - Help bridge initial decreased productivity
 - Better able to absorb attrition
 - Reduce stress (stress = mistakes)
- Too early for full staff training on ICD-10 now, but not for brushing up on anatomy and physiology (more critical in ICD-10)

Concerns/Risks Discussed - Practice

- **Mitigation**

- Establish a solid practice performance baseline up front. If you don't know where you started it's hard to gauge how effective you were when finished.
- Collaborate with payers prior to implementation to understand baseline performance.
 - New coding will change everyone's numbers
 - Need awareness of what your change is relative to

Concerns/Risks Discussed - Practice

Mitigation

- Perform an external coding audit
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 - Make sure that you understand how to translate the currency of your business...coding

UHC Perspectives on Impacts to Practices

ICD-10 Impacts on Physicians & Facilities

Different types of physician practices will experience different impacts:

- Private practice physicians (solo, small group)
- Large physician groups
- Employed & academic physicians (all models)
- Government, Researchers and other types

Physician practices are highly cost sensitive, and are already contending with:

- HIPAA Changes
- American Recovery and Reinvestment Act (ARRA)/Health Information Technology for Economic and Clinical Health (HITECH) meaningful use incentive drivers and penalty avoidance
- e-Prescribing incentives/penalties
- Physician Quality Reporting Initiative (PQRI) Incentives & penalties

Bottom line: physicians will have to increase level of medical record documentation across all places of service

ICD-10 Considerations - People

- **Physician:** ICD-10 requires detailed documentation of surgical procedures; more time to document
- **Coding staff:**
 - Will require increased anatomy and surgical procedure knowledge; more time to document
 - Potential increase in coding staff to support transition and minimize productivity losses

ICD-10 Considerations - People

- **Entire practice:**
 - Extensive retraining for physicians, coding and revenue cycle staff
 - Productivity losses should be expected during the initial 3-6 months due to steep learning curve associated with use of ICD-10-CM/PCS

ICD-10 Considerations – Processes

- Office billing/coding work flow
 - Increased coding queries to physicians for further documentation
- Contracting code crosswalks reexamined
 - Medical management program requirements
- Prior Authorization/Notification changes
 - Increased complexity/requirements

ICD-10 Considerations – Processes

- **Billing & Reimbursement Accounting**
 - Analysis and trending by payer, changes in coding and data trends
 - Previous data analysis obsolete
 - Extensive remapping required (i.e. comparing healthcare outcomes from ICD-9 to ICD-10)
 - Develop a plan for monitoring revenue impact and responses

ICD-10 Considerations - Technology

- Practice Management System
 - Code field type/size increase to 3 - 7 alphanumeric characters in all applications using ICD codes (including all clinical and financial applications where codes are entered/ reported)
- Redesign System Interfaces

ICD-10 Considerations - Technology

- Software Changes
 - Code editing programs (Example: Encoder) will need to be analyzed, redesigned and tested
 - Recalculation of DRG groupers and case mix indexes – inpatient billing
- Electronic Data Exchanges – Heavy Facility Impact
 - Reporting to federal, state, and other regulatory agencies / authorities will need to be analyzed, redesigned to accommodate new data and tested
 - Example – Community/state proprietary birth and death registries

Benefits of ICD-10 Implementation

The ICD-10 transition can result in significant value realization if implementation is planned for success (once the dust settles...)

Benefit	How Achieved
<ul style="list-style-type: none"> • Strategic imperative 	<ul style="list-style-type: none"> • ICD-10 transition should be viewed more broadly than “complying with a government regulation”; it serves as an opportunity to create differentiation and new and incremental value for the organization.
<ul style="list-style-type: none"> • Positive impact to Case Mix / Quality Reporting 	<ul style="list-style-type: none"> • More specific diagnosis reporting • Case mix adjustments • More specific quality monitoring / reporting; e.g., Stent Insertion (specific codes for open vs. subcutaneous stent insertions)
<ul style="list-style-type: none"> • Reduced cycle time • Increased throughput • Reduced administrative expense 	<ul style="list-style-type: none"> • Fewer claim rejections and denials due to non-specific diagnoses • Fewer requests for clinical information • Expectations of fewer denials from payers could result in significant reduction of rework / administrative expense for both physicians and payers
<ul style="list-style-type: none"> • Positively affect patient / community health 	<ul style="list-style-type: none"> • More specific disease management programs
<ul style="list-style-type: none"> • Enhanced reimbursement 	<ul style="list-style-type: none"> • Targeted reimbursement based on revised diagnoses and procedure coding

ICD-10 and the Health Care Industry

- Practitioners will look to specialty societies/state medical associations for leadership in areas of:
 - Code comprehension of specialty specific changes
 - Documentation guidance to satisfy medical necessity requirements and increased granularity of the ICD-10 code set
 - Training/Education that is specialty specific
 - Communication of regulations, guidelines and updates
 - Practice Management issues
- Specialty societies have a unique opportunity to strengthen their presence in the industry and lead an ICD-10 call to action within the medical community

ICD-10 and the Health Care Industry

- Practitioners should engage in ICD-10 readiness discussions with:
 - Vendors
 - EMR/EHR
 - PMIS
 - Financial
 - Clearinghouses
 - Health Plans
 - Trading Partners
- Providers must know if their business partners will be ready for ICD-10. Early engagement is the key to successful ICD-10 implementation!

ICD-10 Communications

ICD-10 Communication/Outreach will be an important tool in strengthening the payer-provider partnership

Communication Material/Pathway Suggestions:

- Free On-Demand Training
 - Webinars
 - In-person Provider Town Halls/Education sessions
- Free Industry Informative Materials
 - FAQ's
 - Blogs
- Newsletters, Bulletins
 - Take advantage of existing provider communication vehicles

ICD-10 Communications

ICD-10 Communication/Outreach will be an important tool in strengthening the payer-provider partnership

- Web-Site
 - For example the UHC public ICD-10 Website located at:
<https://www.unitedhealthcareonline.com/b2c/CmaAction.do?channelId=6fa2600ae29fb210VgnVCM1000002f10b10a>
 - Site Path for the above link:
 - uhconline.com -> Tools & Resources -> Health Information Technology ->HIPAA 5010 & ICD-10
- General Questions Mailbox:
 - ICD10Questions@uhc.com
- General Questions Telephone line/Hotline

UnitedHealthcare ICD-10 Playbook

Content

- Playbook content is formatted in Microsoft PowerPoint, and divided into 5 sections:
 1. ICD-10 Challenges & Benefits
 2. ICD-10 Readiness at UnitedHealthcare
 3. ICD-10 Strategy: Cost Neutrality at UnitedHealthcare
 4. Physician, Hospital, and Medical Society Readiness
 5. How to Contact UnitedHealthcare
- As a Charter Sponsor of the HIMSS ICD-10 Playbook, UnitedHealthcare will also offer additional FAQs documents and a provider/facility focused ICD-10 Readiness white paper which will be available on the HIMSS ICD-10 Playbook site.

Q&A Panel

- Rhonda Buckholtz, VP of ICD-10 Education and Training, AAPC
- Vincent Marzula, Managing Director, BNY Mellon
- Denise Hall, Shareholder, Pershing Yoakley & Associates, P.C.
- W. James Lloyd, Shareholder, Pershing Yoakley & Associates, P.C.
- Juliet Santos, Senior Director, Business Centered Systems, HIMSS

Q&A process

- Type your question in the Q&A text box and press “send”
- We will make every effort to answer your questions
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ICD-10 Playbook

- Located at: http://www.himss.org/ASP/topics_ICD10Playbook.asp
- If you have content that you feel would be valuable to any tabs within the ICD-10 Playbook, please email Juliet Santos at jasantos@himss.org.

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