
Navigating the Challenges of HIPAA 5010 and ICD-10 Implementation



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Agenda

- HIPAA 5010/ICD-10 Overview
- HIPAA 5010 Update
- ICD-10 Update
- Where Do I Begin
- ICD-10 Planning and Implementation
- Implementation Considerations
- The Importance of Collaboration
- Overcoming Challenges
- Success Factors
- The Checklist
- Questions & Discussion

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HIPAA 5010 and ICD-10 Overview

HIPAA 5010 and ICD-10 Overview

January 2009, the U.S. Department of Health and Human Services (HHS) released two final rules and implementation dates supporting continued transformation of the U.S. healthcare system toward a comprehensive electronic data exchange environment.

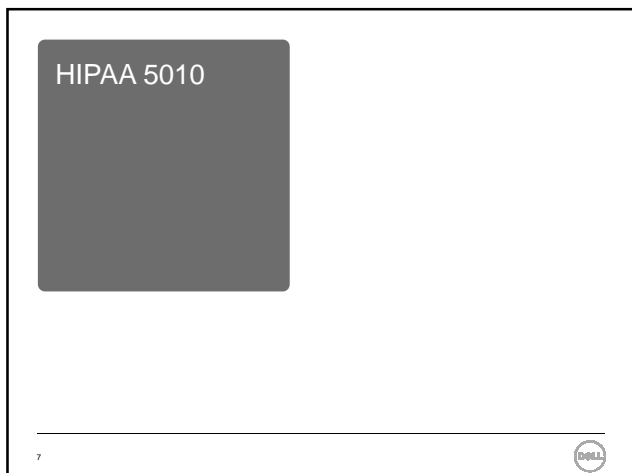
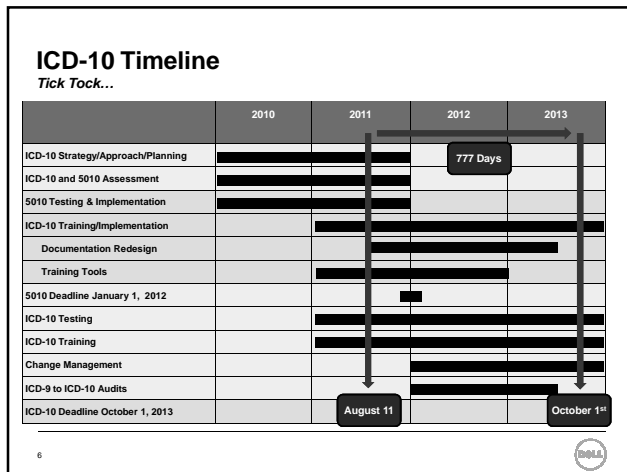
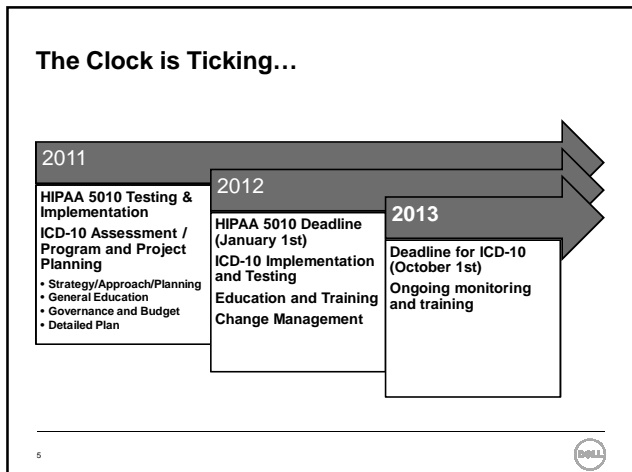
- HIPAA 5010—January 2012
- ICD-10—October 2013

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- ### Version 5010 Final Rule Overview
- Current 4010 standard is widely recognized as outdated and lacking in the functionality currently needed by the industry.
 - Version 5010 will correct the outdated transaction standard and enhance administrative data exchanges
 - **Further standardization of formats:**
 - 270 / 271 for Eligibility;
 - 276 / 277 for Claim Status;
 - 278 for Referral Certification / Authorization;
 - 835 for Remittance Advice; and
 - 837 I / P for Claims submission
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HIPAA 5010 Key Changes

- **837 - Claims**
 - Enables use of Present on Admission (POA) indicator
 - Separates diagnosis code reporting
 - Clarifies use of National Provider Identifier (NPI)
 - Requires minutes for anesthesia as opposed to units or minutes
 - Provides greater consistency between dental and professional provider claims

- **835 - Remittance**
 - Clarifies rules for use
 - Improves balancing
 - Includes a medical policy segment

- **278 - Referral Certification and Authorization**
 - Adds segments for reporting key patient conditions
 - Adds/expands support for various business needs
 - Expands usage for authorizations

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HIPAA 5010 Key Changes

- **270-271 - Eligibility**
 - Requires eligibility responses to include all subscriber/dependent NPI data elements that payer would require on subsequent transactions
 - Requires alternate search options using member identifier and date of birth or member identifier and name
 - Adds new service type codes
 - Identifies primary and secondary insurance, enabling correct billing to the correct carrier

- **276/277 - Claim Status**
 - Eliminates unnecessary sensitive patient information
 - Adds pharmacy related data segments and adds the use of NCPDP payment reject codes
 - Provides greater detail for status information
 - Clarifies instructions

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HIPAA 5010 Implementation Plan Considerations

- **Enterprise-wide Steering Committee**
 - Executive Leadership
 - Finance
 - Information Technology
 - Vendor Management
 - Compliance
 - Revenue Cycle Operations
 - Charge Capture (key departments)

- **Comprehensive Plans (including timelines, milestones and responsibilities)**
 - System upgrades and remediation
 - Integrated testing
 - Vendor management
 - Education/Training

- **Go-Live Planning**
 - Contingency Plans
 - Go-Live Support
 - Post Go-Live Monitoring

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5010 Implementation Status – Where Should I Be Now?

- **System Remediation - Complete**
 - System Upgrades
 - Interface Remediation

- **Testing Phase 1 - Complete**
 - Testing for upgraded systems
 - Test Script Build and Validation

- **Testing Phase 2 – In Process**
 - Integrated testing through to the clearing houses / payers


- **Training – In Process**
 - Front-end (scheduling / registration) training for system changes, new fields, associated process changes
 - Coder and biller training

- **Go-Live – Planning – In Process**
- **Post Go-Live Plan Development – In Process**

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ICD-10
The Elephant in the Room


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Do You Remember?

- DRG Implementation Impact
- 2000 Implementation Impact
- MS-DRG Implementation Impact
- BBA Impact

Failure to Prepare May Result in Substantial Financial and Compliance Issues





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ICD-10 Compliance Date—October 1, 2013

Code Set	ICD-9	ICD-10
Clinical Modification (CM)	14,000 (3-5 digits)	68,000 (3-7 characters)
Procedural Coding System (PCS)	4,000 (3-4 digits)	72,000 (7 characters)

- Countries currently using ICD-10:
 - United Kingdom
 - France
 - Australia
 - Germany
 - Canada




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ICD-10 Represents A Significant Change and Risk

- Compliance Date: October 1, 2013
- Standards based on World Health Organization (WHO)
- Replaces ICD-9 codes (3 – 5 digits, numeric only) with ICD-10 (3 – 7 digits, alpha and numeric) codes
- Provide more specificity with coding by increasing available codes from 25,000 in ICD-9 to 140,000 in ICD-10
- Will facilitate refined reimbursement models and improved outcomes management

Risk of Non Compliance

- Revenue stream at risk, potential impact to AR days, denials, and reimbursements
- Lack of ability to comply with new national reporting/analytic standards
- Failure to comply with government mandates


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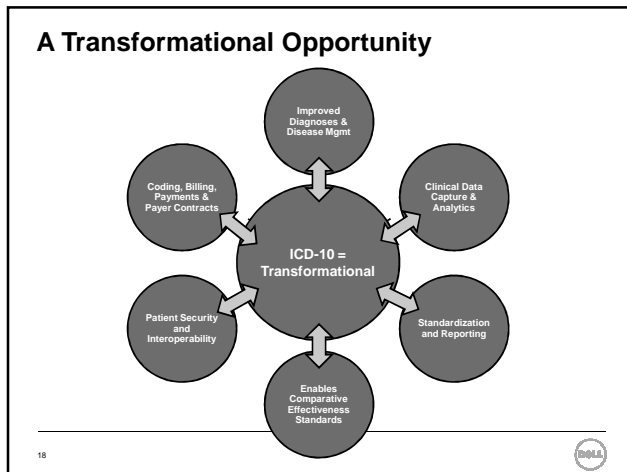


ICD-10 Global Benefits

Greater specificity of codes with improved clinical documentation will result in a more effective capture of healthcare information.


Improved coding accuracy	Superior information for measuring healthcare quality and safety	Improved operational effectiveness driving down cost of care	Greater achievement of the benefits of an electronic health record	Recognition of advances in medicine and technology
Alignment of the US with coding systems worldwide	Improved ability to track and respond to international public health threats	Enhanced ability to meet HIPAA electronic transaction/code set requirements	Increased value in investment in SNOMED-CT	Space to accommodate future expansion in the code set

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ICD-10 Implementation Presents an Opportunity to Ensure Transformational Value:

- **Patient Care** – specificity in diagnoses and procedures, allows for diagnosis-based decision support
- **Operations** – improvements in uniform data sets promotes advantages in business intelligence and clinical performance and/reporting
- **IM / IT** – granularity allows for greater standardization between clinical and administrative applications and reporting capabilities
- **Patient Security / Interoperability** – HIPAA 5010 and NCPDP implemented for fully leveraged ICD-10
- **Financial** – transparency in billing and collection methodologies, decreased diagnosis related denials, improved accuracy and specificity in both governmental and non-governmental payer contracts


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Who will be Affected by ICD-10?

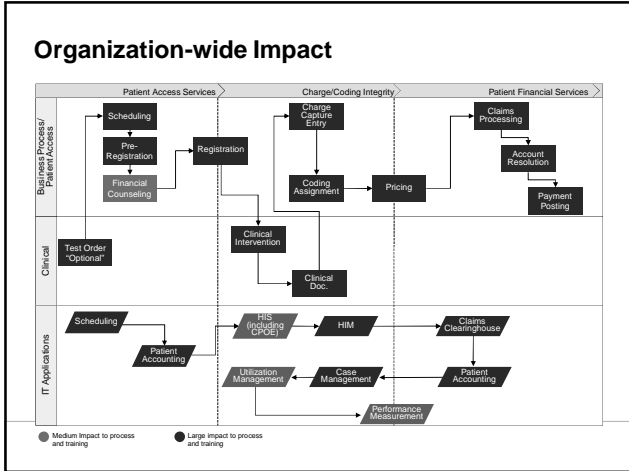
EVERYONE!

Internal Stakeholders:

- Information Systems
- Revenue Cycle
- Accounting and Finance
- Health Information Management
- Medical Staff
- Clinical Departments
- Internal Reporting and Data Storage

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Where Do I Begin?

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Key Questions to ICD-10 Readiness


ICD-10 Strategy and Readiness	Questions
1. Organization wide education/awareness of ICD-10 synergies with other regulations (ARRA, HIPAA/HITECH)	<ul style="list-style-type: none"> > Do functional areas understand ICD-10 implications for planning? > How well are these plans integrated with other regulatory initiatives?
2. Governance Structure and Budget	<ul style="list-style-type: none"> > Are Clinical, Operational, and Finance/Revenue Cycle areas included? > Are Physicians? > Is there an approved Budget for ICD-10 Remediation?
3. ICD-10 Strategy – Comply/Optimize	<ul style="list-style-type: none"> > Do you have a strategy? > Does the strategy include making improvements in processes and capitalizing on the specificity? > Are you modeling contracts to negotiate with payers?
4. Functional/IT/ Operational Gaps	<ul style="list-style-type: none"> > Does the scope include external vendor readiness?
5. Interdisciplinary Project Management	<ul style="list-style-type: none"> > Is the scope of the Program Plan end to end across the continuum?
6. Vendor Assessment/Partnership	<ul style="list-style-type: none"> > Will vendors be ready and what interim measures might they use?

Key Questions to ICD-10 Readiness

ICD-10 Strategy and Readiness	Questions
7. Systems Integration	<ul style="list-style-type: none"> > How will you assess end to end integration, interim dual coding, potential dual storage with transparent functionality?
8. Detailed Training	<ul style="list-style-type: none"> > Do you have a detailed matrix training plan through 2013 including function specific detail?
9. Simulate, Test, and Manage Changes	<ul style="list-style-type: none"> > How and when will you implement within a step – wise process?
10. Implementation	<ul style="list-style-type: none"> > Do you have a detailed Project Plan? > Have you identified a Project Manager? > Have you initiated the budgeting process? > Have you identified an Executive Sponsor? > Have you identified required resources from clinical and operational areas of the organization? > Have you included contingency planning in your overall plan? > Do you have regular touch points scheduled with vendors/business partners?

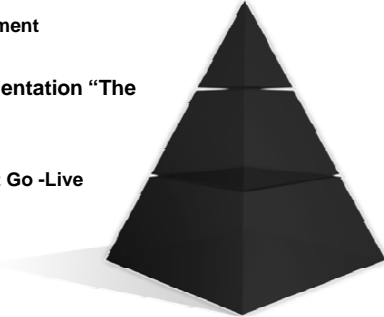



ICD-10 Strategy, Planning and Implementation

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Three Tiered Approach to Success


- Tier 1: Assessment
- Tier 2: Implementation "The Plan"
- Tier 3: Pre/Post Go -Live



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ICD-10 Implementation Phases

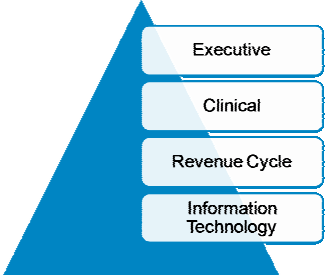
Assessment	Implementation	Go-Live	Post Go-Live
<ul style="list-style-type: none"> • Workflows • Documentation • Tools • Coding • Governance • Budget • Physicians • CDI • Vendors • Payers • Business Associates • Reporting 	<ul style="list-style-type: none"> • PMO • Governance • Education • Re-design • Collaboration • Testing • Go-Live Planning • Budget • IT Remediation • Vendor Management • Business Associate Management • Managed Care Contracting • Reports 	<ul style="list-style-type: none"> • Staff Augmentation • Contingency Plans • Financial Monitoring • Payer Communications • Education/Training 	<ul style="list-style-type: none"> • Financial Impact • Re-Training • Process Re-design • Managed Care Contracting • Monitoring


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The Assessment – The Foundation to The Plan

Assessment

- Executive
 - Strategic imperatives
 - Executive sponsorship
 - Governance
- Clinical
 - Change management issues
 - Correlation of needs / results
 - Resource issues
 - Educational gaps
- Revenue Cycle
 - Identify operational areas
 - Understanding of change readiness
 - Process improvement
 - Resource / staffing needs
 - Training and/or retraining
- Information Technology
 - Impacted systems readiness
 - Resource issues



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Developing “The Plan”

- **Perform organizational impact assessments and ICD-10 readiness assessments for clinical, HIM, physician, business, IT and third-party vendors**
 - Staff readiness
 - System IT readiness
 - Vendor readiness
 - Business process
 - Health plan/payer
 - Financial data and financial impact analysis
- **Develop GAP analysis and resolution plan for all functional areas, including IT**
- **Strength, Weakness, Opportunity, Threat (SWOT) Analysis**
- **Risk assessment and mitigation plan**
- **Develop resource needs analysis for high impact areas**
- **Perform system capacity analysis to determine system scale/capacity to handle ICD-9 to ICD-10 coding and long-term ICD-10 transaction growth**

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Education and Training – Who, When, How?

The implementation of ICD-10 provides an the opportunity to improve clinical documentation, coding accuracy, operational processes, and quality.

- **The Education Strategy should include key components:**
 - Educational strategy and timeline by Role
 - › Administration
 - › Revenue Cycle (Patient Access/Patient Accounting)
 - › Clinical Documentation Improvement Staff
 - › Research
 - › Decision Support/Finance
 - › Physician (Employed/ Community/Specialist)
 - › HIM (Staff,) Coders
 - › Information Technology
 - › Others
 - Phased approach with specific milestones
 - Detailed educational curriculum by Role and Phase
 - Training Delivery Methods
 - Ongoing/Post-Implementation Education Strategy

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“The Plan”

- **ICD-10 Strategy, Program, and Detailed Project Plans**
 - Readiness assessment results
 - Gap analysis and SWOT analyses
 - Strategy and approach
 - ICD-10 Remediation Inventory of Systems, Databases and processes
 - Change management needs
 - Governance structure
 - ICD-10 Roadmap: Timelines, milestones, and performance measures
 - High-level budget for financial and board requests
 - Education sessions and ICD-10 update sessions
- **Detailed Project Plan for ICD-10 Implementation**
- **Education Plan for Clinicians, HIM, Physicians, Business Office, and IT**

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Implementing “The Plan”


- | Outcomes | |
|---|---|
| • Policies and procedures | • Implement PMO |
| • Documented redesigned workflows | • Governance Structure |
| • Established training program – Learning Management System (LMS) | • Vendor Management |
| • Audit results with risks identified | • Education and Training (Phased Approach) |
| • Test plans | • Implement/validate IT system and interface changes |
| • Documented test results and issue resolution log | • Implement/validate operational/process changes |
| • Completed upgrades and mapping exercises | • Evaluate upgrades to applications impacted |
| • Redesigned reports | • Process Redesign |
| | • Report redesign and modification |
| | • Initiate testing services |

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Sustaining Success and Ongoing Monitoring

Tools	
<ul style="list-style-type: none"> • Policies and procedures • Documented redesigned workflows • Established training program – Learning Management System (LMS) • Audit results with risks identified • Education updates • Risk assessment and documentation • Financial impact analysis • Accounts receivable billing and collection and support 	<ul style="list-style-type: none"> • Review documentation and coding quality post-October 1, 2013 • Ongoing Education/Training • Ongoing Financial Impact analysis • Support accounts receivable billing and collection backlog and activity, as needed • Staff Augmentation Plans


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Implementation Considerations

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Process Re-design Opportunities


Scheduling/Registration	Clinical Care/Quality Improvement	Post-Hospital Care	PFAS/Collection Management	Public Reporting
<ul style="list-style-type: none"> • Optimize eligibility/verification process • Integrate ICD-9/10 codes into processes impacting both provider and payer workflows 	<ul style="list-style-type: none"> • Optimize clinical quality and improve documentation • Improve mitigation processes for PQAs, complications, HACs, RACs and readmits 	<ul style="list-style-type: none"> • Refine episode of care protocols • Improve ability to analyze and report disposition impact on outcomes 	<ul style="list-style-type: none"> • Redefine provider contracts • Improve process for temporary dual ICD-9/10 management and detailed information capture to reduce rework 	<ul style="list-style-type: none"> • Refine reporting and improvement metrics • Prioritize and improve critical outcomes • Minimal to no cost impact
Benefits <ul style="list-style-type: none"> • Improvement opportunity-Clinical and Operational Redesign • Improvement opportunity-Clinical Documentation by Physicians • Increased patient/ provider loyalty • Improved payer/ provider integration • Minimal to no impact to bottom line 				

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What is the Impact to Reimbursement?


Here is what we know today:

- The ICD-10 version of MS-DRGs posted on the CMS Website replicates the ICD-9 version of the MS-DRGs (subject to change between now and 2013)
 - The posted version of ICD-10 version MS-DRGs is unlikely to cause a significant redistribution of payment across hospitals.
 - Once sufficient data code in ICD-10-CM/PCS becomes available, CMS will likely use the increased specificity of ICD-10-CM/PCS to enhance the MS-DRGs.
 - If providers are losing money in current MS-DRGs with ICD-9-CM coding and the lack of higher specificity / documentation, you will continue to lose money under ICD-10-CM/PCS.
 - Remember the RACs!
- Payers are developing expertise, but remaining mute on proposed changes
 - Payer market is very active and ahead of provider market in preparing for ICD-10-CM/PCS

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Collaboration Across the Enterprise

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ICD-10 Continuum of Care


Within the health care community

- Patient
- Provider (primary care, specialty provider, therapist, psychologist, psychiatrist)
- Acute Care Hospital
 - › Inpatient care
 - › Outpatient diagnostic testing
 - › Outpatient therapeutic services
 - › Emergent or Urgent evaluations / treatment
- Inpatient Rehab Hospital
- Home Health Agency
- Skilled Nursing Facility
- Long Term Care Facility

• **External but Interested Parties**


- Payers and governmental quality evaluators




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Integrated Process Redesign


- **Patient Access**
 - Tools
 - Physician Office Communication
 - Scheduling
 - Medical necessity screening
 - Insurance Verification
- **Order Entry**
 - CPOE
 - Tools
- **Clinical Documentation Improvement**
 - Tools
 - Collaboration with Case Management and HIM
 - Physician Communication/Coaching
 - Working vs. Final DRG
 - Query Process




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Integrated Process Redesign (cont.)

- **HIM**
 - Coding
 - Collaboration with Clinical Documentation Improvement
 - Working DRG vs. Final DRG
 - Physician Query
 - Staff Education
 - Edits (if applicable)
- **Business Office**
 - Billing edits
 - Payment posting/Collections
 - Denial management
- **Finance/Reports**
 - Case Mix
 - State Reporting
 - Quality Reporting
 - Other



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Overcoming the Implementation Challenges

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Potential Roadblocks and Show Stoppers

- **Organizational Awareness**
- **Physician Office Collaboration**
- **Medical Necessity Screening/Requirements**
- **Clinical Documentation Improvement**
- **Physician Workload will increase significantly**
- **“The Learning Curve”**
- **Maintaining daily operations during implementation**
- **Getting Started**

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Potential Challenges

- **Re-designed payment systems, reimbursement rate changes, resulting in potential changes in revenue generation**
- **Software/Hardware capabilities**
- **Training needs**
- **Documentation/coding gaps**
- **Decreased productivity in functional areas that routinely use ICD-9**
- **Increase in denials and billing delays during the initial implementation period**
- **Vendor dependencies and Managed Care contract impacts**
- **Financial impacts**
- **Others**


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Case Study: The Rotherham Foundation Trust

- **Situation:**
 - 750 bed acute care facility in the UK
 - ICD-10 Implementation
- **Scope:**
 - MEDITECH 6.0 Implementation
 - Strategy
 - Project and Program Planning
 - Gap Analysis
 - Implementation
 - Admitting
 - Scheduling
 - Ancillary
 - Clinical
 - HIM
 - IT

Lessons Learned

- Rotherham was an early adopter
- 1st U.K MEDITECH 6.0 Implementation
- Imbedded ICD-10 and Snomed CT
- Move close to the Business Owners
- Earn Trusted Advisor Relationship
- Incorporate both ICD-10 and Snomed CT is best practice

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Case Study: The Rotherham Foundation Trust

- **Multiple Vendor collaboration**
 - MEDITECH, SNOMED CT, 3M
- **MEDITECH ICD-10**
 - In use Canada and the United Kingdom
- **SNOMED CT**
 - Database of 300,000+ clinical concepts
 - Clinician friendly entry with several search layers
- **3M Dialect Encoder**
 - Clinical Coding software designed to work with SNOMED CT
 - Interfaced with MEDITECH

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Critical Success Factors

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Understanding the Organization

- **Roadblocks and Challenges**
- **Key Stakeholders**
- **Champions for Change**
- **Physicians**
- **Change Drivers**
- **Ability to Sustain Success**

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Critical Success Factors for Implementation

- **An integrated Enterprise-wide approach**
- **Build a strong ICD-10 Implementation foundations**
- **See ICD-10 as a “must do” and a benefit**
- **Train and Educate: Deliver the right message to the right people at the right time**
- **Ensure effective communications**
- **Optimize use of available tools and technologies**
- **Understand, mitigate and plan for the financial impacts**
- **Manage Vendor and Payer relationships**
- **Comprehensive modeling and integrated functional testing plan across the continuum of care**

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Deciphering Fact vs. Fiction

Fiction	Fact
Our system vendors will handle the implementation	<ul style="list-style-type: none"> Vendors will only address technical aspects of their application Workflow integration with other applications will fall
Health Information Management (HIM) will handle all implementation needs	<ul style="list-style-type: none"> All individuals involved in revenue cycle and clinical areas will be impacted Physician and staff training needs will be large and complex in some instances Some impacted systems/processes reside outside of HIM control including Case Management, Utilization Review, Contracting and Quality Reporting
Reimbursement will not be impacted	<ul style="list-style-type: none"> Expect increased complexity of medical necessity claim edits Medical severity DRGs may increase in volume due to improved clinical information being reported Coders, physicians and payers will be adjusting simultaneously to a new coding methodology Expect initial delays and requests for further information
Short time to implement - We can wait till 2012	<ul style="list-style-type: none"> System reconfiguration and testing for claim submission and overall report generation is immense Clinical and financial systems implemented prior to 2012 should be ICD-10 ready

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Tips for Success – the ABCs

- A**wareness
- B**udget
- C**ollaboration
- D**eveloping “The Plan”
- E**ducate
- F**inancial Plan
- G**overnance Structure
- H**olding the Team Accountable

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The Checklist – Where Should I Be Today?

What Have You Completed With Your ICD-10 Planning?

- ✓ ICD-10 Steering Committee
- ✓ Comprehensive Assessment completed with gaps identified
 - IT Systems Inventory
 - Decision Support
 - Case Management
 - Utilization Review
 - Managed Care/Payer Contracts
 - Quality Department
 - Functional Areas that use ICD-9 codes today that need translation
 - 5010 Readiness
 - Educational Needs within Organization
 - Documentation Assessment
- ✓ Claims analysis to identify top specialties most impacted
- ✓ Vendor readiness
- ✓ Managed care/payer contract readiness
- ✓ Detailed Education Plan Developed
- ✓ Detailed Clinical Documentation Improvement Plan Developed
- ✓ Roadmap and Detailed Plan completed for Implementation

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What Have You Completed With Your ICD-10 Implementation

- ✓ ICD-10 Steering Committee
- ✓ PMO Organization
- ✓ High – Level Financial Impact
- ✓ Comprehensive Implementation Plan with updated timelines, milestones and accountabilities
- ✓ High Level Baseline Education Completed
- ✓ Work Teams Identified
- Recommended Workflow Remediation Plan
- Information Technology Remediation Plan
- Updated/Revised Physician Champion Strategy
- Reports Remediation Plan
- Updated Budget
- Education Plan
- Managed Care Remediation Plan
- Vendor Remediation Plan
- Information Technology Remediation Plan Physician Detailed Implementation Plan by Stakeholder
- Educational Plan, Timeline and Curriculum by Role and/or Department Activation

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Questions & Discussion

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Thank you

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