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Panel 4: ICD-10 – Strategies and Recommended Milestones to Achieve a Successful Transition

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Presented by Mona Reimers, FACMPE, CPC
Director Revenue Services, Orthopaedics Northeast PC, Fort Wayne, IN
Representing MGMA



Practice Profile



- Orthopaedics Northeast (ONE), Fort Wayne, IN
- 37 FTE physicians, 23 NP/PAs, 14 CRNAs, 13 PT/OT, 1 ASC, 1 MRI
- Of the 300 non-provider staff, approximately 30% would need fully trained in ICD10 (software application, billing, coding, administration) and nearly all staff will need an introduction
- Computer systems impacted by ICD-10
 - Electronic Health Record (GE)
 - Practice management (GE)
 - Patient portal (Kryptiq)
 - Claim Scrubber - charge entry (White Plume)
 - Clearinghouse – (Avality)
 - Reimbursement Analyzer – (Experian)
 - Patient Statement Vendor – (Elite)
 - Approximately 6 other 3rd party vendors

Current Physician Practice Environment



- Economic downturn = decreased number of patients with comprehensive health insurance and insurers have shifted costs to patients.
 - 3% of “allowed” charges have shifted to patient responsibility, increasing our billing costs and increasing bad debt.
- Multiple competing federal mandates/incentive programs including 5010, ACA administrative simplification provisions, meaningful use, eprescribing, PQRS and others. All demand significant human resource and financial investment.
 - Each new initiative demands some redirection of our workflow and requires EHR form re-design to meet the new requirements.
 - At the mercy of software developers to redesign or update the software to meet mandatory specifications before we can even begin our work.

Current Physician Practice Environment



- Tremendous uncertainty with ACA and the flawed SGR.
- Previous HIPAA and CMS fee schedule update implementations have not gone well.
- In 2010 the Medicare fee schedule was rolled out 3 times
 - MAC took a full 6 months to reconcile and be fully adjudicate.
 - Medicare Advantage payers took over a year to properly adjudicate claims and then only under threat of being reported.
 - Frequently had to write off the additional small balances of co-payments when only a few dollars are involved in the 2nd and 3rd adjudication.
- Unproven ROI, competing priorities and unfunded mandates have resulted in a unprecedented level of physician practice push back on ICD-10.

Strategy #1 – Conduct a Cost/Benefit Analysis



- For physician practices, identify costs (and benefits) of ICD10 such as
 - Internal impact analysis.
 - Potential for short and long term cash flow problems for physician practices and the likelihood of some non-recoverable loss of revenue from the transition.
 - System changes (EHRs, practice management and billing, research)
 - Clinical and administrative staff training.
 - Other staff costs (i.e., temp workers, consulting, clinical documentation and coding review).
 - Any cost of additional time associated with changes to administrative documentation.

Strategy #1 – Conduct a Cost/Benefit Analysis



- Continued,
 - Changes required for longitudinal research, clinical trials, benchmarking and quality programs in the government and private insurance programs.
 - Reduced clinician productivity (short term and ongoing).
 - Strain this will have on the patient care and patient satisfaction.
 - Contracting negotiation (including recalculation of reimbursement methodologies).
 - Changes to forms and practice workflow while providing healthcare.
 - Additional claim attachments, payment disruption, and expected increase in AR levels.
 - Claim revenue cycle benefits.

Strategy # 2 - Analyze the Impact of Overlapping Federal Initiatives



- Review existing federal HIT programs on physicians such as meaningful use, eRx, and PQRS as well as the implementation of 5010 and the administrative simplification provisions of section 1104 of the ACA (HPID, OEID, EFT, operating rules, claims attachments, etc.) in the context of ICD-10.
- Recognize the lack of harmonization between programs.
- Understand the impact of overlapping compliance dates (i.e., HPID and ICD-10).
- Recognize that each requirement requires significant staff time and significant practice investment.

Strategy #3 - Leverage the Experience of Other Nations in Considering Options



1. Implement ICD-10 only in inpatient settings

- This approach was adopted in Australia and Canada. Advantages are:
 - Addresses the concerns regarding continued use of ICD-9 codes in the inpatient environment
 - Inpatient ICD-10 only would provide considerable data regarding the ease or difficulty of that transition—could prove useful should the government then decide to move forward with mandating ICD-10-CM in outpatient settings

2. Implement a smaller “subset” of ICD-10-CM and exclude certain providers from detailed coding requirements.

- Every other nation uses a much smaller set of ICD-10 codes than ICD-10-CM (i.e., Germany has only 13,300 ICD-10-GM codes and excludes certain specialties),. Explore developing a smaller subset of ICD-10-CM for use setting and/or exclude certain provider specialties/locations .

3. Delayed adoption of ICD-10 in outpatient settings

- In Germany, ICD-10-GM use in outpatient settings was delayed for three years after implementation in hospitals

Strategy # 4 – Pilot Test



- Piloting conducted prior to national implementation
- Include a wide range of practice types and sizes, electronic and paper health record settings, and safety net providers
- Pilots should also be completed in a production environment to better replicate the transactions being used in the industry
- To expedite the piloting process, we recommend that CMS participate and provide funding for all pilot participants
- ONC could play a role, including leveraging RECs, HIEs

Strategy #5 - Certification



- Mirror approach of Section 1104 of the ACA and require the certification of all health plans to be able to accept ICD-10 codes.
- Clearinghouses should also be certified under the same criteria.
- Federal support for a private sector certification process for EHR, practice management and billing system software.
 - Partner with existing certification entities (ONC Authorized Testing and Certification Bodies) currently participating in meaningful use.
- As we have seen with meaningful use, certification can drive implementation by standardizing software requirements and leveraging market forces to ensure practices can meet federal requirements.

Strategy #6 - Transparency of Health Plan Policies



- Numerous questions must be answered, issues addressed:
- Granularity requirements
 - What level of code set granularity will health plans require?
 - Federal programs
 - Private health insurance plans
 - All health plans covered under the DOL/ERISA
 - How will reimbursement be impacted?
 - How will payment/coverage transparency and transparency of quality rating systems be maintained?
 - Will “unspecified” be accepted, and at current payment rate?
 - Will there be true payment “neutrality”?

Strategy #6 - Transparency of Health Plan Policies-con't



- How will pre-auths and pre-certs be handled?
- Will providers need access to plan payment policies at the time of service or prior authorization?
- Industry cross-walks;
 - Will each health plan adopt a proprietary cross walk?
 - How will differing cross-walks impact payment policies?
- Start with Medicare/Medicaid

Strategy #7 – Staggered Implementation



- Clearinghouses and health plans should comply first and then providers would comply with the standard a minimum of 12 months later.
- Dual use of ICD-9/ICD-10 should be permitted during testing year.
- This approach allows providers to fully test with trading partners before the compliance date. All covered entities will thus not focus on a single compliance date, minimizing disruption to healthcare delivery and claims payment.
- CMS should also implement a problem resolution and cash advance process to minimize impact on practice cash flow.

Additional Considerations/Opportunities



- Recognize the insufficient number of professional coders trained in ICD-10 (important to note that there is currently a lack of ICD-9 coders).
- Practice compliance with 4010 and 5010 relied heavily on clearinghouses. For ICD-10, concern that clearinghouses cannot “create” clinical documentation.
- Augment the outreach to impacted providers (mirroring the funding and success of the meaningful use program).

Additional Considerations/Opportunities



- Leverage the existing Regional Extension Centers to assisting in educating physician practices and providing them tools and resources for the transition.
- Provide a hotline for reporting problems if parties are not compliant and investigators, educators and enforcement staff to follow through.
- Consider Medicare advanced payments to providers to minimize claims payment disruption

Establishment of 10 Critical Milestones



1. Conduct cost-benefit analysis
2. Review experiences in other nations/explore options
3. Complete a comprehensive pilot
4. Move forward ONLY with those sectors that will provide real benefit
5. Only THEN set implementation dates
6. Stagger implementation dates-ensure a testing period
7. Certify health plans, clearinghouses, practice software
8. Establish process to financially assist providers
9. Create ongoing problem/conflict resolution process
10. Conduct extensive and ongoing provider health plan and vendor outreach with follow through to investigate, education and enforce uniformly

Summary



- Unprecedented change and potential for disruption.
- Significant pushback from outpatient providers on ICD-10 necessitates a new approach.
- The impact / cost / pathway forward MUST be established PRIOR to moving forward with ICD-10.
- “Traditional” single date implementation approach and where providers rely on clearinghouses will not work.
- HHS should explore code set and timing alternatives.
- Too many “unknowns” at this point to set a firm compliance date.