It's Not Over - The ICD-10 "Era" Impacts and Issues

Presented by: Tim Ashe RN, MSN, MBA, Partner
Kerry Termine DPT, BCHH-C, COS-C

June 22, 2016

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The ICD-10 "Era"
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**"Y2K"- A Moment
The "ICD-10-CM Era" –
An Ongoing Series of Changes**

- Now we know it wasn't

- ICD-10-CM combined with OASIS and Hospice data set changes has and will continue to result in subtle, insidious and impactful financial change

- Let's take another look

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Changing Variables

- Grouper formula changes

- Lower CMW related to re-basing

- ICD-10 code set: More complex and specific

- CBSA designation changes

- Changes in guidance

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Impacts

- Rejections and denials
- Lower CMW
- Missed CM diagnosis opportunities
- Slower cash flow
- Productivity and quality
- Ongoing staff training
- Auditing

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ICD-10 code Impact to Reimbursement

Decrease

PPS Payment Data	Agency	Audited
HHRG	C3F2S1	C2F2S1
CMW	0.7964	0.7435
Wage Index Adjusted Payment	$ 2,573.40	$ 2,402.46
NRS Add-on	$14.22	$ 14.22
PPS Estimated Payment	$ 2,587.62	$ 2,416.68

$-170.94

Diabetes manifestations: Diabetes from secondary to primary diagnosis

M1021-a			0	G62.9	E11.42/Diabetes/Type 2 diabetes mellitus with diabetic p	E11.42
M1023-b	E11.9/Diabetes/Type 2 diabetes mellitus without complic	E11.9			I12.9/Hypertension/Hypertensive chronic kidney disease	I12.9
M1023-c	I12.9/Hypertension/Hypertensive chronic kidney disease	I12.9				

Diagnosis Points	2			1

Difference in reimbursement increases with the number of therapy visits provided

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ICD-10 code Impact to Reimbursement

Decrease

PPS Payment Data	Agency	Audited
HHRG	C3F2S1	C2F2S1
CMW	0.7964	0.7435
Wage Index Adjusted Payment	$ 2,573.40	$ 2,402.46
NRS Add-on	$140.80	$ 14.22
PPS Estimated Payment	$ 2,714.20	$ 2,416.68

$-297.52

Unspecified trauma wound type or laterality

M1021-a	S61.011D/Skin 1/Laceration w/o fb of right thumb w/o d	S61.011D	S61.019D	Unspecified thumb laceration laterality
			S61.001D	Unspecified type of wound (bite, puncture, laceration)

Diagnosis Points	3		0

Impacts Clinical Domain Points and NRS reimbursement

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ICD-10 code Impact to Reimbursement

Decrease

PPS Payment Data	Agency	Audited
HHRG	C2F2S1	C3F2S1
CMW	0.7435	0.7964
Wage Index Adjusted Payment	$ 2,402.46	$ 2,573.40
NRS Add-on	$51.35	$ 51.35
PPS Estimated Payment	$ 2,453.81	$ 2,624.75

$-170.94

Unspecified codes per ICD-10 classification

M06.9		x	M05.89/Ortho 2/Oth rheumatoid arthritis w rheumatoid f ▼	M05.89	M06.9	RA (Unspecified Rheumatoid factor)
G62.9		x	G60.9/Neuro 2/Hereditary and idiopathic neuropathy, u ▼	G60.9	G62.9	Polyneuropathy (unspecified as ideopathic or other)
M17.9		x	M17.11/Ortho 2/Unilateral primary osteoarthritis, right ki ▼	M17.11	M17.9	OA knee (unspecified as primary or other)

| Diagnosis Points | 0 | | | | 5 | |

ICD-9 Comparison

714.0 / Ortho 2 / Rheumatoid arthritis	▼	714.0
356.9 / Neuro 2 / Idio periph neurpthy NOS	▼	356.9
715.96 / Ortho 2 / Osteoarthros NOS-l/leg	▼	715.96
	Diagnosis Points	6

PPS Payment Data	Agency
HHRG	C3F2S1
CMW	0.8242
Wage Index Adjusted Payment	$ 2,730.02
NRS Add-on	$52.27
PPS Estimated Payment	$ 2,782.29

$-157.54

M1030 = 1 On all calculations ($328.48)

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Diabetic Osteomyelitis ICD-9 to ICD-10

ICD-9 2015

250.80 / Diabetes / DMII oth st st uncntrld	▼	250.80
731.8 / Ortho 2 / Bone involv in oth dis	▼	731.8
730.07 / Ortho 1 / Ac osteomyelitis-ankle	▼	730.07

ICD-10 2016

M86.171/Ortho 1/Other acute osteomyelitis, right ankle	▼	M86.171
E11.9/Diabetes/Type 2 diabetes mellitus without compli	▼	E11.9
Diagnosis Points	4	

E11.69/Diabetes/Type 2 diabetes mellitus with other spe	▼	E11.69
M86.171/Ortho 1/Other acute osteomyelitis, right ankle	▼	M86.171
Diagnosis Points	3	

M1030	1-Intravenous or infusion therapy (excludes TPN)	▼

PPS Payment Data	Agency
HHRG	C3F2S1
CMW	0.8242
Wage Index Adjusted Payment	$ 2,730.02
NRS Add-on	$52.27
PPS Estimated Payment	$ 2,782.29

-$69.45
(-$0.92)
-0.0278

PPS Payment Data	Agency
HHRG	C3F2S1
CMW	0.7964
Wage Index Adjusted Payment	$ 2,661.49
NRS Add-on	$51.35
PPS Estimated Payment	$ 2,712.84

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Initial ICD-10 Metrics

Final 2015 ICD-10 Claims Dashboard Medicare Fee-for-Service Metrics		
Metrics	Historical Baseline	Q4 CY 2015
Total Claims Submitted	4.6 Million per day	4.6 Million per day
Total Claims Rejected	2% of total claims submitted	1.9%
Total ICD-10 Claims Rejected	0.17% of total claims submitted	0.07%
Total ICD-9 Claims Rejected	0.17% of total claims submitted	0.07%
Total Claims Denied	10% of total claims processed	9.9%

Source: RevCycle Intelligence

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Initial Rejections

- From 10/1/15 – 10/27/15:

> "Of 4.6 million total claims submitted per day, 2 percent were rejected to incomplete or invalid data."

CMS
0.09 % for incorrect ICD-10 codes
0.11 % for null ICD-9 codes

Source: healthcarefinancenews.com

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Recent Rejections

3 most common ICD-10 denials

- Invalid diagnosis code (non-specific)

- Invalid diagnosis code (incorrect number of or invalid characters)

- Invalid diagnosis codes (cannot contain ICD-9 codes)

Total claims denied were 10.1% of total claims processed

Source: healthcarefinancenews.com

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Recent Rejections

- Primary Diagnosis Code - The primary ICD-10 code is not a valid ICD-10 code or is not valid for the date of service

- Diagnosis Code - The secondary ICD-10 code is not a valid ICD-10 code or is not valid for the date of service

Source: HomeCare

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Recent Rejections

- Invalid Character - The ICD-10 diagnosis code must not contain a decimal (system specific)

- E-Code - ICD-10 codes that begin with letters V, W, X or Y are not allowed

- Diagnosis Codes - Cannot have both ICD-9 and ICD-10 codes on the same claim

Source: HomeCare

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Top Claim Denials:
NOT Coding

5SHZB	Documentation submitted does not support homebound status.
5SH2C	Medical necessity not supported as there is no OASIS present.
5SH3A	Skilled observation was not needed from the start of care (SOC).
5SH3V	Skilled nursing services were not medically necessary.

Source: ngsmedicalre.com/ngs/portal

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Most Common Errors - What We've Found

- Not coding correct number of characters(7th)

- Not coding to specificity (location/depth)

- Using manifestation codes as primary

- Not using combination codes when available

- Incorrect use of the 7th character

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Most Common Errors - What We've Found

Coding

- Not coding to the most specific diagnosis supported in the record

- Over utilization of therapy codes/symptom codes that are integral to other diagnoses and do not need to be coded separately

- Lack of physician specification in documentation

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Most Common Errors - What We've Found

OASIS

- Scoring patients with lower levels of pain frequency (M1242) when the record supports the likelihood of more frequent pain

- Scoring patients with observations of dyspnea in activities that require higher levels of exertion (M1400) when the record supports the likelihood of dyspnea with activities that require only minimal levels of exertion

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Most Common Errors - What We've Found

OASIS Continued

- Inaccurate scoring of ADLs. Clinicians often score patients as more independent than what the record supports

  – Safety of task completion not considered

  – Therapists observations not considered

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Quality & Productivity
AHIMA Study

- A significant study of the impact of ICD-10-CM on productivity and quality was conducted by **AHIMA** in their online journal, **Perspectives**, Spring 2016 Issue.   From that came some specific recommendations:

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Quality & Productivity
AHIMA Study

- Coding managers should consider establishing a time limit for coding ICD-10-CM and ICD-10-CM/PCS records, especially during the initial stages of the implementation. **These results indicate that longer coding times do not result in higher quality.**

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ICD-10 Quality 2016

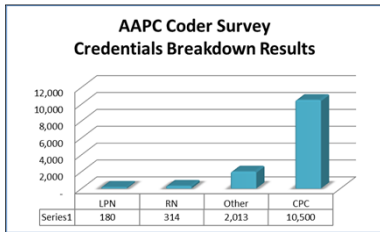| Coding Type	Q1 Average Accuracy	Q2 Average Accuracy (as of 5/27/16
Inpatient coding	83.1%	84.9%
Ambulatory coding	80.8%	82.7%
Emergency services coding	85.6%	88.9%

Compare to ICD-9 accuracy standard of 95%

The bottom five coding accuracy categories included:

Q1 Rank/Accuracy		Category/Description	Q2 Rank/Accuracy		% Change
1	51.1%	V00-Y99 External causes of morbidity	1	67.1%	+16%
2	58.0%	R00-R99 Symptoms, signs & abnormal findings	2	72.2%	+14.2%
3	63.6%	S00-T88 Injury, poisoning and other external	11	81.3%	+17.7%
4	65.2%	Q00-Q99 Congenital malformations	5	74.1%	+8.9%
5	66.1%	D50-D89 Diseases of the blood & organs	3	72.3%	+6.2%

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AAPC-Work of a Coder
Nurses-Few and Far Between

AAPC Coder Survey
Credentials Breakdown Results

	LPN	RN	Other	CPC
Series1	180	314	2,013	10,500

https://www.aapc.com/resources/research/work-of-a-coder.aspx

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ICD10: What's Coming?

- Oasis C2

  - Implementation on January 1, 2017

  - To standardize some items with other post-acute settings

  - Reformatted responses, change in look back period for some items, new m-items to learn…

- Impact of changes: need to constantly update Hospice coding, new/revised H.I.S. data set.

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ICD10: What's Coming?

- There are proposed ICD-10-CM code changes to take effect 10/1/16

  – Number of changes planned for October 1, 2016:

```
     1943  New Codes
      422  Revisions
+     305  Deleted
     2670  Total Changes
```

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ICD10: What's Coming?

- We're watching some proposals for clarifications and changes such as:
  - New code for non-healing surgical wound
  - Change in description for the severity level of non-pressure ulcers
  - Type 2 Diabetes with Ketoacidosis
- Home Health Pre-claim Review Demonstration
  - IL, FL, TX, MI and MA

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Industry Challenges

- ICD-10 Coding Accuracy
- Assuring skills of coders
- Internal time constraints
- Keeping up with regulatory changes
- Audit criteria and standards
- Decision to outsource

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Industry Challenges With Coding:
No Standardized Industry Accepted Method for Conducting Coding/OASIS Accuracy Audits

- Most audits are completed by stakeholders with competing interests
- Most agencies do not have enough coders to set up internal audits
- It is clearly time for coding leaders in home health and hospice to come together to develop a standardized measure for audit coding quality

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Industry Challenges With Coding:
No Standardized Industry Accepted Method for
Conducting Coding/OASIS Accuracy Audits

AHIMA
HIM Body of Knowledge™

The lack of standardization hinders communication related to clinical coding performance and work processes, and it impedes future development. The use of a common language or vocabulary is a fundamental component of performance measure and workflow.

Source: http://library.ahima.org/doc?oid=78703#.V2js0Wf2aM8

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Industry Challenges With Coding:
No Standardized Industry Accepted Method for
Conducting Coding/OASIS Accuracy Audits

AHIMA
HIM Body of Knowledge™

Workflow process varies by purpose, practice setting, and organizational factors, among other variables. Formidable challenges remain for defining measurement benchmarks, standardization, and continuous quality improvement models that will improve data integrity and code assignment.

Source: http://library.ahima.org/doc?oid=78703#.V2js0Wf2aM8

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Professional Recommendations
For Best Practice on Coding

1. Initial audit random sample mixed type

2. Minimum quarterly audits when competency established

3. Industry specialized with certification and knowledge of coding and OASIS requirements

4. Independent 3rd party reviewer

5. Focus on accuracy and timeliness

6. On-going education and random audits

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Professional Recommendations For Best Practice on Coding

- Industry development and acceptance of standardized coding audit methodology for both home health and hospice

- Examples of standardized approach and methodology for determining quality include:

  - The Joint Commission

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Examples of Standardized Approach and Methodology for Determining Quality Include:

The Joint Commission - provides health care accreditation and related services that support performance improvement in health care organizations. The Joint Commission currently evaluates and accredits nearly 17,000 health care organizations and programs in the United States.

Joint Commission ORYX® initiative integrates outcomes and other performance measurement data into the accreditation process. ORYX measurement requirements are intended to support Joint Commission-accredited organizations in their quality improvement efforts. The public availability of performance measure data permits user comparisons of hospital performance at the state and national levels.

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Thank You!

Questions? info@fazzi.com

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