Instructions to join the meeting remotely:

1. Open a web browser and enter URL: www.readytalk.com
   Enter participant access code: 2093166

2. Phone in for the audio portion of the conference:
   1-866-740-1260 - then enter the access code: 2093166

MEETING HANDOUTS:
www.cchap.org/pmmmeeting
Get Ready for ICD-10

Denny Flint
Managing Partner, The Talon Group

dftalon77@gmail.com
www.dennis-flint.com
970.390.8970

MEETING HANDOUTS:
www.cchap.org/pmmeeting
Get Ready for ICD-10
or
“Hope is NOT a plan!”

DENNY FLINT
THE TALON GROUP
FOR: CCHAP
COLORADO CHILDREN’S HEALTHCARE ACCESS PROGRAM
A doctor from a large group practice asked the administrator,

“What happens if we spend all this time and effort preparing for ICD-10 and it doesn’t happen?”

The Administrator replied,

“What if it happens...and we don’t?”

SGR BILL RESOUNDINGLY PASSED THE HOUSE AND SENATE WITHOUT ICD-10 DELAY LANGUAGE.

ARE YOU READY FOR OCT. 1, 2015?

STOP PROCRASTINATING!
Where are we now?
Why are we procrastinating?

- “Chicken Little” Syndrome - Too many delays, no credibility
- “Sound Bite” Syndrome – Fear Merchants, Doom and Gloom
- “We’re Overwhelmed” Syndrome – We’re ALWAYS overwhelmed!
- “Government Piling On” Syndrome – RAC audits, MU2, Obama Care, etc.
- “Docs don’t care” Syndrome – As the key players in the whole mess – not ok!

*ICD-10 is not that bad if you eat it like an elephant, 1 Bite at a time.*

Waiting too long will be expensive and chaotic. ICD-10 IS NOT GOING AWAY!
Learning Objectives

- Understand why you need to stop procrastinating
- Identify your top 2 implementation priorities
- Know how to achieve the top 2 implementation priorities
- Recognize the rest is just “White Noise” (but still important!)
- Learn why ICD-10 data is the basis for your future reimbursement
Stop Procrastinating!
“Hope is not a Plan!”

What happens if you are NOT ready for ICD-10 on Oct. 1, 2015

- Loss of productivity – Canada => 50% loss of coder productivity
- Overworked billing staff following up claims issues
- Loss of revenue due to lack of medical necessity
- CRANKY DOCTORS!!
- Breakdowns across the practice continuum:
  - Daily workflow,
  - Order entry,
  - Referrals
Priority steps for Procrastinators
“But first...a message from our money”

A note about Budget:

Time and Money is a determinant for all ICD-10 processes
- How much you have to invest in this project drives Education and IT support choices
- **Time** is a crucial “budget item” – **Someone has to do all this stuff**!

Budget is a “moving target” depending upon what you uncover

The one “truth?”

*The longer you wait, the more expensive the transition*
What most people think the ICD-10 project looks like...
Top Two Priorities?

#1 Clinical Documentation Improvement

#2 PM/EHR Updated

*If you do nothing else for the implementation, these two action items are mission critical!!!*
#1 Priority
Clinical Documentation Improvement

The basis for *everything!*

- Coding
- Testing
- Billing

*You could have the best team, perfect plan, and lots of budget $$, but at the end of the day, if the clinicians do not provide the required documentation, all efforts are fruitless!*
What to do about CDI?

1. Gather the ICD-9 Codes you most often use
2. Convert to ICD-10 using combination of GEMs and Books
3. Identify the new documentation elements
4. Create documentation training tools
5. If you have time, conduct simple chart reviews
6. ...and train, train, train

That’s it!

It’s simple, achievable and will reap the largest returns.
Unspecified may mean Unpaid

“Physicians may be ICD-10 compliant, but if they abuse the “other” or “unspecified” codes, payment will not occur if a more specific alternative exists.”

Dennis Winkler, Director of Technical Program Management
Blue Cross of Michigan

Justifying medically necessary procedures and services depends on specificity of diagnoses coding
#2 Priority
PM/EHR Upgrade

The *lifeblood* of clinical data collection

- Most vendors say they are ready (They are not!)
- Ask hard questions now – Be the squeaky wheel
- Otherwise...massive clinician frustration
Vendor readiness questions

1. When will the upgrade be available?
2. Is there a cost for the upgrade?
3. Do you provide training?
4. Who updates the pick/problem/preference lists?
5. Who updates the templates?
6. When can we dual code?
7. Will you assist with full cycle end-to-end testing coordination?
8. Will the update delete existing user customization?
9. Is our hardware (work stations and servers) adequate?
10. What type of Order Entry and CPOE functionality enhancements will be made?
What is your plan?
Conduct the two top priorities concurrently.

(Then...consider the gravy)

Time Permitting:

- Conduct an impact assessment that identifies all ICD-10 impact areas (people, technology, cost)
- Test, Test, Test
- Contact Payers for specific payment policy changes
- Perform a late Q3/Early Q4 chart review that validates the training
Additional motivation for ICD-10?

“Our plan is to have 30% of Medicare reimbursement tied to a “value-based” performance model by the end of 2016.

Secretary Burwell, DHHS
Feb. 13, 2015

Your diagnostic code set is your “public face” to the outside world. What type of practice do you want the world to know?
The Basics of a Value-Based Reimbursement Model

- Evaluate conditions of patients and determine the reasonable cost to treat the condition(s)
- Pay that amount to the providers and if they can achieve the outcome for less they keep the difference
- Financial incentive to keep patients healthy while providing less care.
- Outcomes measurement, value based, and evidence based data help to determine that care standards are maintained
Diagnosis Based Reimbursement
Shared Risk and Rewards

Physicians take back authority for care decisions and rewarded for their success in improving outcomes and/or reducing costs

Lucentis vs. Avastin (Macular Edema)
- Lucentis - #1 drug in the Medicare formulary in 2012 at $956 million paid by Medicare at $2000 per injection
- Avastin - $50 treatment clinically proven in a 2 year study to be equally effective to Lucentis
- Had physicians adopted Avastin - Those cost reductions could be shared with plan physicians, and costs would be significantly reduced.
- A benefit to all except Roche and Genentech who owned both injectables but only promoted Lucentis for Macular Edema
Where are we now?
ICD-10 is a key element of value-based reimbursement – Your financial future!

- The “death” of fee for service – Less is MORE!!
- ACO’s, PCMH, Value-based/Evidence-based Models
- Medicare mandate – commercial payers sure to follow
- HCC’s and Risk Adjustment Factors

Common threads:
Cost effective, quality care with your data at the core.

Don’t let your Ferrari run on coal!
Another reason ICD-10 is important...

The HCC Model

Hierarchy Conditions Categories

- Also known as Hierarchical Co-existing Conditions
- Allows CMS to calculate a member’s risk score from information received via claim data
- More severe or complicated illnesses in a category will trump others
- RAF adjusted score identifies member’s health status or severity of illness for the current year, as well as the cost of their care
- Calculation = Advantage Plan payment
The HCC Model

Factors that drive the risk score

◦ Most severe manifestation
◦ The more severe or complex the diagnosis the higher the value (‘risk score’)
◦ Similar to RVU concept applied to CPT codes

Currently 3,000 diagnosis codes which group into 70 HCC’s

Early modeling of ICD-10 = approx. 11,000
## Example of Risk Adjustment

<table>
<thead>
<tr>
<th>No Conditions Coded (Demographics Only)</th>
<th>Some Conditions Coded (Claims Data Only)</th>
<th>All Conditions Coded (Chart Review by Certified Coder)</th>
</tr>
</thead>
<tbody>
<tr>
<td>76 year old female</td>
<td>76 year old female</td>
<td>76 year old female</td>
</tr>
<tr>
<td>.468</td>
<td>.468</td>
<td>.468</td>
</tr>
<tr>
<td>Medicaid Eligible</td>
<td>Medicaid Eligible</td>
<td>Medicaid Eligible</td>
</tr>
<tr>
<td>.177</td>
<td>.177</td>
<td>.177</td>
</tr>
<tr>
<td>DM Not Coded</td>
<td>DM (no manifestations)</td>
<td>DM with Vascular Manifestations</td>
</tr>
<tr>
<td></td>
<td>.118</td>
<td>.368</td>
</tr>
<tr>
<td>Vascular Disease not coded</td>
<td>Vascular Disease without complication</td>
<td>Vascular Disease with complication</td>
</tr>
<tr>
<td></td>
<td>CHF not coded</td>
<td>CHF coded</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.368</td>
</tr>
<tr>
<td>No interaction</td>
<td>No interaction</td>
<td>+ Disease Interaction bonus RAF (DM + CHF)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.182</td>
</tr>
<tr>
<td>Patient Total RAF</td>
<td>Patient Total RAF</td>
<td>Patient Total RAF</td>
</tr>
<tr>
<td>.645</td>
<td>1.062</td>
<td>1.973</td>
</tr>
<tr>
<td>PMPM Payment for Care</td>
<td>PMPM Payment for Care</td>
<td>PMPM Payment for Care</td>
</tr>
<tr>
<td>$452</td>
<td>$743</td>
<td>$1,381</td>
</tr>
<tr>
<td>Yearly Reserve for Care</td>
<td>Yearly Reserve for Care</td>
<td>Yearly Reserve for Care</td>
</tr>
<tr>
<td>$5,418</td>
<td>$8,921</td>
<td>$16,573</td>
</tr>
</tbody>
</table>
Another reason to embrace ICD-10?

All the fun codes!!!

For example...
Fall from or off toilet with subsequent striking against an object

- W18.12XA  Initial Encounter
- W18.12XD  Subsequent Encounter
- W18.12XS  Sequela

(Hey! This stuff really happens!!!
Toilet trouble: Six people injured and one dead after falling off faulty raised toilet seats

By Daily Mail Reporter
Last updated at 4:36 PM on 23rd October
Read more: http://www.dailymail.co.uk/news/article-1080018/Toilet-trouble-Six-people-injured-dead-falling-faulty-raised-toilet-seats.html#ixzz1jyJuYFIr

Prisoner who fell off toilet fails in payout bid.
Belfast Telegraph, 4 November
W22.09XD

Striking against other stationary object,
Subsequent Encounter
Two fish were swimming along and ran into a cement wall. One looked at the other and said, “Dam”
Y93.K2

Activity, Milking a Cow
(If the milking goes badly)

...the related W55.22XS

Struck by cow, Sequela
Burn due to *water-skis on fire*, subsequent encounter
Ok...so I looked everywhere.

I could not find one single “person burning on water skis” picture.

But I DID find incidents involving SNOW SKIS
V98.3XAA

Accident to, on, or involving
Ski Lift, initial encounter
W61.91XA

Bitten by Other Birds,
Initial Encounter
Please note: Codes exist for...

*Being bitten or struck by...*

*Turkey, chicken, macaw, parrot, other psittacines, goose, duck, mouse, rodent, rat, squirrel, sea lion, orca, horse, cow, pig, raccoon, lizard, snake, alligator or crocodile.*
And don’t forget the ever popular...

R46.1

Bizarre Personal Appearance
R46.1 Bizarre Personal Appearance

A guy goes to see his doctor because he doesn’t feel well. The doctor examines him and notices he has a stalk of celery stuck in one ear, a carrot sticking out of the other ear, and an olive stuck up his nose.

“Ah,” the Dr. says, “I know what’s wrong with you.”
“You’re not eating right.”
But Seriously…
We must find ways to engage the providers

The *unprepared* practice exhibits:
Inadequate documentation = unspecific coding
Unspecific coding = Lack of Medical Necessity
Lack of Medical Necessity = Denied Claims

*Physicians:*
“You hold the key to ICD-10 success.”
The benefits of ICD-10

- Enhanced Acuity Data for tracking effective care
- Asthma and Metal Hips examples
- Managed Care Contract Negotiations – Taking a knife to a gunfight
- ACO attractiveness – “Be the cool kid on your block!”
- Interoperability – bird flu, swine flu, salmon flu, grizzly flu
- Most importantly – Get paid for what you do and receive credit for how sick your patients really are!!
Summary

- Stop Procrastinating – Do the easy, high impact things first
- Find your ICD-10 Reality – convert your codes, identify new documentation elements, train your clinicians, conduct chart reviews to uncover shortfalls
- Immediately engage and assess Vendor and Payer readiness
- Test, Test, Test then practice and validate
Regarding ICD-10, don’t be like the doctor whose receptionist runs back and says,

“DOCTOR, THERE’S AN INVISIBLE MAN IN OUR WAITING ROOM!”
And the doctor says, “Tell him I can’t see him.”

Thank you!

Denny Flint
The Talon Group
(970) 390 8970
www.the-talon.com

Please contact us for effective, affordable ICD-10 implementation and education solutions!