

CMS Billing Guidance

- ▶ Transmittal 950 CR 7492 recently provided guidance when claims **overlap effective date**
- ▶ <https://www.cms.gov/transmittals/downloads/R950OTN.pdf>

Bill Type	Type of Service	Claims Processing Requirement	Use FROM or THROUGH
11X	Hospital inpt	Discharge (through) date is on/after 10-1-13, then report ICD-10	THROUGH
13X	PPS outpt	Split claims – All ICD-9 remain on services performed in Sept and ICD-10 codes are reported on DOS on/after 10-1-13	FROM
18X	Swing Bed	Discharge (through) date is on/after 10-1-13, then report ICD-10	THROUGH
21X	SNF Pt A	Discharge (through) date is on/after 10-1-13, then report ICD-10	THROUGH
22X	SNF Pt B	Split claims – All ICD-9 remain on services performed in Sept and ICD-10 codes are reported on DOS on/after 10-1-13	FROM
71X	RHC	Split claims – All ICD-9 remain on services performed in Sept and ICD-10 codes are reported on DOS on/after 10-1-13	FROM
72X	ESRD	Split claims – All ICD-9 remain on services performed in Sept and ICD-10 codes are reported on DOS on/after 10-1-13	FROM
85X	CAH outpt	Split claims – All ICD-9 remain on services performed in Sept and ICD-10 codes are reported on DOS on/after 10-1-13	FROM
Prof	Anesth/Profes	IF DOS overlap, bill with ICD-9 & use 9-30 as FROM and THROUGH date	FROM

Medicaid Update

- ▶ Per CMS as of July:
 - ▶ 11 states are high risk
 - ▶ 21 states are moderate risk (Wisconsin)
 - ▶ 15 are low risk
 - ▶ 4 non-respondents
 - ▶ There are still 2 years to go
- ▶ The Center for Medicaid, CHIP* and Survey and Certification is working with each state to implement risk mitigation strategies



Operations Assessment

- ▶ What functions are impacted in terms of people, processes, and technology?
- ▶ What information systems and tools are used by each functional area that is dependent upon ICD-9 codes?
- ▶ What is the extent of change required to achieve implementation and compliance at the process and procedure level?
- ▶ How will implementation and compliance gaps be prioritized for preparedness?
- ▶ How can the organization achieve compliance and attain strategic benefits (meaningful use, VBP)?
- ▶ Who in the organization is "on point" for managing the ICD-10 implementation? ...Also need a 5010 lead individual.
- ▶ What additional resource(s) might be needed to support implementation and post-implementation activities?



Finance Assessment

- ▶ What **managed care contracts** will need to be renegotiated; how will the hospital/health system monitor contract compliance and track reimbursement for accuracy?
- ▶ What will be the impact to **AR** and **cash flow**?
- ▶ What will be the impact to **financial reserves** and **working capital**?
 - ▶ Will we need to open a line of credit
- ▶ How will **dual payment processing** under ICD-9 and ICD-10 impact financial reporting?
- ▶ How will ICD-10 impact **grant** and **other research** funding?
- ▶ What **financial resources**, in terms of capital and operational dollars, are required to implement ICD-10?



Technology Assessment

- ▶ What applications, databases, interoperability feeds, and reporting might be impacted by ICD-10?
- ▶ How all-encompassing is the impact of ICD-10?
- ▶ Will the ICD-10 change be vendor-supported or require in-house changes?
- ▶ For vendor-supported systems, is there an acceptable upgrade/remediation path, or will the systems need to be replaced?
- ▶ What are the vendor-related and internal actions required to prepare for and conduct the migration?
- ▶ What is the estimated timeline, level of effort and anticipated costs?
- ▶ What staffing resources are needed to support multiple replacements/upgrades?
- ▶ How will the IT department order system replacements/upgrades and conduct unit and integration testing?



**Operational Impacts of ICD-10
Are You Getting Ready?**

	Registration	Delivery of care	Case Mgmt & OI	HIM Coding	Billing	Financial Reporting	Finance	Payors
How affected	Referrals	MD - Documentation expectations	Documentation expectations	Documentation expectations	Maintain communication w/ payors	Documentation expectations	Contract Mgmt	Contract negotiations
	Vendor system updates	Vendor system updates	Vendor system updates	Vendor system updates	Vendor system updates	Vendor system updates	Vendor system updates	Vendor system updates
	ADTs - Medical Necessity	Meeting Medical Necessity	Meeting Medical Necessity	Medical Necessity audits	Manage edit-processor	Quality process reviews	Reconciliate RA and edit	Build new edit-processor
	Eligibility checks	LOS patterns for MSDRG	UR - acuity and severity	Education obtain LOS education provide for MD provide for staff	Clinic submissions	Outcome reviews	Education budgets	Education
	Pre-authorization	Transfer and Transition of care	Productivity (image backlog)	Clinic rejections	HCAHPS	Manage AR Rev & S	Claims mgmt	Pre-empt
	Pre-registration	Discharge planning	Outsourcing needs	Manage details	WHAC	Revenue mgmt		
	Privacy Policies	Gap Analysis	Gap Analysis	Financial counseling	Hospital compare	Historical Data Analysis	RA	RA
	Reason for visit	SEMs	SEMs	New EOB & contractual arrangements	AHRQ	Payment schedules	SEMs	SEMs
		Publicly reported data	MSDRG	Cleaninghouse	CA reporting	Publicly reported data	Patient Education	Patient Education
		Internal Auditing	Dirty Mgmt	Monitor RA				

**Operational Impacts of ICD-10
Are You Getting Ready?**

	Registration	Delivery of care	Case Mgmt & OI	HIM Coding	Billing	Financial Reporting	Finance	Payors
Key/essential Functions - need to address	Education & retraining	Education & retraining	Education & retraining	EDUCATION needs: WHO WHEN WHAT HOW	Education & retraining	Education & retraining	Education & retraining	Education & retraining
	ICD-10 Team	ICD-10 Team	ICD-10 Team	ICD-10 Team	ICD-10 Team	Benchmarking	ICD-10 Team	Apply GEMs
	Increased productivity	Meeting Medical Necessity	Decreased productivity	Decreased productivity	Research data	Decreased productivity	Decreased productivity	Decreased productivity
	New Forms	New Forms	New Forms	Coverage changes	Data conversion	Coverage changes	Apply and S benefits	Apply and S benefits
	JRP	JRP	JRP	JRP	JRP	JRP	JRP	JRP
	Work/process flow	Operational process	Work Flow & operational processes	Work/process flow	Work/process flow	Operational processes	Work/process flow	Work/process flow
	Increased Documentation	Assess documentation	Documentation expectations and education	Follow and manage	Clinic scrubber	Manage Cash Flow & Reimburse	Generate EOB	Generate EOB
		Auditing	ICD-10 validation/auditing	Payment validation		Budget modifications		
		Data Conversion	Cross Training	Education		Genius option		
		Legacy data	Budgetary constraints (education and tools)			Reinforce ICD-10 team recommendations		
			Staffing requirements (flex PTO)					
			Consistent Coding					
			Automating (PCH on output)					

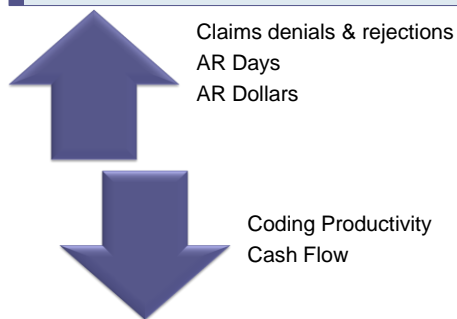
SAMPLE - ICD-10 Gap Analysis

Dept/Task	What is currently done	Where we need to be	What we need to do/(Involved Dept(s))
Lab	Medical Necessity		Work with HIM to obtain new LCDs and NCDs Prepare listing of new Medical Necessity for ## lab tests Update Medical Necessity/ABN policy
Case mgmt	Acuity/Severity		Will there be any changes to Milliman/Intarqual criteria
MSDRG checks (LOS)		Get GEMs - MSDRG - Identify those payers that will pay on DRG (already done by @#) Increased Documentation	Ensure Case Mgmt and GI has access to updated GEMs file Will these payers be ready for 10-1-13 deadline Do they have GEM file to ensure smooth transition Forms update to accommodate additional detail Work with CD staff to assist with documentation needs
Registration	HIPAA Privacy Notices	Compliance provides updated notices - we get signed ###	Update Privacy notices
Pre-authorization			Revis Privacy Notices containing ICD-10 language
Pre-registration			
Eligibility	Wa check for eligibility on ###	Eligibility complaint process	IT - Vendor will have to be test compliant
ABN forms	Check Medical Necessity upon registration	Get updated LCDs and NCDs	Update ## policy Revis ## form

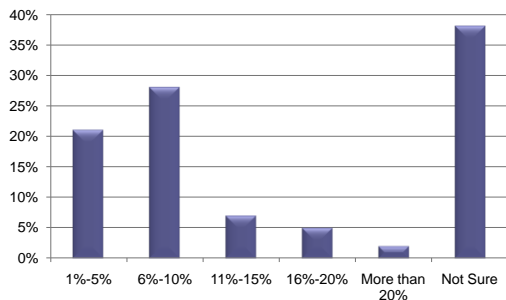
Consequences of Poor Preparation

- ▶ Cash flow will slow in 2013 and 2014
- ▶ Possible reductions in inpatient payments due to unbundling of diagnoses and procedures
- ▶ Overall revenue loss
- ▶ Return on investment in question
- ▶ Impact on margins long-term
- ▶ Negative affect on VBP program
- ▶ Publically displayed data may negatively influence potential customers

Cash Flow Management

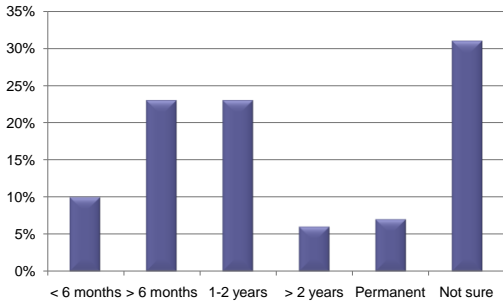


Revenue Loss – How much revenue does your facility anticipate losing?



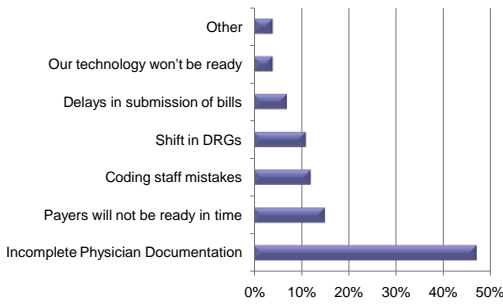
Source: 2011 Survey by HealthLeaders Media

Revenue Loss – How long do you expect revenue losses to last?



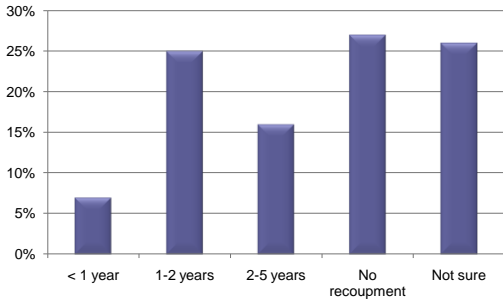
Source: 2011 Survey by HealthLeaders Media

Revenue Loss – Select the top reason you expect to see a decrease in your revenue.



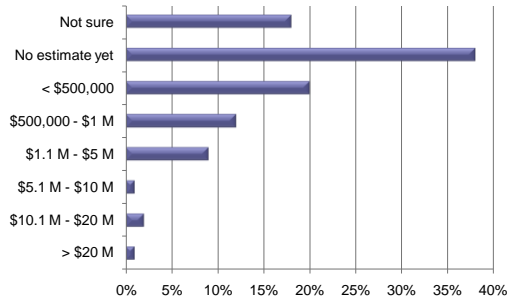
Source: 2011 Survey completed by HealthLeaders Media

ROI – Once your ICD-10 systems become operational, how long do you expect before you realize a ROI?



Source: 2011 Survey completed by HealthLeaders Media

Cost of Implementation – What is your organization’s projected cost to be ICD-10 ready by 2013 (including labor, hardware, software, training, consultants, etc.)?



Source: 2011 Survey completed by HealthLeaders Media

Key Budget Items for Success

- ▶ Commit to a multi-year hospital/system-wide budget
- ▶ Conduct an assessment and develop an ICD-10 plan
- ▶ Manage to plan by having a governing body for accountability
- ▶ Commit to providing resources for success (hardware and software assessment, training, and testing resources)
- ▶ Engage vendors, payers and trading partners – know their plan
- ▶ Test the skills of staff and develop training plans, for coders, physicians and data users
- ▶ Provide auditing of records for provider documentation integrity reviews
- ▶ Customize your results with your own data trending and mapping plan
- ▶ Establish a database for modeling financial reimbursement, monitoring key performance indicators, and negotiating contract terms
- ▶ Have a workforce plan with expertise and knowledge in ICD-10 – use external resources as needed

Wisconsin ICD-10 Partnership



- ▶ To bring together stakeholders from health care, payer and vendor organizations to collaborate in the planning and implementation of the ICD-10 coding nomenclature.
- ▶ To share tools across organizations that will help in the planning, implementation and post-implementation process.
- ▶ To provide other resources for senior managers in health care organizations that will help them lead their staff and medical staff through this transition and remain financially viable.
- ▶ To provide adequate education resources for technical staff to learn and successfully implement the ICD-10 coding system in their organizations.
- ▶ To provide post implementation monitoring and reporting tools for hospitals and clinics.

WICD-10 Partnership Members

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