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# California ICD-10 Site Visit

Training segments to assist the State of California with the ICD-10 Implementation

## Segment 6: Provider Communication

June 10-11, 2013

Navigation flowchart:

- MITA and ICD-10 Support National Quality Strategy
- ICD-10 Overview
- Analytics & Reporting
- Program Integrity
- Policy Remediation Best Practices
- Managed Care
- Claims Management
- Provider Communication

### Purpose of this set of slides

Communicate the impact and opportunities of ICD-10 across SMA operations and specific business areas.

### Talking Points

- The move from ICD-9 to ICD-10 is a significant change for SMAs and unlike previous HIPAA efforts, ICD-10 impacts the business of Medicaid as much as its enabling technology systems.
- ICD-10's impact will be disruptive in the short-term, but positive over the longer term. The new code sets will benefit the delivery of care by indicating diagnoses and matching payment to care more precisely. In time, it will promote efficiencies and improvements in care documentation, claims processing, and business intelligence.
- CMS has prepared a series of slides and training materials especially for SMAs, which provide key information about the ICD-10 code sets, how to use them, how to benefit from them, and how to implement them.
- CMS hopes this information will assist SMAs with effectively implementing and benefiting from this major change to the specificity and content of codes sets used to categorize health care diagnoses and inpatient procedures.

### Notes

- **Note: the implementation of ICD-10 does not affect HCPCS codes (Levels I and II) for outpatient procedures except in cases where coverage and payment may be dependent on medical necessity as determined by diagnoses codes. For more info on HCPCS codes, please refer to: <http://www.cms.gov/medhpcsgeninfo/>**
- Unless otherwise specified in this presentation, ICD-10 refers to both ICD10-CM and ICD10-PCS.
- Unless otherwise specified in this presentation, the word "procedures" refers to inpatient procedures.



# Agenda

- Introduction
- Provider Challenges
- Provider Readiness
- Cost to Implement
- SMA Communication
- Health Plans Assistance
- Open Discussion



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**Purpose of the slide**

Introduce the agenda for a session covering potential ICD-10 impacts on SMA specific areas

**Talking Points**

- None



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## Provider Challenges

Providers have much to think about as it relates to ICD-10

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Lessening the Burden of Pain,  
Preserving the Quality of Life





- Physician / Clinician and staff training
- Consideration for SMA policy updates
- Payment delays
- Health Plan Contracting
- Providers will need to obtain knowledge of the SMA remediation strategy

- Providers will need to submit charges on both code sets during transition
- Documentation to support ICD-10
- IT System Changes
- Changes in Superbills and Coding Documentation
- Communication with Health Plans
- Reimbursement Changes

Conversion to ICD-10 has some uncertain implications; it can affect the provider's business processes in multiple ways, some of which are difficult to predict

A major impact to providers will be accurate and timely claim reimbursement.

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**Objective:** To address some of the challenges providers face

**Talking Points:**

- Major concern to providers will be accurate and timely claim payments; No disruption to their revenue flow
- Knowledge of how to submit claims based on SMA remediation, impact to their contract, how medical policies impact reimbursement
- Testing needs to occur frequently to ensure accurate payment

SMA's should plan for provider training sessions and updates

1. Providers will need to submit charges on both code sets - ability to capture and store both code-sets based on the payer that the claim needs to go to
2. Knowledge of the SMA remediation strategy - 3. For direct billing to the SMA providers need a thorough understanding of the SMA's remediation strategy
4. For billing through clearinghouses, providers need a thorough understanding of the remediation strategy / dual processing strategy

  
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WEDI 2013 Readiness Survey

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Transition Slide



## Background

- Approximately one year after previous survey
- Approximately one year after delay was announced by CMS

CMS Key Questions:

- How did the delay impact schedule and resources?
- Did the delay allow the industry to “catch up” on meeting the compliance date?

WEDI Survey Results 2013

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Purpose: To highlight specifics regarding February 2013 results

Talking Points: none



## Survey Timeline - WEDI

Survey	Vendor / CH	Health Plan	Provider
November 2009	72	102	187
January 2010	37	87	41
June 2010	23	66	61
January 2011	16	72	27
August 2011	40	92	163
February 2012	231	242	2118
February 2013	87	109	778

WEDI Survey Results 2013 5

Purpose: To compare the survey results from 2009 to 2012

#### Talking Points:

These surveys should not be considered as a perfectly balanced representation of the state of the industry

First ICD-10 readiness survey released in Nov. 2009. Designed to gather a high level initial readiness baseline

In Jan. 2010 a more detailed survey was launched.

The February survey encompassed a much higher volume of responses due to enhanced outreach efforts and as such likely provides the most reliable statistics to date.



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## General Readiness Summary

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- Participation included 974 respondents, 87 vendors, 109 health plans and 778 providers
- About half the vendors indicate that they are half or less than halfway complete with product development
- Approximately two thirds of vendors indicate that they plan to begin customer review and beta testing by end of year
- About half of health plans have completed their impact assessments
- About half of health plans expect to begin external testing by the end of this year
- Approximately two fifths of provider respondents indicated that they did not know when they would complete their impact assessments, business changes and begin external testing

WEDI Results, February 2013

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Purpose: To highlight overall survey results

Talking Points:

Vendor delivery remains a concern for plans and providers.



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## Provider Results

What is the expected completion date of your ICD-10 impact assessment?

- Over 2/5 indicated unknown, about the same as in 2012
- Slight increase in those completed or planning to complete in next 3-6 months

Conclusion – providers appear to be slow in completing impact assessments

WEDI Survey Results 2013

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Purpose: To discuss the provider results

Talking Points: None



## Provider Results

When do you expect to complete business changes?

- 2/5 answered unknown, similar to the 2012 results
- 1/3 indicated that they would not be complete until 2014

Conclusion – Many providers have not taken significant steps forward in implementation.

WEDI Survey Results 2013

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Purpose: To discuss the provider results

Talking Points: None



## Provider Results

What is your expected date to begin external testing with health plans/trading partners?

- Half answered “unknown”, similar to 2012
- 1/3 expect to begin sometime in 2014

Conclusion – many providers will have less than 9 months for external testing.

WEDI Survey Results 2013 9

Purpose: To discuss the provider results

Talking Points: None



## Provider Results

What are your top obstacles that have caused delay and/or lack of progress in ICD-10 planning and implementation?

- Staffing
- Budget
- Competing priorities
- Vendor readiness
- IT impacts

Conclusion – Providers are facing a myriad of issues in completing their ICD-10 work

WEDI Survey Results 2013 10

Purpose: To discuss the provider results

Talking Points: None



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## Provider Results

Did the compliance date delay shift the timeline of any of your major ICD-10 projects and/or change resources assigned?

- 2/5 indicated no change
- 1/3 indicated a delay of more than 6 months
- Most indicated no change in resources

Conclusion – some impact on timeframes, none on resources.

WEDI Survey Results 2013

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Purpose: To discuss the provider results

Talking Points: None



## Key Takeaways

- The one year compliance delay caused at least some vendors, plans, and providers to delay their ICD-10 efforts.
- Plans appear to have made some progress from early 2012 to early 2013, but many vendors and providers have not
- Provider readiness appears to be the major concern in meeting the 2014 compliance deadline.
- The industry may not have the necessary time for enough end to end testing to prevent major disruptions upon the compliance date.

WEDI Survey Results 2013 12

Purpose: To discuss overall results and key takeaways

Talking Points: None

 **Challenge: Cost ???**



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Purpose: Highlight approximate cost to implement ICD-10 CM / PCS

Source: AHIMA Foundation: The Road to ICD-10-CM/PCS Implementation: Forecasting the Transition for Providers, Payers, and Other Healthcare Organizations; Winter 2012 publication

[http://perspectives.ahima.org/index.php?option=com\\_content&view=article&id=235:the-road-to-icd-10-cmps-implementation-forecasting-the-transition-for-providers-payers-and-other-healthcare-organizations&catid=45:icd-9icd-10&Itemid=93](http://perspectives.ahima.org/index.php?option=com_content&view=article&id=235:the-road-to-icd-10-cmps-implementation-forecasting-the-transition-for-providers-payers-and-other-healthcare-organizations&catid=45:icd-9icd-10&Itemid=93)



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# Overall Goal

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Overview

**Overall Goal: Appropriate Payment for Services Rendered**

*Providers seek accurate reimbursement and must document correctly to achieve it. Revenue neutrality will depend upon correct modeling.*

Providers

Accurate Reimbursement

→ Correct Documentation

Appropriate Payment for Services Rendered

← Correct Modeling

Payers

Revenue Neutrality

Goal
Requirement
Target
Requirement
Goal

*The primary goal provides incentive for payers and providers to cooperate to achieve a mutually acceptable solution*



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Purpose: To discuss the ultimate goal

Talking Points: none



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"Lend Me An Ear"

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Transition Slide

 **What Channel?**



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Purpose: To discuss the various methods to outreach to providers

Talking Points: None



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## Manage the Provider Community

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WHO ?

Outreach to:

- All Providers
- Hospitals, high volume submitters
- Determine the value of each provider and,
- Outcome of cost of care reporting



WHAT?

- SMA implementation dates and timelines
- Remediation strategy
- Test strategy and plan (include provider participation)
- Communicate plans / protocols that providers could follow when provider's claims are non-compliant after the deadline of October 2014.
- Impact to Contracts / Reimbursement
- Communicate risk mitigation plan
- Updated policies

What SMA Needs to Know

- Provider Readiness for 5010 and ICD-10

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Purpose: To identify a strategy to outreach providers, what should be discussed and what SMA's need to know about provider implementation

Talking Points:

Who? Determine the audience and the strategy to outreach

What?

SMA sets the expectation

SMA implementation includes all dates and milestones including any systems / interfaces that are at risk

Remediation strategy – discuss the modification that the SMA will utilize to implement ICD-10 (including revised adjudication rules, revised P&Ps, understanding of new medical policy and new contract rates, knowledge of crosswalks and mapping outcomes)

Inform provider of test dates and request their participation

Develop contingency plan if provider's are not compliant by 10/13

Address risk mitigation plan



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## Strategies for Engaging Providers

Strategies for Success

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- Focus on what's important
- Don't try to turn clinicians into coders
- Don't try to make clinicians learn a new language
- Leverage the community
- Identify provider value
- Clearly state organization requirements
- Identify clinician champions to help communicate the message
- Provide Feedback

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**Purpose of the slide:**

Defines some key strategies for focusing on providers.

**Talking Points:**

- Focus on what's important
  - Education and communication should be based on an analysis of those clinical situations where there is a high code volume or there is a high dollar or other risk.
- Don't try to turn clinicians into coders
  - The process of coding will not be accepted well by most clinicians. The focus should be on the documentation of medical concept clearly so that coders can do their job accurately and efficiently
- Don't try to make clinicians learn a new language
  - The changes in terminology such as "extraction of products of conception" rather than "C-Section" will not be accepted well by clinicians. Coders will need to interpret the new definition based on documentation that supports that interpretation
- Leverage the community
  - The entire industry is going through this transition. Reach out and combine

efforts on communication with other associations, hospitals, payers, and other entities to get economies of scale and to share a consistent message

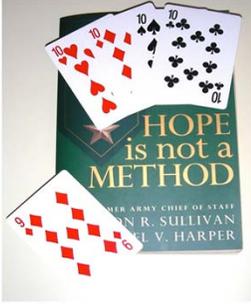
- Identify provider value
  - Demonstrate that these codes will deliver value to providers;
    - Improved ability to recognize severity
    - More appropriate utilization and quality measurement
    - Improved payment models
    - Better population research
    - Better definition of their patient's condition to support downstream care
    - Less requests of additional information related to authorization and payment
- Clearly state documentation requirements
  - SMA should make it clear that coding must be to the greatest level of detail supported and that documentation to support coding is required. It is the provider's responsibility to clearly and accurately identify what was done and why, if they are expecting payment. (They would expect no less of the plumber working in their home)
- Identify clinician champions to help communicate the message
  - A number of clinician leaders believe that clinical information and standard for communication are important. Enlist their help in conveying the message.
- Provide Feedback
  - Physician behavior will not change without ongoing feedback. This feedback should include re-visiting educational programs, but more importantly should provide feedback based on specific analysis of their coding patterns and variation from the expected results. Physicians will give a lot more attention to comparative data that is specific to them.
  - Continued feedback is needed to provide awareness of the potential impact of inadequate and inaccurate documentation to their reputations, their reimbursement, and most importantly, the best care for their patients.



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## Taking Initiative to Track & Communicate With Providers

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**Accepting the inevitable is no way to implement ICD-10**

- NY is tracking provider status; they monitor by provider types (inpatient, free-standing). Receive weekly metrics from fiscal contractor. Send out regular communications. Slow; 3-4 major clearinghouses have converted.
- KS Medicaid: KS is doing same as NY with similar results.
- MI is also monitoring provider readiness; only show 13% readiness (high volume submitters; showing better progress). Very slow.
- ME: doing similar activities as other states. Not where we need to be complete for Jan 1.
- NC: did a mailing to trading partner; letter went to each trading partner (indicated payments would stop if not compliant). Have seen a drastic increase. Dual processing 4010/5010 started last week. 2 large hospitals will not be ready until Dec 23rd.
- 35% of providers that will be ready for cut-over. One-on-one vendor outreach has been supported since July 2011. Issued deadline dates (Nov 23, Dec 12 – last day to accept file). Confident they will be in shape in next couple of weeks.
- Idaho: 17% complete, 13% in progress. Provider meetings and phone outreach calls underway.

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**Purpose:** To highlight some of the actions taken by State Medicaid Agencies to track provider readiness during the 5010 transition

**Talking Points:**

Provides an idea of the actions available to the States to track and provide assistance to providers during the transition



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## What Are Health Plans Doing?

### ICD-10 Implementation Assistance

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### External stakeholders key to success

We have put safeguards in place to mitigate the possible risks associated with external stakeholders\*

Providers	Vendors	Other External Stakeholders
<ul style="list-style-type: none"> <li>Provider educational campaign that includes discussions with external groups, agencies and societies</li> <li>Direct communication with providers</li> <li>Allow for testing in 2013</li> <li>Validating information with specific providers</li> </ul>	<p>Comprehensive vendor monitoring plan in place, including ongoing discussions with major vendors</p>	<ul style="list-style-type: none"> <li>Plan in place to communicate with customers as needed</li> <li>Monitoring and information exchange with trading partners</li> </ul>

\*In addition to these efforts, we are monitoring CMS actions to ICD-10 readiness concerns.



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Purpose: To share what other health plans are doing to assist providers

Talking Points: None



## What Are Health Plans Doing?

### ICD-10 Implementation Assistance

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- Massachusetts health plans and MassHealth are collaborating to conduct an online ICD-10 provider preparedness survey. The survey will help to assess statewide compliance efforts underway, and will be used to develop education strategies and training materials, and to identify resources to aid providers in their ICD-10 preparations.
- WellPoint is working with its institutional, hospital, and physician partners to determine how new medical policies will affect their operations, the quality of their clinical services, and their customers.
- WellPoint helping small healthcare providers prepare for the broad change to avoid obstacles in payment processing when ICD-10 is required.

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Purpose: To share what other health plans are doing to assist providers

Talking Points: None

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# Questions

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