3M Health Information Systems
Webinar

What should be done **Now** for ICD-10:
  "Best Practices using Comparison and Analysis Tools"

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BIOs

Caroline Piselli, RN, MBA, FACHE
Program Manager, ICD-10 and Pay for Performance
3M Health Information Systems

Ms. Piselli manages ICD-10 and Pay for Performance programs at 3M Health Information Systems. She is a nationally recognized speaker and author with over 30 years of experience in healthcare strategic planning, operational redesign, business development, and as a clinician. At 3M, she oversees business strategy and operations for new classification methodologies and solutions in collaboration with clinical research, development, consulting and marketing.

John Garrett, MBA
3M HIS Product Marketing Manager

As a product marketing manager for 3M Health Information Systems, John is responsible for defining and delivering new product requirements, and expanding new business opportunities. John has 5 years of healthcare marketing experience with 3M, and 15 years of product marketing management involving product development and introduction, new product design and integration, and software application consulting. In other organizations he has been a manager in business development, strategic alliances and marketing.

Agenda

- ICD-10 Update
- Process improvement, more important…now more than ever
- Coded Data
    - Dual Coding
    - Dual Groupers
    - Saving/Storing
    - Reporting, Auditing, Monitoring
- Report, trend and improve your performance
- 3M™ Coding Data Management System review
    - Components
    - Workflow

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Question #1

Who do we have in the audience? Please check the choice most representative of your viewers in the room.

- HIM Directors, Managers and Staff
- Compliance Officers and Managers
- Documentation Specialists
- Revenue Cycle/Revenue Integrity Directors, Managers and Specialist
- Chief Financial Officers or Patient Financial Services Professionals
- CIO or IT Directors/Managers

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Question #2

How <u>many</u> people are viewing the presentation together?

- Just me
- 2-3 people
- 4-5 people
- 6-10 people
- More than 10 people

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ICD-9 Codes to be Replaced by ICD-10

- For the last 30 years, the United States has used ICD-9
- CMS-0013-F mandates the implementation date of ICD-10 on October 1, 2013
  - ✓ *ICD-9 codes will not be accepted for services provided on or after October 1, 2013*
  - ✓ *Prior to October 1, 2013, it is necessary to submit claims using ICD-9 codes*
- Prior to ICD-10 adoption, providers must be compliant in 5010 transactions

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Does Your Strategic Roadmap Include a Plan to Take Advantage of ICD-10's Ability to Evolve Health Care?
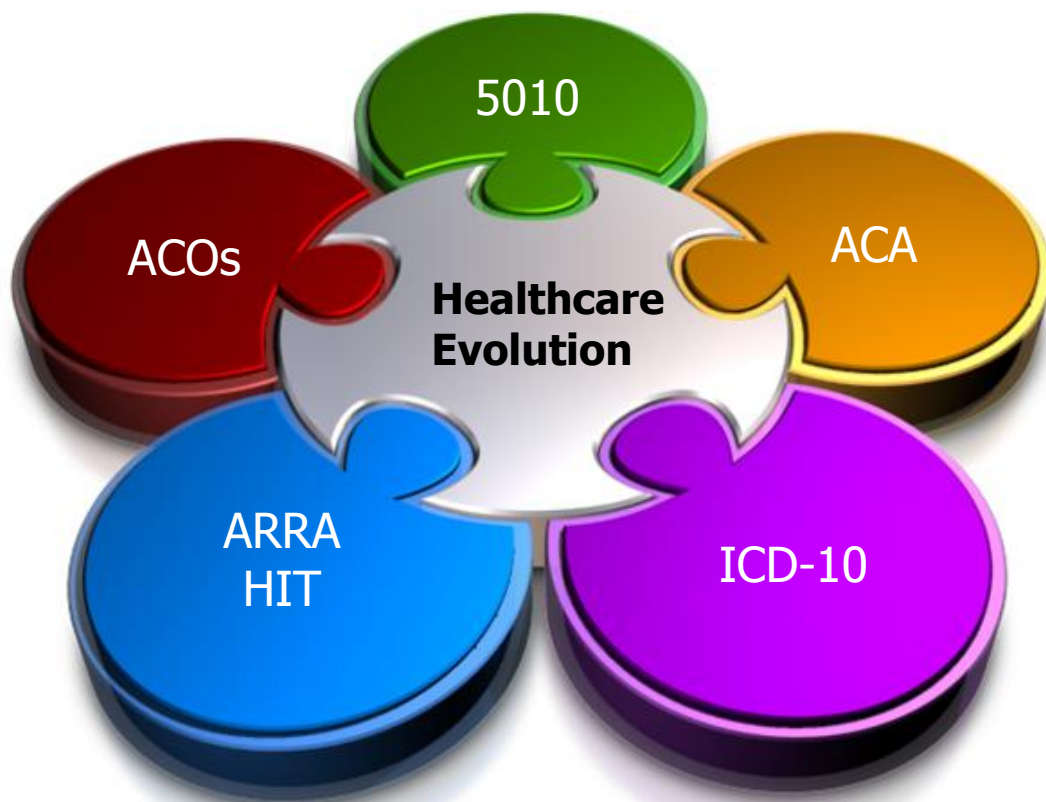
*With the implementation of ICD-10, the opportunity exists to improve clinical, financial and operational processes to **achieve better results***

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Biggest Change and Opportunity in Health Care in 30 Years

However…

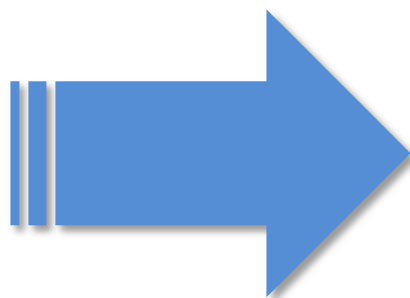**ICD-10 is an <u>unfunded</u> regulatory event**

ICD-10 can be funded with careful planning and execution

And…with careful planning and execution, ICD-10 can be used to enable significant changes in health care

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The ICD-9 Classification System is Limited

More codes in ICD-10

~17,000
in ICD-9

~141,000
in ICD-10

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Specificity looks like this…

ICD-9-CM

821.01 Fracture of femur, shaft, closed

ICD-10-CM

S72301A Unspecified fracture of shaft of right femur, initial encounter for closed fracture	**S72322A** Displaced transverse fracture of shaft of left femur, initial encounter for closed fracture	**S72326A** Nondisplaced transverse fracture of shaft of unspecified femur, initial encounter for closed fracture
S72301G Unspecified fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing	**S72322G** Displaced transverse fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing	**S72326G** Nondisplaced transverse fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing
S72302A Unspecified fracture of shaft of left femur, initial encounter for closed fracture	**S72323A** Displaced transverse fracture of shaft of unspecified femur, initial encounter for closed fracture	**S72331A** Displaced oblique fracture of shaft of right femur, initial encounter for closed fracture
S72302G Unspecified fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing	S**72323G** Displaced transverse fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing	**S72331G** Displaced oblique fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing
S72309A Unspecified fracture of shaft of unspecified femur, initial encounter for closed fracture	**S72324A** Nondisplaced transverse fracture of shaft of right femur, initial encounter for closed fracture	**S72332A** Displaced oblique fracture of shaft of left femur, initial encounter for closed fracture
S72309G Unspecified fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing	**S72324G** Nondisplaced transverse fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing	S**72332G** Displaced oblique fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing
S72321A Displaced transverse fracture of shaft of right femur, initial encounter for closed fracture	**S72325A** Nondisplaced transverse fracture of shaft of left femur, initial encounter for closed fracture	**S72333A** Displaced oblique fracture of shaft of unspecified femur, initial encounter for closed fracture
S72321G Displaced transverse fracture of shaft of right femur, subsequent encounter for closed fracture with delayed healing	**S72325G** Nondisplaced transverse fracture of shaft of left femur, subsequent encounter for closed fracture with delayed healing	**S72333G** Displaced oblique fracture of shaft of unspecified femur, subsequent encounter for closed fracture with delayed healing

Many possible codes

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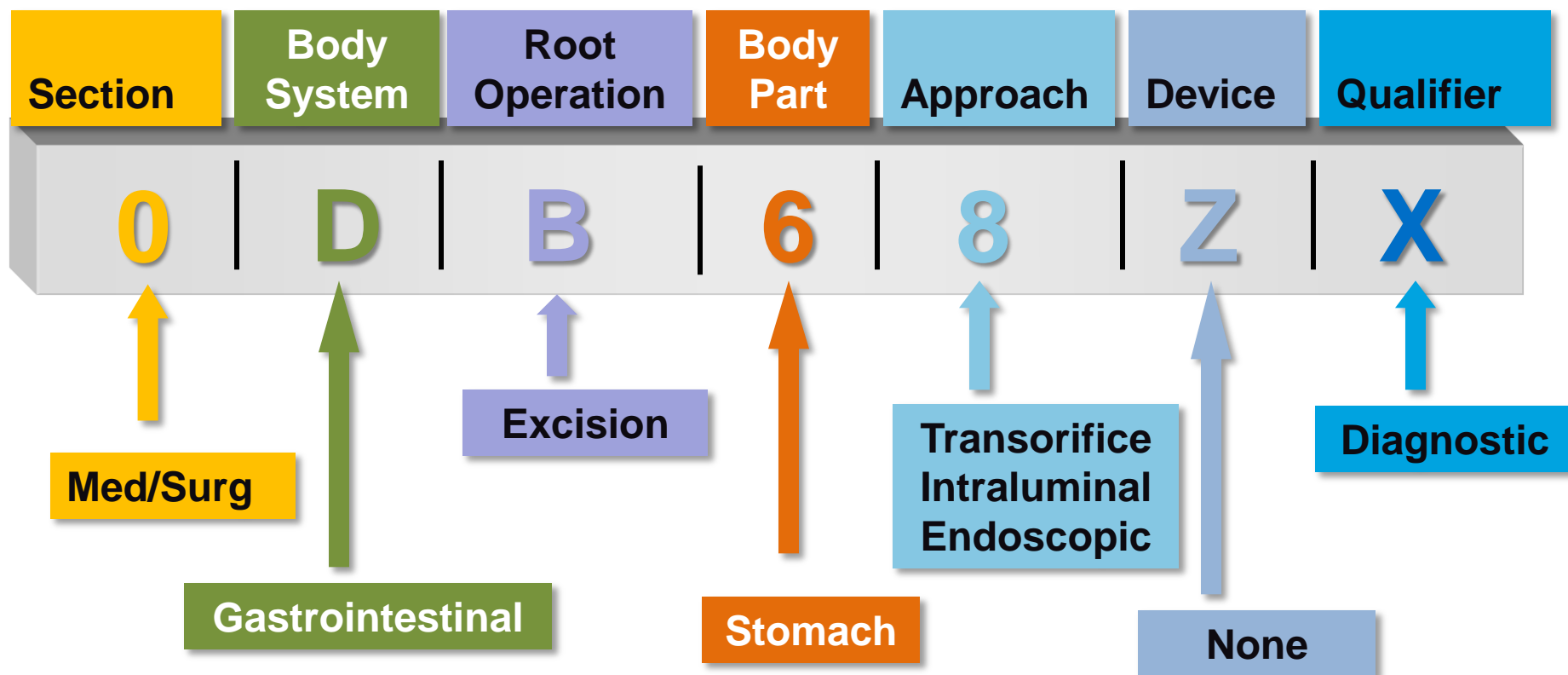# ICD-10 Requires...

More Stringent Documentation

Example:
Myocardial Infarction

ICD-10

Myocardial Infarction ICD-10 documentation will need to include:

☑ **Type of Infarction**
☑ **Age of Infarction**
☑ **Specific Site of Myocardium involved**
☑ **Coronary Artery Involved**
☑ **Information regarding initial or subsequent MI within 4 weeks**

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ICD-10-PCS
Each Code Tells a Story:

Section	Body System	Root Operation	Body Part	Approach	Device	Qualifier
0	D	B	6	8	Z	X

- **0** → Med/Surg
- **D** → Gastrointestinal
- **B** → Excision
- **6** → Stomach
- **8** → Transorifice Intraluminal Endoscopic
- **Z** → None
- **X** → Diagnostic

A <u>character</u> is a stable, standardized code component
- Holds a fixed place in the code
- Retains its meaning across a range of codes

A <u>value</u> is an individual unit defined for each character

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ICD-10 Creates Opportunity

- **ICD-10 is proposed to:**

  - ✓ Enable to Health Care Reform, ARRA, 5010, P4P

- **Strategic opportunities are endless:**

  - ✓ Clinical quality outcomes

  - ✓ P4P improvement

  - ✓ Better understanding of cost data in contract negotiation

  - ✓ Better positioning as we move to Accountable Care Organizations (ACOs)

  - ✓ Complete, accurate information to drive healthcare reform and eventually determine payment redesign (providing the opportunity to impact revenue)

  - ✓ Clinical documentation improvement even under ICD-9 coding can fund ICD-10 implementation efforts

  - ✓ Facilitate the move to electronic health records

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Myth or Fact?

Myth → **Health Information Management and IT will handle all ICD-10 needs**

The Truth

- Individuals involved in revenue cycle and clinical areas will be impacted

- Physician and staff training needs will be large and complex in some instances

- Systems and processes outside of HIM control such as operations, case management, utilization review, contracting, quality reporting are all impacted

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Myth or Fact?

Myth → *We can wait till 2012 to begin our planning for ICD-10*

The Truth

- System reconfiguration and testing for claim submission and overall report generation is immense

- Clinical and financial systems need to be updated on or before mid 2012 to allow time for testing

- Roadmap plans should be completed by mid year 2011

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How many of you think your Strategic Plan already includes steps to take FULL advantage of ICD-10?

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Myth or Fact?

Myth → *Our EHR system vendor will handle our ICD-10 implementation*

The Truth

- Vendors may only address technical and workflow aspects of their application

- Workflow integration with other applications will fall to the system users

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Myth or Fact?

Myth → *Reimbursement will not be impacted*

The Truth

- No "windfall" of cash will come on October 2013

- Expect increased complexity of medical necessity claim edits and revisions of medical policies by the payers

- Coders, physicians, and payers will be adjusting simultaneously to a new coding methodology

- Expect initial delays, requests for further information and/or denials

- Eventually, ICD-10 data will be utilized to refine payment methodologies

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How does ICD-10 Impact Reimbursement?
Here is what we know today:

- The ICD-10 version of MS-DRGs posted on the CMS website replicates the ICD-9 version of the MS-DRGs (subject to change between now and 2013)

  - *The posted version of ICD-10 version MS-DRGs is unlikely to cause a significant redistribution of payments across hospitals*

  - *Once sufficient data code in ICD-10-CM/PCS becomes available, CMS will likely use the increased specificity of ICD-10-CM/PCS to enhance the MS-DRGs*

  - *If hospitals are losing money in current MS-DRG's with ICD-9-CM coding and the lack of higher specificity/documentation they will continue to lose money under ICD-10-CM/PCS*

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But…

Payers have not stated they will remain budget neutral

- *Payer market is very active and ahead of provider market in preparing for ICD-10-CM/PCS*

- *Some payers see this as an opportunity to improve efficiency across the payer / provider workflow*

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Strategic Decision Making

? *What Will*

You Do?

As an organization, you must decide the following:

A. To comply with ARRA/5010/ICD-10 regulations in the midst of Health Care Reform

Or

B. To comply with regulations and take strategic advantage of the <u>opportunity to improve business</u>

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10 Steps to Successful ICD-10 Implementation

10) Implement Successfully

9) Simulate and Manage Change

8) Provide Detailed Training

7) Establish Payer Implementation Plan

6) Partner with Vendors

5) Initiate Interdisciplinary Project Management

4) Determine Functional Area Opportunities and Gaps

3) Develop an ICD-10 Strategy and Plan

2) Appoint Interdisciplinary Steering Committee

1) Provide Organization-wide Education / Awareness

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What You **Need** to be Addressing Today!

- **Comprehensive assessment of functional areas impacted**

    ✓ *Conduct vendor and payer gap analysis*

    ✓ *Identify functional areas and processes that will be impacted*

    ✓ *Develop roadmap for successful implementation*

- **Strategic advantage to consider**

    ✓ *Identify processes that do not work well today using ICD-9 and within the revenue cycle (example: denials management, site of service issues, DNFB)*

    ✓ *Work with payers to develop a remediation plan to avoid payment delays*

    ✓ *Begin taking action steps from the roadmap plan*

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How can a clinical documentation improvement program be involved with ICD-10 implementation?

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What You Need to be Addressing Today!

- **Clinical documentation**

  - ✓ Review high volume MS-DRG's to determine if ICD-9 coding is accurate and specific

  - ✓ Review ICD-9 documentation to determine if there are specific areas that need improvement

  - ✓ Determine if current documentation reflects the SOI and ROM of the patient population

- **Strategic advantage to consider**

  - ✓ Assess current documentation under ICD-9 / MS-DRGs and the current revenue opportunity

  - ✓ Use the Clinical Documentation Improvement Program to get ICD-9 specificity and educate physicians

  - ✓ An increase in ICD-9 specificity capture could potentially lead to increased CMI which would offset costs for ICD-10
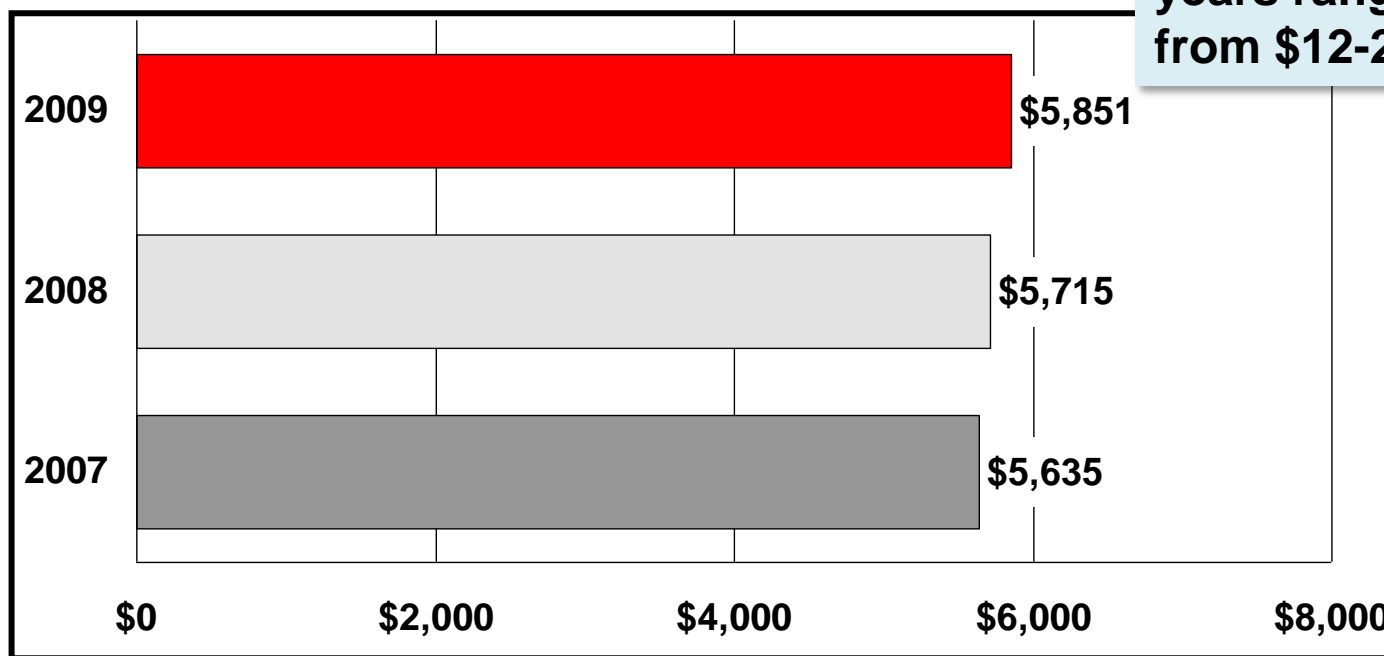
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Specificity and Severity of Illness

Diagnosis	Extreme	Moderate	Minor
Acute systolic and/or diastolic heart failure	X		
Chronic systolic and/or diastolic heart failure		X	
Congestive heart failure			X
Acute kidney failure secondary to ATN	X		
Acute kidney failure		X	
Acute renal insufficiency			X
Aplastic anemia due to drugs	X		
Aplastic anemia, unspecified		X	
Anemia			X

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Financial Opportunity

- Based on MEDPAR 2009 data, improved documentation could capture lost revenue related to Medicare reimbursement:

  - Estimated to range from $4.4 to $5.8 million for the hospital on an annual basis (recurring)

  - Incremental benefit from other DRG-based payers

> **Opportunity over next three years ranges from $12-20M**

Real California Hospital Data Missed Revenue Opportunity
(in thousands)

Year	Value
2009	$5,851
2008	$5,715
2007	$5,635

Axis: $0, $2,000, $4,000, $6,000, $8,000

Data Source: MEDPAR

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What You Need to be Addressing Today!

- **Clinical documentation**

  - ✓*Determine top 10 specialty areas*

  - ✓*Drill down to top MS-DRG by specialty areas*

  - ✓*Determine the top ICD-9 codes with 1-Many ICD-10 codes*

- **Strategic advantage to consider**

  - ✓*Complete a documentation assessment of these top MS-DRG's and codes to determine if the physician is already using the terminology needed for ICD-10*

  - ✓*Complete an assessment of the documentation format*

  - ✓*Use the Clinical Documentation Improvement Program to educate the physician's about the changes in ICD-10*

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What You Need to be Addressing Today!

- **Physician documentation behavior**

  - ✓*Review medical records today to determine if clinical content exists now that would allow you to code in ICD-10 at the highest specificity*

- **Strategic advantage to consider**

  - ✓*Utilize trends from medical record review to begin to educate and change physician behavior now*

  - ✓*Utilize a CDI program and software to begin querying physicians NOW for additional documentation so this becomes a learned behavior*

  - ✓*Consider building documentation templates within the EHR for high volume procedures*

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What You Need to be Addressing Today!

- **Understanding impact of productivity**

  - ✓ Understand the volume of ICD-9 code lists within your organization
  - ✓ Begin translating lists of codes for appropriate applications (software and paper)
  - ✓ Develop a mitigation plan to support loss of coding productivity

- **Strategic advantage to consider**

  - ✓ Consider utilizing a code translation tool to reduce FTE requirements and manual labor to translate list
  - ✓ Consider implementing computer-assisted coding products to improve efficiency of coding, costs and backlogs
  - ✓ Develop mitigation plan such as securing backlog coding services now for 2013

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Do you have an integrated Conversion Strategy to ensure a consistent approach across your workflow and with payers and vendors?

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What You **Need** to be Addressing **Today!**

- **Conversion / translation process**
  - ✓ Find all ICD-9 codes throughout continuum of care and revenue cycle workflow
  - ✓ Translate codes embedded in paper, software, policies, etc
  - ✓ Assess payer contract implications and begin translating / working with payer regarding future contractual agreement for transition to ICD-10

- **Strategic advantage to consider**
  - ✓ Consider utilizing a Coding Data storage tool to collect, store and report on coding information

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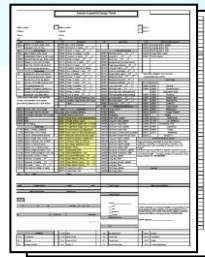
Superbill

Documentation

Homegrown
Applications

Where are your ICD-9 codes?
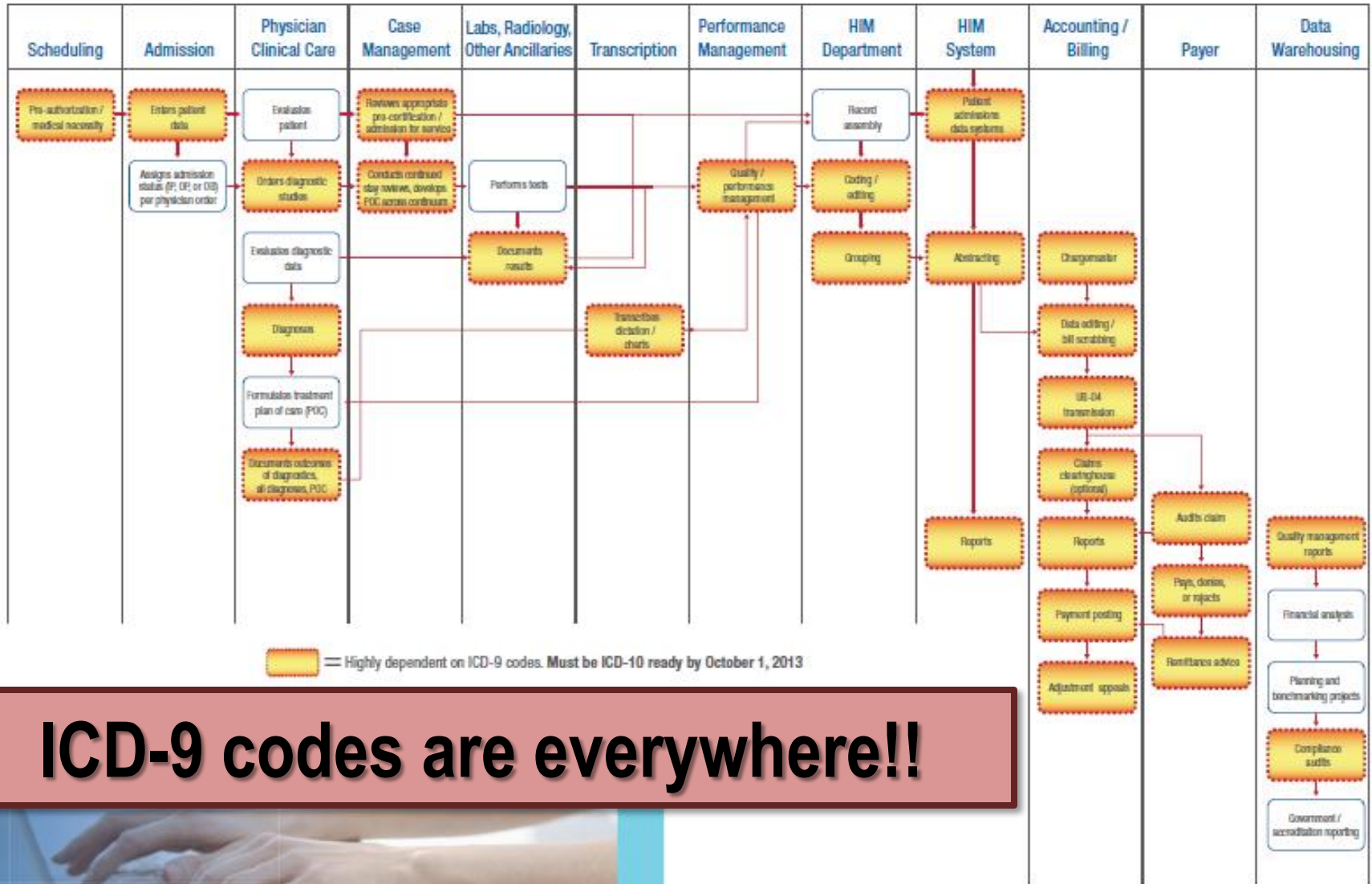
Medical Necessity
Policy

Contract Conversion

Financial & Quality
Reports

ICD-10 Steering
Committee

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The Road to Effective ICD-10 Implementation: An Overview of the Revenue Cycle


Scheduling	Admission	Physician Clinical Care	Case Management	Labs, Radiology, Other Ancillaries	Transcription	Performance Management	HIM Department	HIM System	Accounting / Billing	Payer	Data Warehousing

ICD-9 codes are everywhere!!

= Highly dependent on ICD-9 codes. **Must be ICD-10 ready by October 1, 2013**

ICD-10 Transition Opportunity:

Coordination with Payers, Providers, Vendors…

**Coding
Clinical
Technical
Financial**

RADIOLOGY

BILLING

HIM

HOSPITAL

NURSE

DOCTOR

PHARMACY

CASE MGMT.

PHARMACY
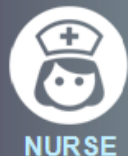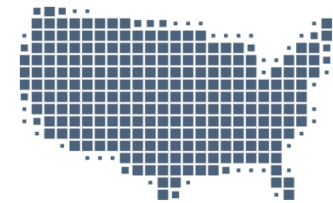
STATE & LOCAL GOVERNMENT

FEDERAL GOVERNMENT

INSURANCE COMPANY

MEDICAL SUPPLIES

DOCTORS

AMBULANCES

3M
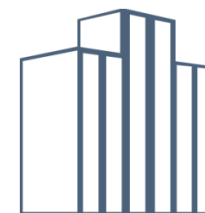
Conversion Challenge and Opportunity
Sample areas for conversion from ICD-9 to ICD-10

HIM	Billing/ Other Financial	Clinical Care	Utlization Review/ Case Management	Performance Improvement
Encoder Software	Payer Contracts	Clincal Protocol	Disease Management	State Reporting Systems
Case Mix Systems	Payment Policies	Clinical Reminder systems	Care Pathways	Aggregate data reporting
Compliance Checking	Billing Systems	Desease Mgmt	UR Protocols	CMS System Repository
DRG Grouper	Advance Beneficiary	Managed care Reporting (HEDIS)	Payer/ Provider checks	Decision Support
Medical record abstracting	Claims submission	Patient Assessment (MDS, PAI, OASIS,)	Medical Necessity	Performance/ Quality Measures
Documentation Improvement	Medical Necessity	Pharmacy	Payment Policies	Risk Adjustment
Education	Registration/ Financial		Coordination of Benefits	
Manuals/ Policies	Claims		Utilization Mgmt	
	Manuals/ Policies			

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Has your organization already located the ICD-9 codes across the entire facility?

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The ICD-10 Conversion Challenge

- **ICD-10 represents a massive increase in the clinical specificity of the data that will be reported by providers**
  - Required to achieve objectives of PPACA
- **ICD-10 codes are embedded throughout the full range of payer, provider and vendor operations**
  - Paper-based guidelines to complex claims adjudication systems
- **Unique payer, provider and vendor programs will need to be converted and coordinated**
  - Staff has little or no conversion experience
  - Effort will require heavy reliance on vendors and consultants
  - High likelihood of duplicative development efforts
    - Increases cost of conversions, Inconsistencies could occur across operations
  - Opportunity for centralized conversion assistance

October 2013 will come quickly!

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Is It In Your Plan?

P R O V I D E R	Provider Care	Scheduling	Registration	Clinical Care/ Quality Improvement	Quality Improvement	Post-Visit	Patient Financial Management (Billing)	Collections Mgmt (Revenue Integrity)
	Well visits	Request Service	Eligibility Of Benefits	Patient Care	Disease Mgmt	Episode follow up	Claim Submission	Rejection/ Denial Mgmt
	Chronic Care	Verification	Patient Presents	Document	Discharge Planning	Record Completion	Clean Claim	Contract matching
	Acute care	Payer Reconciliation	Calculate/ Collect Co-pay	Clinical Protocol	Performance Reporting	Track Outcomes	Match to bill	Patient Communication

Provider/Payer ICD-10 Transition: Locate ICD-9 Codes → ICD-10 Ready Strategy

P A Y E R	Product Development	Revenue Management	Customer Service	Reimbursement Management	Finance & Administration	Care Management	Network Management	Risk Management
	New Benefits-Design	Enrollment	Member Services	Claims	Accounting	Disease & Case Management	Provider Contracting	Rating
	Product Setup & Configuration	Billing & Receivables	Provider Services	Fraud Detection	Human Resources	Utilization-Management	Network Management	Underwriting
		Billing Reconciliation	Employer Services	Medicare/ Medicaid	Financial Extracts	Disease Management	Claims Re-Pricing	Actuarial
			Broker Services			Care Management		
						Population-Management		

So, what else can you do?

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Keys to Successfully Implementing ICD-10

Early Planning

Automation

Well Developed Roadmap

Control Plans

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Keys to Successfully Implementing ICD-10

So, what can you do?

Automation

Manage Your Existing Data Better!
- Store all your coded data in one location
- Dual coding/grouping
- Auditing
- Compliance
- Reporting
- Compare with your claims data

Enabling Data Empowerment!

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Question #3

How prepared is your organization in capturing, storing and reporting data on ICD-9 to ICD-10 coding?

- Very prepared, we are ready!
- We are reviewing this area as part of our transition plan
- We are relying on our vendors to help us
- We are not ready-this was not on our radar

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Question #4

Currently are you running any reports that reflects your coding processes for ICD-9 to ICD-10 comparison?

- **Yes**
- **No**
- **No, but we plan to implement in the future**

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Coding and the ICD-10 Workflow

Coder Logs In

Coder verifies record

Coder launches C&RS

C&RS Content Stored

Manages Coding Issues

Additional Data Abstracted

Record Completed

Required for ICD-10 success

- Store all your coded data in one location
- Dual coding
- Reporting
- Auditing
- Actionable data
- Compliance

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3M™Coding Data Management System

Coding Data Management – Workflow Diagram
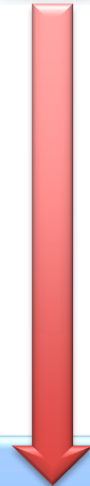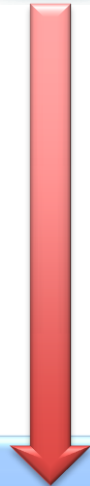
Documentation Specialist

Coder
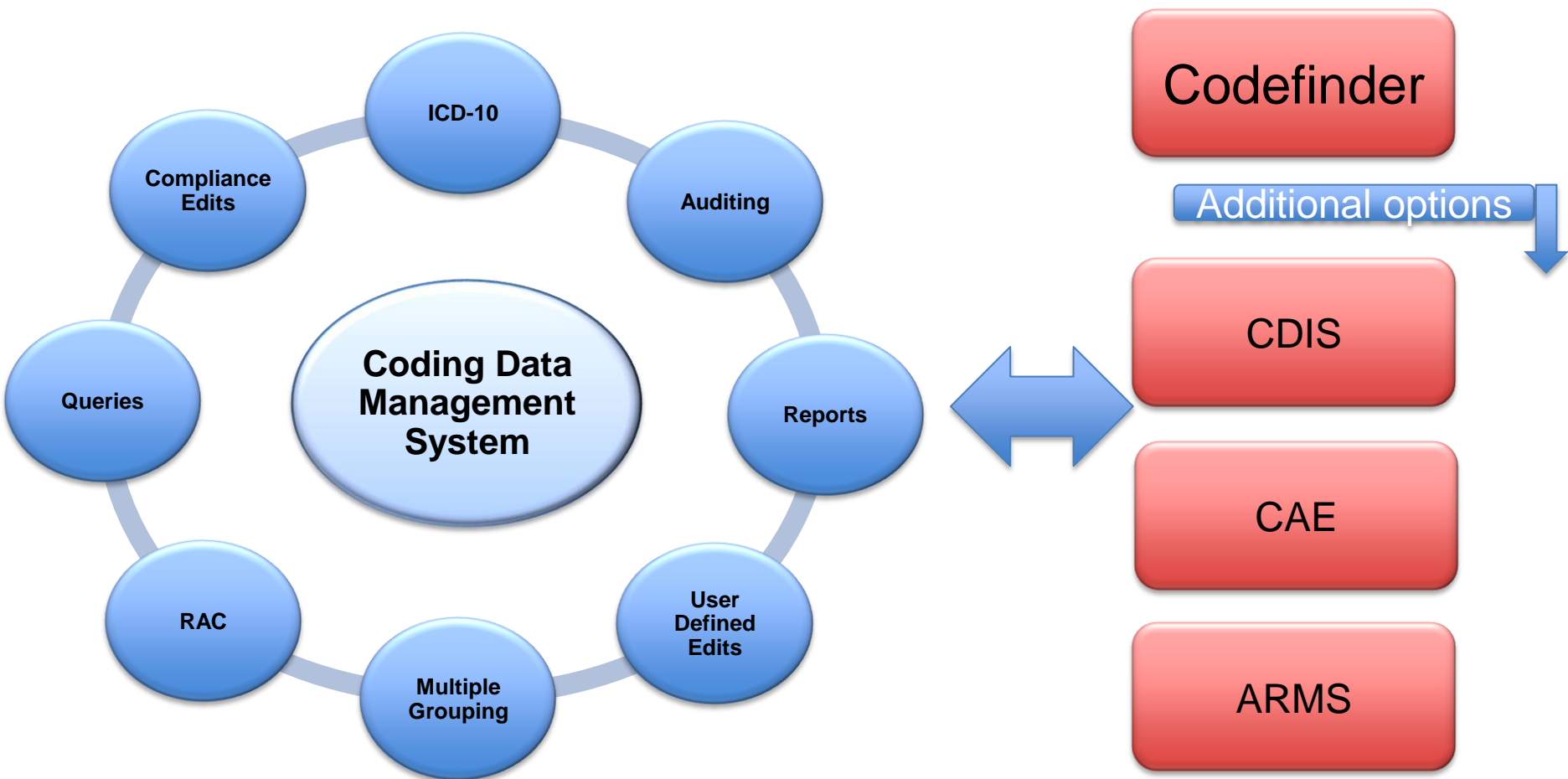
Coding Auditor

Report User
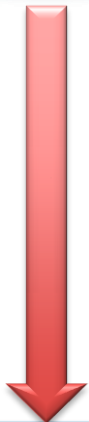
EHR
Abstract

EHR Connection

CDIS

Codefinder

Coding Data Management

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Coding Data Management Integration with 3M Solutions

Coding Data Management System

- ICD-10
- Compliance Edits
- Auditing
- Queries
- Reports
- RAC
- Multiple Grouping
- User Defined Edits

Codefinder

Additional options

- CDIS
- CAE
- ARMS

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Can your organization store, group, report and audit the ICD-9 & ICD-10 codes across the entire facility?
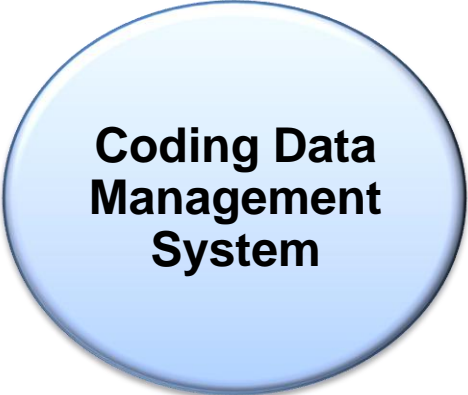
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New to ICD-10

- Injuries are grouped by anatomic site rather than by type of injury.

- Diseases of the sense organs (eyes & ears) have their own chapters, no longer part of Nervous System chapter.

- Inclusion of trimesters in obstetric codes (and elimination of 5th digits for episode of care)

  - O99.013 Anemia complicating pregnancy, third trimester

- Change in timeframes specified in certain codes

  - Acute myocardial infarction – time period changed from 8 weeks to 4 weeks

- Full code titles for ALL codes (no reference back to common fourth and fifth digits).

- Post-op complications have been moved to procedure-specific body system chapters.

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Possible ICD-10 Edit Content Additions that CDMS can report on:

1. Laterality (side) i.e., left or right – 25,000+ codes!
2. Stage of Care, i.e., initial, subsequent, sequelae
3. Specific Diagnosis
4. Specific Anatomy
5. Associated and/or Related Conditions
6. Cause of Injury
7. Documentation of Additional Symptoms or Conditions
8. Dominant vs. Non-dominant Side
9. Tobacco Exposure or Use
10. Gustilo-Anderson scale – Classification of Fractures

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Coding Data Management's Powerful Functions

Coding Data Management System

- **Store** coded records
- **Trend** coding performance in prep for ICD10
- **Dual coding** management
- **Coding compliance** auto self check (edits)
- **Drive your own content** (user definable edits)
- **Compare performance** (against national norms)
- **Query generation tools** (trending and profiling)
- **Build an audit trail**
- **Code audits tool** integrated with **Codefinder**
- **100's of standard reports** including: **MedPAR, PEPPER, and RACTrac**
- **External auditor** management

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Four Errors Account for 98% of Compliance Problems

- Insufficient documentation: no notes, test results, and missing, incomplete or illegible orders
- Coding errors
- Reporting errors
- Medically unnecessary services and supplies resulting in improper payments

http://www.oig.hhs.gov/oas/reports/region1/11001000.pdf

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ICD-10 Tip:

- Make sure your ICD-10 implementation plan adheres to OIG compliance guidance!

  - Medicare Excessive Payments

  - Hospital Occupational Mix Data

  - Hospital Reporting for Restraint & Seclusion Related Deaths

  - Medicare Brachytherapy Reimbursement

  - Replacement of Medical Devices

  - Hospital Inpatient Outlier Payments

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Not just about ICD-10 Current Oversight and Auditing Entities

- Recovery Audit Contractors (RACs) - Medicare

- Zone Program Integrity Contractor (ZPIC) – Medicare

- Medicare Administrative Contractors (MACs) – Medicare

- Comprehensive Error Rate Testing (CERT) – Medicare

- Medicaid Integrity Contractors (MIC) – Medicaid

- Department of Justice (DOJ) – Both

- Office of Inspector General (OIG) – Both

- Independent Payment Advisory Board (IPAB) – Both

- Program for Evaluating Payment Patters Electronic Report (PEPPER)

Auditors everywhere; no wonder you can't sleep at night!

3M Coding Data Management System
Saves and organizes data for all the denials, appeals, and audit management

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The most successful people in life are generally those who have the best information.

Benjamin Disraeli

Empower your data management process!

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Be ready for ICD-9 to ICD-10 transition…

…with 3Ms' Coding Data Management Solution

- Powerful HIM coding data storage with Unmatched Functionality for:
    - **Storing** Data
    - **Creating** Custom Reports
    - **Monitoring** and Trend
    - **Generating** Dashboards for Decision Makers
    - **Producing** Benchmark/Comparison Reports
    - **Auditing** Data –Live and Retrospective
    - **Providing** Compliance Checks
    - **Managing** Content Creation and Delivery
    - **Preparing** for ICD10 with dual coding & grouping storage for accuracy & reporting
    - **Managing** RAC and other External Reviews for RAC Auditors and Others
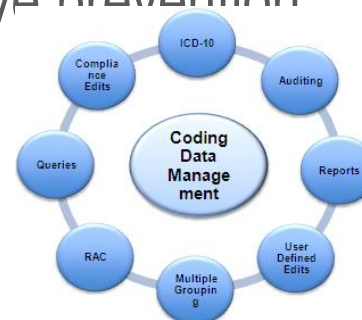
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Wrap up-

ICD-10 preparation requires…

…a good self assessment, automating your processes, roadmapping/controls implementation, and proactive prevention

Additional web resources:

- http://www.3mhis.com/icd10
- http://newsroom.3mhis.com/easyir/home.do?easyirid=5301D831A10FE8C7
- http://www.3Mhis.com/Navigator
- http://3mhealthinformation.wordpress.com/
- http://www.ICD10watch.com

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