

1056 6th Ave S Edmonds, WA 98020-4035 206-478-8227 www.healthdataconsulting.com

ICD-10

Advantages to Providers

Looking beyond the isolated patient provider encounter

Joseph C Nichols MD Principal



Table of Contents

The Provider Implementation Challenges	3
Multiple Initiatives	2
Documentation Impacts	
Coding Impacts	
Operational Impacts	
Payment Impacts	
Advantages for the Health of the Public	4
Healthcare Surveillance	4
Policy Decision Support	
Monitoring Quality and Effectiveness	
Population Based Research	5
Advantages for Providers	5
Better Documentation	5
Improved Recognition of Severity and Risk	
More Accurate Measures of Quality and Effectiveness	6
Improved Ability to Coordinate Care	€
More Appropriate Payment Models	
Streamlined Processing	
More Precise Definition of Fraud, Waste and Abuse	
Ability to the Risk of Care in "Accountable Care Environments	
Advantages for Patients	7
Better Patient Safety	
Improved Healthcare Quality	
Better Identification of Effectiveness and Outcomes	
Improved Coordination of Care	
The Disadvantages of Delayed implementation	8
Outdated Codes	
Lack of International Standard	
The Price of Regression	
Impact to Reform	
Loss of Inertia for Needed Interoperability Standards	
Summary	9



THE PROVIDER IMPLEMENTATION CHALLENGES

Multiple Initiatives

It is clear that the transition to ICD-10 represents a significant impact to providers particularly in view of the multiple other initiatives related to Accountable Care, Value Based Purchasing, Meaningful Use, enhanced audits and a variety of other programs that may translate into an administrative burden.

ICD-10 represents an underpinning to all of these initiatives because it represents the definition of the patient health conditions and the institutional procedures done to improve or maintain those conditions. Without the clarity and precision offered by ICD-10, many of these initiatives will not be able to effectively accomplish the goal of healthcare delivery improvement.

Documentation Impacts

Documentation is important to the provider to assure that they have the information necessary to provide appropriate care for their patients. While many providers raise concerns about the "unnecessary" burden of additional documentation required by ICD-10, a carefully of analysis of these documentation requirements shows that this level of documentation is important to good patient care regardless of coding requirements. Clinicians should be documenting these medical concepts today to assure that important factors about the patient's condition are available to guide care and recognize health risks.

Coding Impacts

Change in coding requirements is significant and there is significant training required to assure proper coding by providers. Organizations like AHIMA and AAPC and other organizations have spent a great deal of effort over the past two years to assure that the training infrastructure is there to support this effort. There are extensive training programs available and there have been hundreds of coding and other professionals trained to be certified ICD-10 trainers. For clinicians most of the coding is on the ICD-10-CM side and they will generally not be responsible for the more complex coding knowledge required for ICD-10-PCS coding. ICD-10-CM includes many more codes than ICD-9, but the structure, definition of terms, and guidelines for coding diagnosis codesde are very similar to ICD-10. The definition of key terms and patterns of documentation of these key medical concepts is actually much more consistent in ICD-10-CM than in the ICD-9-CM diagnosis codes. The change in definition and guidelines for coding ICD-10-PCS institutional procedures is much more dramatic, but in general hospital coders have better access to training and resources to help them through this change than office practices.

CMS has made an unprecedented outreach to providers and has made extensive resources available to assist in this effort. Coding tool vendors and electronic health record vendors are planning to include updates in software that should significantly help providers in complying with ICD-10 coding requirements.



Operational Impacts

From the operational perspective, templates, "super bills" and other operational documentation will need to be updated to support ICD-10. In general the longstanding practice of these coding templates should be re-evaluated regardless of the implementation of ICD-10 since they tend to drive coding toward generic or non-specific codes today in ICD-9. Under ICD-10, in most cases the use of the "super bill" as a method of ICD-10 coding will become problematic

Much of the operational activity outside of diagnostic coding will not be significantly impacted by ICD-10. CPT, HCPC and other outpatient and professional service codes will not change.

Payment Impacts

Many providers are concerned about the potential impacts to payment. This concern based on both about their ability to create properly code outbound claims as well as their about payers' ability to a pay the same and in a timely fashion compared to their experience before the compliance date.

This is clearly a concern, but can be addressed by early collaboration and testing to make sure that the claims process works appropriately on both the provider and payer side end-to-end

ADVANTAGES FOR THE HEALTH OF THE PUBLIC

Many providers will claim that ICD-10 codes will not help them provide care for their patients. While there is little evidence that ICD-10 coding alone will directly impact how clinicians provide individual care to individual patients at any point in time, healthcare is much bigger than any single patient encounter with a provider. Accurate and detailed information about what services are provided, and for what patient conditions, is critical to the improvement and ongoing management of the healthcare delivery system. Without this information we can't assure that the best possible care is delivered in an environment where costs are constrained. Without good cross-enterprise data we will not have the ability to understand the burden of illness for the population the degree to which we are effectively reducing that burden.

Healthcare Surveillance

Healthcare surveillance is critical to providing safety for the population. Timely awareness of diseases that cross organization, state and even international boundaries is critical to assure that we are protecting our citizens.

Policy Decision Support

Information that drives regional or national polices about healthcare relies heavily on intelligence derived from claims and other ICD-9 code based data. ICD-10 provides a greatly enhanced look at both what we are doing in health care and why. Decisions are



only as good as the information those decisions are base on. Better data will translate to better decisions.

Monitoring Quality and Effectiveness

Measuring the quality and effectiveness of care requires data that can distinguish the variations in conditions and procedures that make a huge difference in what we should expect in outcomes and cost. Without this level of discrimination, we are clearly comparing apples to oranges and can't rely on the integrity of our measures. ICD-10 provides that level of disease and procedure definition that make comparison much more reliable and meaningful.

Population Based Research

Cross enterprise data is critically important for a variety of types of population based research to identity opportunities to improve the healthcare experience and to reduce that burden of illness.

ADVANTAGES FOR PROVIDERS

Providers have difficulty seeing the advantage of ICD-10 and have serious concerns about the burden. Many of these burdens have been overstated and there are reasonable solutions to becoming compliant. There are advantages to providers that extend beyond the point-in-time encounter. Additionally providers are beginning to see their important role in the broader aspect of integrated care delivery and the vital need for high quality care to manage populations.

Better Documentation

Better documentation of the key concepts that are important for the assessment and care of the patient results in better information for the provider to assist in that care. Providers are not only the creators and transmitters of this data, but they are also the recipient of data from other sources to help better understand the history of assessment and care delivered by other care providers. ICD-10 is much closer to a rational clinical representation of the patient's condition than ICD-9 and moves closer to other clinical standards such as SNOMED-CT to improve that connection between financial and clinical aspect of care.

<u>Improved Recognition of Severity and Risk</u>

Clinicians have often complained that code related data does not really reflect the nature of severity of their patients' conditions or the complexity of services they provide to maintain or improve those conditions. ICD-10 provides the ability to reflect these services and the nature and severity of patients conditions that is substantially better than could be accomplished with the outdated and limited ICD-9 codes.



More Accurate Measures of Quality and Effectiveness

Quality measures assume a consistent representation of conditions and procedures that may not be reflected well in ICD-9 data today. ICD-10 will provide a much better "apples to apples" comparison of the nature and outcomes of patient treatment.

Improved Ability to Coordinate Care

ICD-10 codes represent the only nationally mandated standard for the definition of patient's health conditions and procedures performed in an inpatient environment to maintain or improve that condition. As noted, these codes are much more in alignment with medical definition of current health care concepts. ICD-10 by the nature of its mandate makes it the only reliable way to share standard data about diseases and institutional procedures. It currently is the only practical candidate for cross-enterprise interoperability around clinically related data. One could argue that SNOMED-CT or other coding schemes might provide a better clinical structure, but unfortunately these coding schemes are not a national standard for interoperability across all healthcare stakeholders.

More Appropriate Payment Models

There is little doubt that existing payment models result in appropriate payment for varying levels of severity, risk and complexity. Providers who are taking care of severely ill, high risk patients and providing some of the most complex care are being bluntly grouped and paid at the level of providers who do not take on that level of patient risk or complexity. The current payment model incentivizes the provision of high volume care to low risk patients and creates a disincentive for the care of sicker patients. ICD-10 provides a mechanism for realigning these incentives to provide rewards for those clinicians who provide needed services for the more severely ill.

Streamlined Processing

The ability to streamline claims processing is often stymied by the fact that there is simply not enough information in claim data to make a rationale determination about the appropriateness of service payment based on the nature of the patient's condition. Often additional information must be requested because the ICD-9 codes do not provide sufficient definition of the patient health state or the details of institutional procedures to make a rational determination about payment.

Payer policies often take a rather blunt approach to payment authorization because the codes are generic of vague. Better definition of the condition and procedures afford by ICD-10 provide the opportunity to refine policies and adjudication rules to streamline and automate many decisions that are handled manually after claims pend or reject today.

More Precise Definition of Fraud, Waste and Abuse

There is little argument that fraud, waste and abuse result in substantial loss of healthcare revenue that could be used to provide needed services to those who are uninsured or underinsured today. The imprecision of current data including ICD-9 codes



creates a fog of data that masks inappropriate billing for services that are not helping anyone and may be harming many. Current algorithms used to help identify fraud, waste and abuse tend to cast a very wide net that may include many providers who are providing good care but can't easily be differentiated from those who are committed to taking advantage of the system. The ability to better distinguish the inappropriate from the appropriate will help protect providers who are doing their best from getting ensnared in this net.

Ability to Manage the Risk of Care in "Accountable Care" Environments

There is little doubt that the push to include providers in delivering accountable care in a financial constraint environment is evolving. Provider need to be an essential part in determining and prioritizing those service that offer the greatest benefit given financial limitations. Models are continuing to evolve that allow providers who are part of integrated delivery systems to that take on the risk of care delivery and share the rewards of high quality efficient care. The ability of ICD-10 to provide better detail to define risk, severity, anatomical detail, comorbidities, complications, disease phases, sequela and a variety of other key parameters of the patient's health state will be critically important in effectively managing patients and benefiting from efficient care delivery.

ADVANTAGES FOR PATIENTS

The goal of good care management is safe, effective and care for patients that maintains or improves their health. The definition of healthcare and better oversight of healthcare delivery is critical to this goal

Better Patient Safety

ICD-10 provides a better way to identify risk to patent safety by supporting a more accurate definition of the cause of the patient's condition and the degree to which treatment has either relieved or contributed to adverse patient experiences and outcomes. If all healthcare was delivered appropriately and with patient safety in mind, there would be no need for oversight. Unfortunately there are challenges to patient safety and potentially avoidable conditions that require oversight and remediation. ICD-10 will clearly help identify more precisely this ability assure that patients receive safe care and avoid unintended adverse consequences of care delivery.

Improved Healthcare Quality

Measures of healthcare are only meaningful if the data used to defined conditions and services accurately represents the realty of care. Better measure of quality potential available because of the increased precision of ICD-10 will help patient have better insight into provide quality. Additionally better and more effective quality measures will translate to better care that will benefit consumers of care

Better Identification of Effectiveness and Outcomes



More precise definition of conditions and procedures consistently across healthcare enterprises will result in better medical evidence of what works and will lay foundation to better understand the outcomes of care. Currently the imprecision of widely available healthcare data creates a substantial barrier to understanding what works well and under what conditions. A better understanding of outcomes will help assure wise decisions about the use of limited healthcare dollars and help avoid outcomes that create an increased burden of illness.

Improved Coordination of Care

There is little doubt that the lack of ability to share data accurately across provider, payers, public health and a variety of analytics environments, translates to impediments to patient care and potential misinformation that may provide more harm than good. ICD-10 can provide an additional layer of data accuracy that can help address some of these issues that limit effective coordination.

THE DISADVANTAGES OF DELAYED IMPLEMENTATION

Besides the loss of the above mentioned advantages of ICD-10 for many stakeholders including providers and patients, there is a substantial downside to delaying or not implementing ICD-10.

Outdated Codes

Currently our diagnosis and institutional procedure codes are 30 years old. The structure of these codes has limited expandability and the structure of these codes does not support the level of detail needed to manage care in today's environment. If we continue in the current coding scheme, the ability to progress population based healthcare will be severely limited and the ability to improve patient care and protect patient from untoward events will be significantly limited

Lack of International Standard

The rest of the world has moved to ICD-10 and many countries are already beginning to see the advantage of a more precise interoperable standard. It may be difficult to know if we are truly a leader in healthcare internationally, if we can't compare care. Monitoring and surveillance of diseases that cross international boundaries will be limited if can't share data with others.

The Price of Regression

Many payers, hospitals, software vendors, government entities and other stakeholders have already made substantial investments in moving towards ICD-10 and would not only waste that investment, but would have to unravel the current direction to go back to a ICD-9 status quo model

Impact to Reform

Most of the programs related to healthcare reform including provisions of the Act, Meaningful Use, Accountable Care, Value Based Purchasing, Auditing, Fraud and Abuse



and a variety of other initiatives can only accomplish their stated goals if we have more precise definition of conditions and services in the data needed to support these initiatives.

Loss of Inertia for Needed Interoperability Standards

The industry has struggled to define those standards for healthcare information that will allow true interoperability and the ability to look at "Big Data" across enterprises that allows us to have a better understanding of the nature. A delay or roll back of something as a basic as ICD-10 creates a message that interoperability may not be obtainable in any reasonable time frame and puts a serious damper on our ability to pull meaning full data together for a variety of purposes. The goal of interoperable information on widely used information exchanges will become even more elusive than it historically has been.

SUMMARY

The road to better data about the nature of healthcare in this country has been a bumpy one. We have continued to struggle with the adoption of standards to provide efficient high quality care or even to understand the nature of the care we are delivering with any degree of reliability. A retreat from something as basic as the well adopted standard for the definition of patient health conditions would send a chilling message to the industry that healthcare delivery will remain shrouded and that interoperability will remain an elusive goal. Ultimately patients will pay the price for the lack of ability to speak a common healthcare language.