

ICD-10 and Computer-Assisted Coding: Using the 2013 Mandate as an Opportunity for Business Process Enhancements and Cost Savings Today



Section 1: Situation/Challenge

The ICD-10 storm is brewing. It will *quadruple* the number of codes that must be recognized and assigned by coders. Preparation for this mandated transition may seem extremely daunting given the complexity of the new alpha-numeric format, the industry-wide Coder shortage, and the current revenue cycle challenges facing the industry today. Recognizing the amount of effort required to plan for ICD-10, Phase 2 Meaningful Use requirements have been postponed to allow healthcare organizations the opportunity to strongly focus on their ICD-10 readiness.

Proactive facilities across the country are creating strategic roadmaps and putting computer-assisted technology in place to prepare for the ICD-10 mandate. By planning now for implementation, healthcare organizations have a valuable opportunity to review their business processes and consider an overall solution that will provide the revenue cycle acceleration, productivity improvement, and reimbursements they want today with the ICD-10 preparation needed for October 1, 2013.

Facilities are already finding it difficult to keep up with coding volumes under the current ICD-9 coding classifications with only approximately 25,000 codes. "ICD-9-CM is 30 years old, has outdated and obsolete terminology, uses outdated codes that produce inaccurate and limited data, and is inconsistent with current medical practice. It cannot accurately describe the diagnoses and inpatient procedures of care delivered in the 21st century."¹ As a result, ICD-10 introduces 155,000 codes to capture more accurate data. Without solid planning and technology, managing the same volume of work with the added complexity of the new coding classifications will catch many organizations off guard and unprepared for the decrease in both coding productivity and revenue cycle speed.

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ICD-10-CM/PSC

Incorporates much greater specificity and clinical information which results in:

- Improved ability to measure healthcare services;
- Increased sensitivity when refining grouping and reimbursement methodologies;
- Enhanced ability to conduct public health surveillance; and
- Decreased need to include supporting documentation with claims.¹

Section 2: Computer-Assisted Coding

Coding automation technology streamlines clinical documentation processes and increases efficiency of Coder resources by making them more productive and using their expertise more efficiently on tougher cases. This technology, known as Computer-Assisted Coding (CAC), is defined as, “The use of computer software that automatically generates a set of medical codes for review/validation and/or use based upon clinical documentation provided by healthcare practitioners.”² This technology electronically “reads” transcribed and voice-recognized medical records using Natural Language Processing (NLP) and provides Coders with suggested codes for their review and approval.

Implementing CAC technology now will prepare facilities to take the greatest advantage of the benefits that ICD-10 brings to healthcare providers and patients. The updated terminology will give physicians an opportunity to be more specific and accurate in their treatment and be able to use and document advanced procedures, which will lead to improved patient care and more accurate reimbursement from payers. Healthcare organizations will be able to optimize reimbursements based on more specific information found in the record.



ICD-10-CM/PSC

Provides better data for:

- Measuring care furnished to patients;
- Designing payment systems;
- Processing claims;
- Making clinical decisions;
- Tracking public health;
- Identifying fraud and abuse; and
- Conducting research.¹

Section 3: Beyond the Mandate – Strategic ICD-10 Planning

ICD-10 offers opportunities to explore project synergies and consider making changes to improve a facility’s entire clinical documentation structure. Organizations should ask themselves if now is the time to make changes to their current platforms which may be aging or becoming obsolete. Facilities can experience significant savings through efficiency, lower labor costs, and accurate reimbursements using CAC technology today, but many more benefits can be realized with an upgrade to an enterprise-wide clinical documentation platform. Facilities can also leverage this technology to accelerate EHR implementation plans and demonstrate Meaningful Use. This *critical moment in healthcare* offers organizations the opportunity to think about what could be achieved by moving to a single, enterprise-wide clinical documentation platform that includes Computer-Assisted Coding technology.

Section 4: Opportunities for the CFO

Since medical procedures have evolved over time, ICD-10 presents an opportunity to gain more accurate payments for new procedures. Beyond this obvious benefit of the mandate, Finance Departments using an enterprise-wide platform with CAC can expect to see accelerated revenue cycles, reduced DNFB (Discharged Not Final Billed), lower administrative costs with fewer manual processes, reduced capital expenses when using an ASP solution, and maximized pay-for-performance outcomes. This technology allows optimal revenue obtainment based on the documentation captured in the record. CAC directly affects the billing cycle by making Coders more efficient, reducing errors, and preventing claims from being rejected.

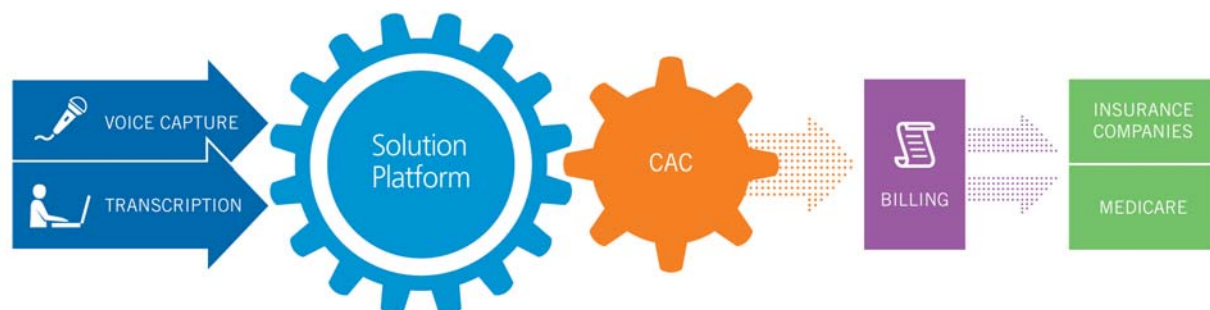
Financial Impact to the Industry to Implement ICD-10

- \$3 to \$8 billion for the industry
- \$25K per physician to implement
- \$84K for small physician practices
- Up to \$3 million for large physician practices
- \$500K to \$14 million for health plans
- \$200 to \$220 million for Medicare impacts
- \$1 to \$3 million for State Medicaid programs ^{3,4,5}

Section 5: Opportunities for HIM Directors

HIM Departments are already struggling with the many demands of managing staff, preparing for audits, and maintaining strong productivity numbers. Often they are performing tasks manually and trying to do more work with fewer budget dollars. Using a single, enterprise-wide clinical documentation solution that follows the natural patient information continuum — from voice capture and speech recognition for report creation to coding and core quality measures reporting — will help them easily report on productivity and other key performance metrics, remove many of the manual tasks of reviewing claims, and make them well prepared for audits.

DocQment CAC uses rules-based Computer-Assisted Coding to achieve consistent coding results not normally attainable using individual coders. Automated workflow rules make sure that records are reviewed in a timely and relevant basis, and the rich commenting and notation features allow coders to document changes and edits and store that information right in the record. Measuring the quality of clinical documentation and coding becomes easier and allows the HIM Director to identify and resolve problems quickly. This comprehensive technology allows users to maintain high productivity, give their staff flexible work-from-home opportunities to assist with retention and recruitment, and continually measure and improve the quality of their clinical documentation.



Section 6: Opportunities for CIOs

It is important for IT Departments to look beyond the short-term IT impact of the ICD-10 mandate and consider a total solution. Using an enterprise-wide ASP solution with CAC for all clinical documentation, IT leaders can redirect their limited resources to other important priorities and let us do the work. This technology allows IT Departments to reach and exceed their goals for enhancing the integrity of medical record data, improving patient care, and demonstrating compliance with industry mandates.

Section 7: Opportunities for CMIOs and Physicians

EHR adoption, CPOE, clinical documentation improvement (CDI) — the pressure on CMIOs is mounting every day. The role of the CMIO is becoming critical to healthcare organizations, and they need the tools to help them succeed. Health information processes are becoming more intertwined and quality documentation supports more workflow than ever before. Using a single platform will allow you to “close the loop” and support your workflow needs by delivering key information across your systems for Meaningful Use reporting, clinical decision support, and CDI programs, all while maximizing your reimbursement with coding technology.

With NLP, the technology behind CAC, physician alerts can be created based on the appropriate documentation needed for reimbursement and quality; thus, physicians will be empowered to provide more specific and accurate documentation of patient clinical treatment plans enabling better data to demonstrate patient outcomes. That information will be understood and captured by new ICD-10-ready CAC technology, leading to improved concurrent documentation processes and better data collection for research and performance improvement initiatives, which will in turn help facilities establish benchmarks and best practices to improve patient care.



Section 8: Opportunities for Informatics/Reporting Departments

Using a single, enterprise-wide clinical documentation solution will allow users to take data collected from transcription and use it to measure statistics, collect research information, and ensure high quality standards. Informatics Departments will be able to meet Clinical Documentation Improvement (CDI) goals with ease, will have access to more robust information, and will be able to report on public health matters more effectively. Additionally, the ability to track outcomes, trends, and quality metrics will allow for stronger pay-for-performance reimbursements.

Section 9: Early Adoption Benefits

Even though two years remain, early adoption of CAC technology can prepare your facility now before the demand increases and technology, implementation, training, and support becomes **scarce and expensive**. Moving to a platform with CAC now will provide immediate ROI by solving recruiting, productivity, compliance, and efficiency challenges and offering significant cost savings. Early adopters will accelerate their revenue cycles now and feel confident and secure about the future.

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Section 10: Wrap up

To be ready for the ICD-10 storm, facilities should go beyond complying with the mandate and see this event as a chance to review and strategize about the many opportunities to improve business processes throughout the organization. The interoperability available between components of a dynamic, single, enterprise-wide system will allow efficiencies, cost-savings, and quality that are otherwise difficult to obtain.

With the delay of Stage 2 of Meaningful Use requirements, healthcare providers are now poised to strongly focus on their ICD-10 readiness. There is no better time than right now to get started. Put your facility ahead of the curve. Others will be scrambling at the last minute, but your facility will be relaxed, confident, and ready for future changes in the industry.

“We are experiencing a challenging - and exciting - time in healthcare as we prepare to catch up with the rest of the world in using modern classification systems to improve the capture of healthcare information. Implementation of ICD-10-CM/PCS will advance healthcare by producing better data needed for quality measurement, public health, research, organizational monitoring and performance, and reimbursement.”

- AHIMA.org ⁶

References:

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4. *The Cost of ICD-10 Implementation*, www.aapc.com, September 2009.
5. *Examining the Costs of ICD-10 Implementation*, Hay Group, October 2006.
6. AHIMA.org