



# Kentucky ICD-10 Site Visit

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

## Segment 5: Provider Communication

November 15-16, 2012



# Agenda

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



# Challenges

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



- Physician / Clinician and staff training
- Consideration for SMA policy updates
- Payment delays
- Health Plan Contracting

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

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

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

# The Time Has Come

- Final Rule Released on Adoption of Health Plan Identifier and Change in Compliance Date for ICD-10
- The rule also makes final a one-year proposed delay – from Oct. 1, 2013, to Oct. 1, 2014– in the compliance date for use of the ICD-10 diagnosis and procedure codes.



**October 1, 2014**

**Go-Live Date**

# General Readiness



- Respondents – 2600 consisting of 2,118 providers, 231 vendors and 242 health plans
- Approximately half of the vendors are less than halfway complete with product development
- One third of vendors expect to begin customer review and beta testing before late 2012
- Over a third of health plans have begun their assessment, but a quarter are halfway done
- Most health plans do not expect to begin external testing until 2013
- Nearly half of the provider respondents report that they did not know when they would complete their impact assessment
- Third of providers expect to begin external testing in 2013 another half responded that they did not know when they would begin testing

# 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

# Survey Question – Impact Assessment

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

How many Clinical FTEs (doctors, nurses, nurse practitioners, physician assistants, therapists) are in your organization?

	1	2-10	11 to 100	101-1000	Greater than 1000	Response Totals
Already complete	8.2% (14)	7.1% (37)	7.8% (36)	21.3% (54)	42.4% (86)	14.1% (227)
Feb-Mar 2012	1.2% (2)	3.3% (17)	5.0% (23)	7.9% (20)	12.3% (25)	5.4% (87)
April-Sept 2012	9.9% (17)	8.2% (43)	14.3% (66)	19.4% (49)	19.2% (39)	13.3% (214)
Oct – Dec 2012	3.5% (6)	10.3% (54)	12.1% (56)	10.7% (27)	7.4% (15)	9.8% (158)
2013	11.7% (20)	12.4% (65)	12.3% (57)	8.7% (22)	3.9% (8)	10.7% (172)
Unknown	65.5% (112)	58.7% (307)	48.6% (225)	32.0% (81)	14.8% (30)	46.8% (755)
<b>answered question</b>	<b>171</b>	<b>523</b>	<b>463</b>	<b>253</b>	<b>203</b>	<b>1,613</b>
					<b>skipped question</b>	<b>9</b>

# Survey Question – Business Impact

## 22. When do you expect to complete business changes (documentation, superbill changes, workflow redesign) for ICD-10 implementation

	How many Clinical FTEs (doctors, nurses, nurse practitioners, physician assistants, therapists) are in your organization?					Response Totals
	1	2-10	11 to 100	101-1000	Greater than 1000	
Already complete	5.9% (10)	1.9% (10)	1.7% (8)	1.6% (4)	1.5% (3)	2.2% (35)
Feb-Mar 2012	1.2% (2)	1.1% (6)	1.3% (6)	0.0% (0)	1.5% (3)	1.1% (17)
April-Sept 2012	7.1% (12)	5.7% (30)	6.5% (30)	10.3% (26)	6.4% (13)	6.9% (111)
Oct – Dec 2012	10.0% (17)	12.0% (63)	13.2% (61)	19.4% (49)	25.7% (52)	15.0% (242)
2013	19.4% (33)	27.1% (142)	32.9% (152)	34.4% (87)	47.5% (96)	31.7% (510)
Unknown	56.5% (96)	52.1% (273)	44.4% (205)	34.4% (87)	17.3% (35)	43.2% (696)
<b>answered question</b>	<b>170</b>	<b>524</b>	<b>462</b>	<b>253</b>	<b>202</b>	<b>1,611</b>
				<b>skipped question</b>		<b>11</b>

# Survey Question - Testing

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

How many Clinical FTEs (doctors, nurses, nurse practitioners, physician assistants, therapists) are in your organization?

	1	2-10	11 to 100	101-1000	Greater than 1000	Response Totals
Prior to 2013	11.0% (19)	11.3% (59)	11.0% (51)	15.1% (38)	20.9% (42)	13.0% (209)
January – June 2013	14.5% (25)	15.1% (79)	22.3% (103)	28.7% (72)	45.8% (92)	23.1% (371)
July 2013 or later	10.5% (18)	10.7% (56)	15.8% (73)	15.5% (39)	12.9% (26)	13.2% (212)
Unknown	64.0% (110)	62.8% (328)	50.9% (235)	40.6% (102)	20.4% (41)	50.7% (816)
<b>answered question</b>	<b>172</b>	<b>522</b>	<b>462</b>	<b>251</b>	<b>201</b>	<b>1,608</b>
				<b>skipped question</b>		<b>14</b>

# Survey Question - Obstacles

**24. What are your top three obstacles that have caused delay and/or lack of progress in ICD-10 planning and implementation? (Check 3)**

	How many Clinical FTEs (doctors, nurses, nurse practitioners, physician assistants, therapists) are in your organization?					Response Totals
	1	2-10	11 to 100	101-1000	Greater than 1000	
Significant IT impacts	42.6% (63)	46.7% (216)	51.9% (223)	45.4% (104)	52.9% (100)	48.4% (706)
Staffing	43.2% (64)	42.8% (198)	48.6% (209)	43.2% (99)	47.1% (89)	45.2% (659)
Budget	50.0% (74)	49.9% (231)	45.1% (194)	41.9% (96)	33.9% (64)	45.2% (659)
Competing internal priorities	41.2% (61)	46.9% (217)	52.8% (227)	66.8% (153)	70.9% (134)	54.3% (792)
Vendor readiness concerns	33.8% (50)	41.0% (190)	41.9% (180)	40.6% (93)	51.9% (98)	41.9% (611)
Other (please specify)	34 replies	103 replies	64 replies	37 replies	24 replies	262
<b>answered question</b>	<b>148</b>	<b>463</b>	<b>430</b>	<b>229</b>	<b>189</b>	<b>1,459</b>
				<b>skipped question</b>		<b>163</b>

# Survey Question – Remediation Strategy

25. How do you plan to produce ICD-10 codes?						
	How many Clinical FTEs (doctors, nurses, nurse practitioners, physician assistants, therapists) are in your organization?					
	1	2-10	11 to 100	101-1000	Greater than 1000	Response Totals
Choose ICD-9 code and then crosswalk to an ICD-10 code	19.6% (33)	12.5% (65)	11.5% (53)	7.2% (18)	3.4% (7)	11.0% (176)
Choose ICD-10 code directly	14.3% (24)	21.3% (111)	29.4% (135)	45.4% (114)	60.6% (123)	31.6% (507)
Mix of the two previous answers	57.7% (97)	58.7% (306)	53.2% (244)	39.8% (100)	29.1% (59)	50.3% (806)
Other (please specify)	14 replies (8.3%)	39 replies (7.5%)	27 replies (5.9%)	19 replies (7.6%)	14 replies (6.9%)	7.1% (113)
<b>answered question</b>	<b>188</b>	<b>521</b>	<b>459</b>	<b>251</b>	<b>203</b>	<b>1,602</b>
				<b>skipped question</b>		<b>20</b>

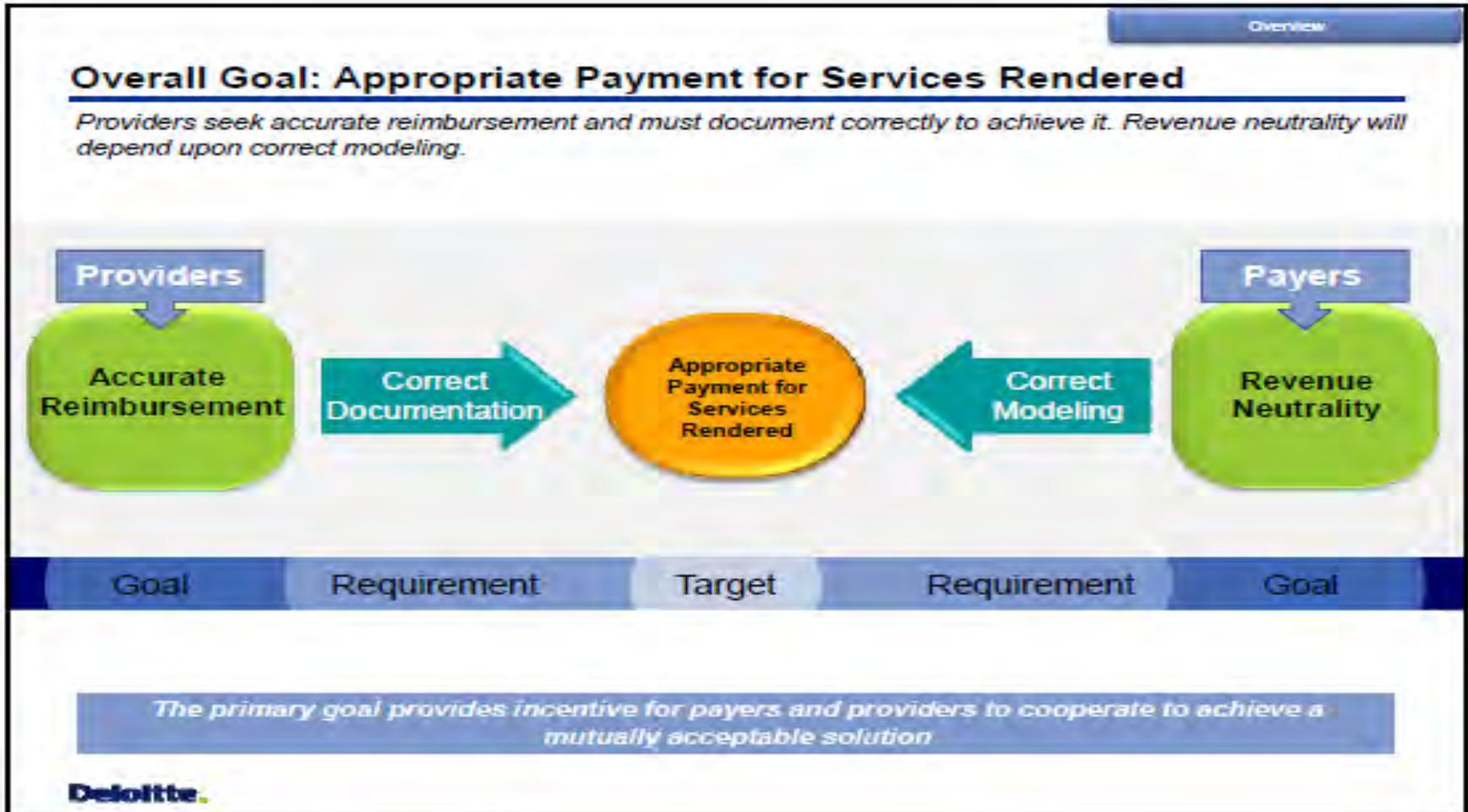
# Challenge: Cost

- Recent literature suggests that the estimated cost associated with converting to ICD-10-CM/PCS will exceed \$25,000, depending on the size of hospitals, physician offices, or other healthcare entities.<sup>95</sup> It is estimated that for small physician practices composed of three physicians, the cost for converting to ICD-10-CM/PCS will average around \$83,000.<sup>96, 97</sup> Medium-sized physician offices (ranging from 9 to 10 physicians), on the other hand, are predicted to spend on average an estimated \$285,000 on the conversion.<sup>98</sup> For larger physicians' offices, the cost associated with converting is estimated to average \$2.7 million, and the cost could reach \$15 million to \$20 million for hospitals and other large healthcare entities.<sup>99-101</sup> In light of the estimated cost associated with converting to ICD-10-CM/PCS, it will become essential for hospitals, physicians, payers, and other healthcare entities to thoroughly plan for the conversion process to ensure all required tasks are outlined and properly budgeted for so that a complete picture of expected expenses can be determined.

# Costs - Physicians

	Typical Small Practice	Typical Medium Practice	Typical Large Practice
Education	\$2,405	\$4,745	\$46,280
Process Analysis	\$6,900	\$12,000	\$48,000
Changes to Superbills	\$2,985	\$9,950	\$99,500
IT Costs	\$7,500	\$15,000	\$100,000
Increased Documentation Costs	\$44,000	\$178,500	\$1,785,000
Cash Flow Disruption	\$19,500	\$65,000	\$650,000
<b>TOTAL</b>	<b>\$83,290</b>	<b>\$285,195</b>	<b>\$2,728,780</b>

# Overall Goal



# What Channel?



Provider Forum



Join Our Webinar

# Manage the Provider Community

## 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

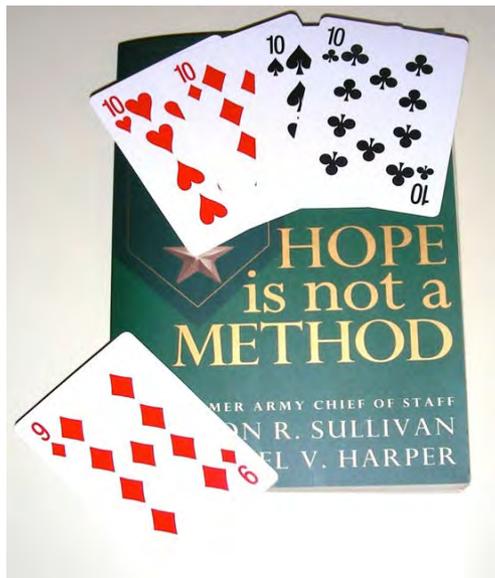
# Strategies for Engaging Providers

## Strategies for Success

- 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



# Taking Initiative to Track & Communicate With Providers



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.

# What Are Health Plans Doing?

## ICD-10 Implementation Assistance

### External stakeholders key to success

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

<b>Providers</b>	<b>Vendors</b>	<b>Other External Stakeholders</b>
<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.





# What Are Health Plans Doing?

## ICD-10 Implementation Assistance

- 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.

# Questions

