Utilizing Procedure Documentation to Overcome the Challenges of ICD-10 and RAC

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Wolters Kluwer Health

Why should we talk about documentation and coding?

When I was in medical school

- Our meetings focused on making patients better – never on business
- Focusing on payment (and all things related) meant you went into medicine for the "wrong reasons"

Times have changed

- From the codes utilized to the documentation supporting them, the claims and payment process is highly regulated, and demands our attention

The bottom line

- Retaining control of payment, through proper documentation and coding is part of what allows us to control the care we give to our patients

Coding is the *smaller part* of the issue, the key challenge is documentation

Multiple Factors Driving Focus on Documentation

The pressure is intensifying on clinicians to deliver more comprehensive, tightly structured clinical documentation

- ICD-10
- RAC (Recovery Audit Program) pre- and post-payment audits
  - 90% of hospitals experienced RAC activity in Q4 2012
- Increased scrutiny by state MACs (Medicare Administrative Contractors)
  - Prepayment review of "problematic" claims
- Failure to accurately and/or fully document medical necessity

All hurt the revenue cycle

- Collection of over- or improper payments
- Lost reimbursements due to under-coding
- Payment delays as audits are defended and/or appealed
- Nonpayment for services provided
- Staff resources to manage all of it

Multiple Factors Driving Focus on Documentation

Two areas where documentation quality has the greatest impact are ICD-10 and RAC

Documentation and ICD-10

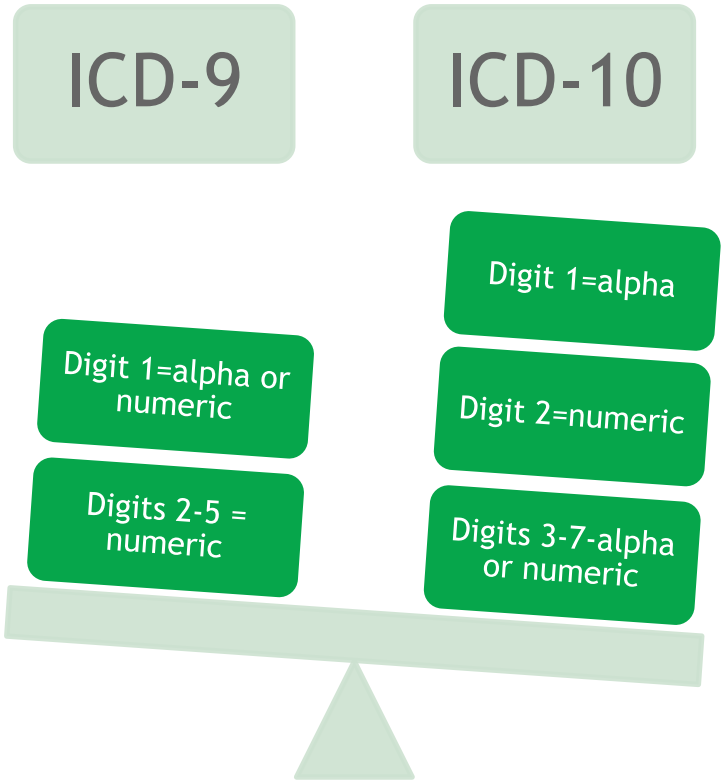
CMS *will not* delay implementation of ICD-10 beyond Oct. 1, 2014

…as affirmed by CMS Acting Administrator Marilyn Tavenner in a 3/6 address at HIMSS13

Documentation and ICD-10

Traditional documentation lacks the specificity required to code accurately in ICD-10

- The number of codes is expanding by approximately ***800%***
  - ICD-9 = 17,000 codes
  - ICD-10 = nearly 155,000 codes
- 3-5 characters vs. 3-7 characters



In Canada, revenue streams were reduced by as much as 40% for four months post-ICD-10 transition

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Documentation and ICD-10

Many common diagnoses and specialized areas will require much greater specificity and clinical detail under ICD-10

- Detailed embedded within ICD-9 codes is very ambiguous compared to ICD-10
  - Allows for specific descriptions of co-morbidities, manifestations, etiology/causation, complications, etc.
  - Laterality is often identified

Net result: existing documentation approaches will be inadequate in ICD-10

Documentation and ICD-10

The orthopaedic codes section is expanding more than any other section of ICD-10

- Displaced Oblique Fracture of the Shaft of the Right Tibia (ICD-10 code S52.123)
  - The appropriate seventh character must be selected from a list of 16 possibilities (versus 5 under ICD-9)
- Adhesive Capsulitis of the Shoulder
  - 1 diagnosis code under ICD-9 (726.0) compared to 3 under ICD-10
- Open Fracture of Head of Radius
  - 1 code under ICD-9 (813.15) compared to 16 under ICD-10's displaced of head of unspecified radius (S52.123)

Documentation and ICD-10

Pain management providers can also anticipate substantial changes under ICD-10

- The following expand from 1 code to 9
  - Cervical spondylosis without myelopathy (ICD-9 code 721.0)
  - Thoracic spondylosis without myelopathy used for thoracic facet joint arthropathy (ICD-9 code 721.2)
- Degenerative disc disease in multiple regions
  - Expands from 1 code to 3 in the cervical spine
  - Expands from 1 code to 2 in the thoracic spine
  - Expands from 1 code to 2 in the lumbosacral spine
  - …But no differentiation between disc bulging, disc protrusion, disc extrusion and disc herniation (At least not yet…)

Documentation and ICD-10

Spinal stenosis has 1 ICD-9 code—and approximately 30 ICD-10 codes

ICD-9 CODE	ICD-9 DESCRIPTION	ICD-10-CM	ICD-10 DESCRIPTION
724.09	Spinal stenosis, other region other than cervical	M48.08	Spinal stenosis, sacral and sacrococcygeal region
		M99.24	Subluxation stenosis of neural canal of sacral region
		M99.25	Subluxation stenosis of neural canal of pelvic region
		M99.26	Subluxation stenosis of neural canal of lower extremity
		M99.27	Subluxation stenosis of neural canal of upper extremity
		M99.28	Subluxation stenosis of neural canal of rib cage
		M99.29	Subluxation stenosis of neural canal of abdomen and other regions
		M99.34	Osseous stenosis of neural canal of sacral region
		M99.35	Osseous stenosis of neural canal of pelvic region
		M99.36	Osseous stenosis of neural canal of lower extremity
		M99.37	Osseous stenosis of neural canal of upper extremity
		M99.38	Osseous stenosis of neural canal of rib cage
		M99.39	Osseous stenosis of neural canal of abdomen and other regions
		M99.44	Connective tissue stenosis of neural canal of sacral region
		M99.45	Connective tissue stenosis of neural canal of pelvic region
		M99.46	Connective tissue stenosis of neural canal of lower extremity
		M99.47	Connective tissue stenosis of neural canal of upper extremity
		M99.48	Connective tissue stenosis of neural canal of rib cage
		M99.49	Connective tissue stenosis of neural canal of abdomen and other regions
		M99.54	Intervertebral disc stenosis of neural canal of sacral region
		M99.55	Intervertebral disc stenosis of neural canal of pelvic region
		M99.56	Intervertebral disc stenosis of neural canal of lower extremity
		M99.57	Intervertebral disc stenosis of neural canal of upper extremity
		M99.58	Intervertebral disc stenosis of neural canal of rib cage
		M99.59	Intervertebral disc stenosis of neural canal of abdomen and other regions
		M99.64	Osseous and subluxation stenosis of intervertebral foramina of sacral region
		M99.65	Osseous and subluxation stenosis of intervertebral foramina of pelvic region
		M99.66	Osseous and subluxation stenosis of intervertebral foramina of lower extremity

Documentation and ICD-10

Key Point

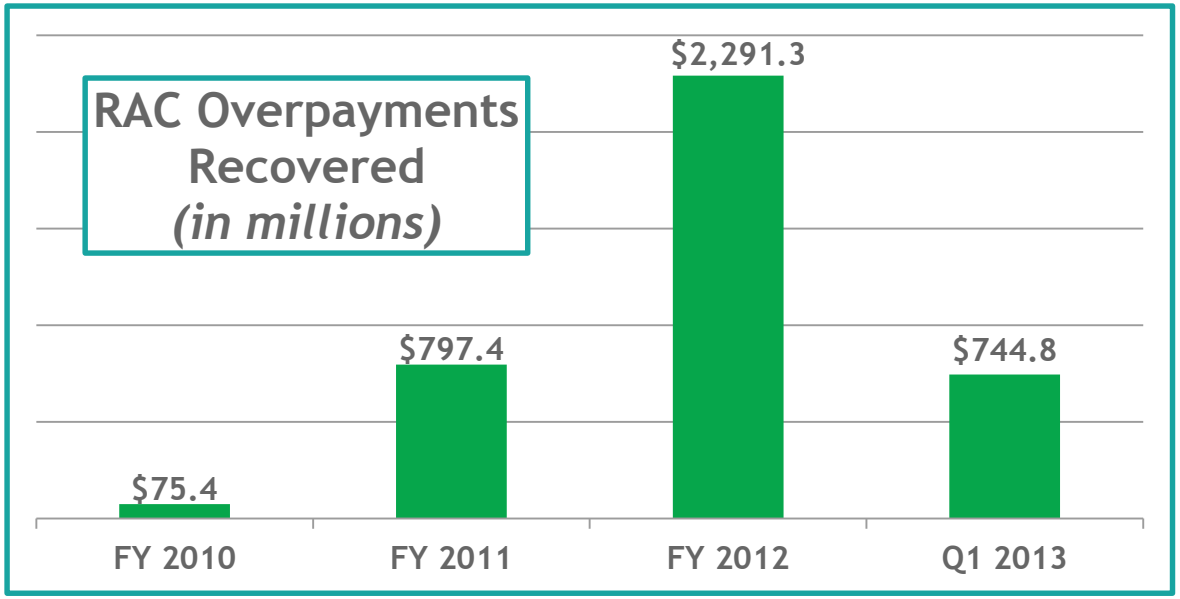
Failure to provide the required specificity under ICD-10 can be a liability because…

You *must* have clinical documentation that corresponds to and supports the code selected

Documentation and RAC: Post-Payment Audits

Medicare Fee-for-Service Recovery Audit Program

- Recovery auditors review claims on a ***post-payment basis***, looking back three years from the date the claim was paid
- RAC has collected a total of $3.9 billion in overpayments since 10/09



Top issue…insufficient documentation

In 3 of the 4 RAC regions in Q1 2013 was insufficient documentation to support services provided

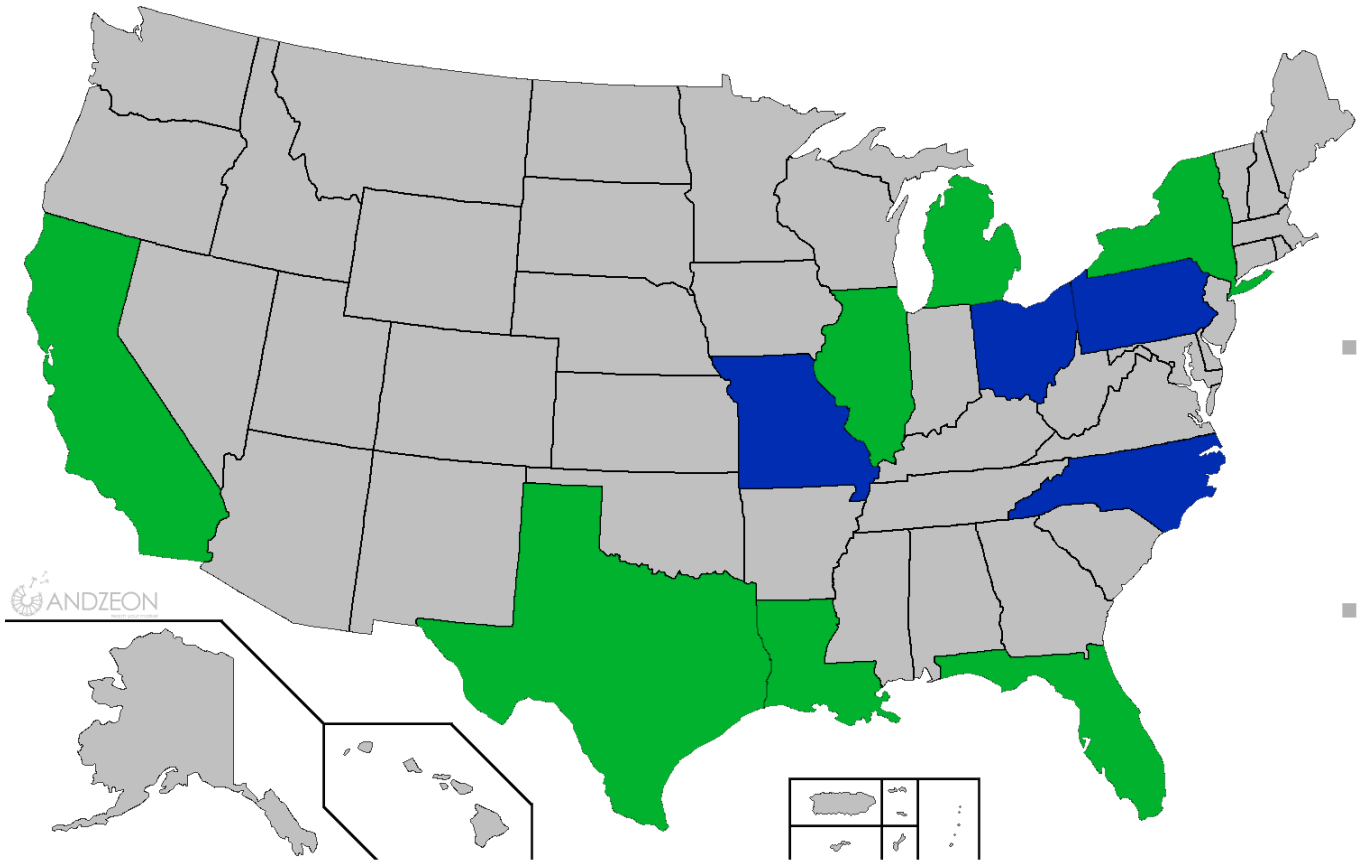
Documentation and RAC: Prepayment Audits

The RAC Prepayment Review Demonstration Program

- Medicare RACs review claims submitted on select DRGs ***before*** they are paid to ensure that the provider complied with all Medicare payment rules
  - Focus is on claims with high rates of improper payment
  - Begin with reviews of short inpatient hospital stays
  - Additional DRGs will be added at CMS' discretion

Documentation and RAC: Prepayment Audits

Initial focus is on 11 states



- 7 with high populations of fraud- and error-prone providers
- 4 with high claims volumes of short inpatient hospital stays

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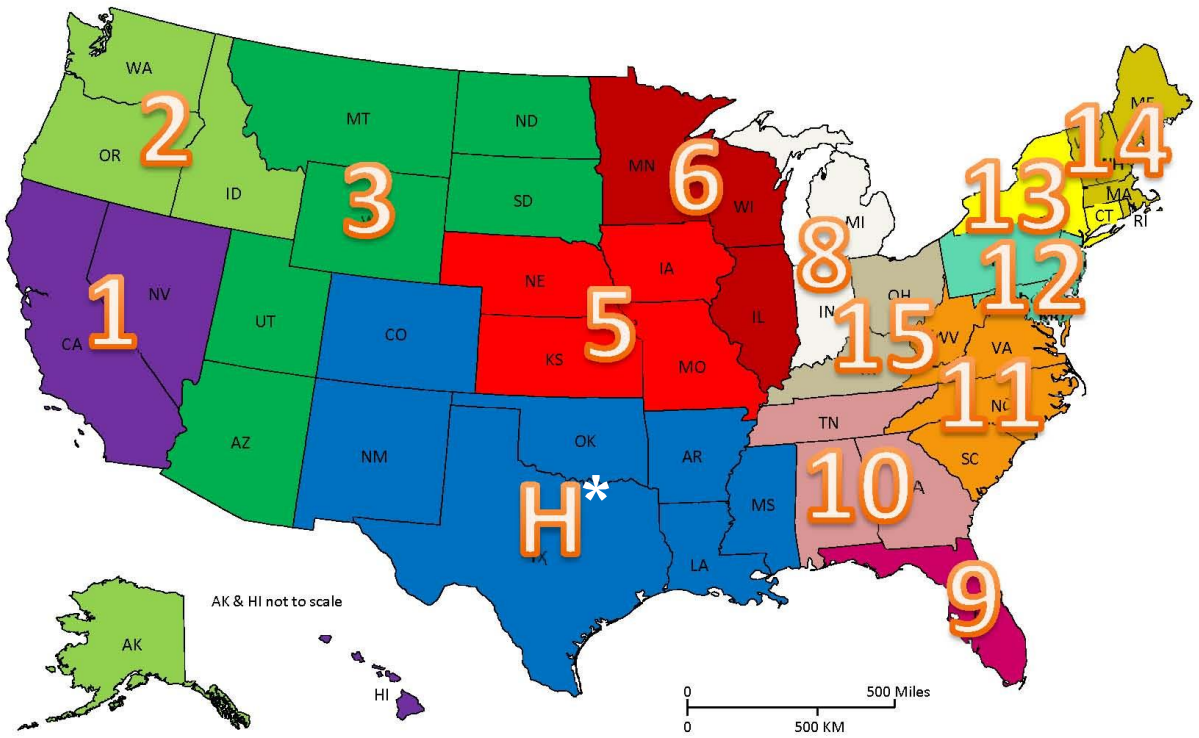
Documentation and State MAC Prepayment Audits

MAC Prepayment Reviews

- State MACs can implement prepayment review programs at their discretion to reduce their Comprehensive Error Rate Testing (CERT) error rates
  - MACs typically initiate prepayment review of **providers they suspect** are not properly billing for services
  - MACs also are initiating prepayment reviews of **new Medicare** enrolled providers
- Six MACs are doing prepayment reviews of short stays for MS-DRG 312 (Syncope)
- Three MACs (J9, J4 and J12) target specific orthopaedic procedures with high error rates: 1) MS-DRG 458, 2) MS-DRG 460, 3) MS-DRG 470, and MS-DRG 490

Documentation and State MAC Prepayment Audits



Medicare Administrative Contractors by Jurisdiction:

1/E: Palmetto GBA
2/F: Noridian Administrative Services
3/F: Noridian Administrative Services
4/H: Trailblazer Health Enterprises/Novitas Services
5/G: Wisconsin Physician Service Health Insurance Corporation
6/G: National Government Services
7/H: Novitas Services
8/I: Wisconsin Physician Service Health Insurance Corporation
9/N: First Coast Service Options
10/J: Cahaba GBA
11/M: Palmetto GBA
12/L: Novitas Services
13/K: National Government Services
14/K: National Heritage Insurance Corporation
15/I: CIGNA Government Services

** H is the result of the merger of Regions 4 and 7*

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Example of One State MAC's Prepayment Audit Results

% of Cases where Documentation was Sufficient to Support Claim			
First Coast Service Options (Florida MAC)			
MS-DRG	**Description**	**Medical Necessity**	**Reasonable & Necessary**
460	Spinal fusion except cervical w/o MCC	40%	
470	Major joint replacement or reattachment of lower extremity w/o MCC	8%	
328	Stomach, esophageal & duodenal procedure w/o CC/MCC	50%	
455	Combined anterior/posterior spinal fusion w/o CC/MCC	0%	
473	Cervical spinal fusion w/o CC/MCC	0%	
069	Transient ischemia	1%	
254	Other vascular procedures w/o CC/MCC	0%	52%
254	Other vascular procedures w/o CC/MCC	0%	52%

60% of claims for MS-DRG 460 were not paid

Leveraging Automation

Specialties will benefit from leveraging technology to improve clinical documentation

- Eliminates data integrity concerns
  - Reminders based on regulatory changes
- Ensures a more efficient and effective claims defense
- Simplifies audit submissions

Bottom line…better clinical documentation leads to payment reliability, and can make RAC, MAC and ICD-10 a non-issue

What to Look for When Selecting a Technology Partner

Deep Medical Content

Stay away from templates

- Do not keep up with quarterly coding or documentation changes
- You are likely to have to maintain them, keep them current

Stay away from coding "pick lists"

- You still have to keep track of all the coding and documentation reqs.

Built around your workflow (not derived from a billing system)

Ensure it is useable for other purposes

- Internal quality assurance
- Registry submission
- Data to use to negotiate with payers

"Best of Breed" approach

- Be wary of start ups, companies for sale, "we can do everything"

Leveraging Automation: Surgeons & Proceduralists

For surgeons, technology helps in three ways:

1. Ensures that the medical findings specified correspond to the codes that are submitted
   - Guides all documentation
   - Flags specific data for inclusion
   - Findings required are updated as regulations change
2. Establishes medical necessity and supports (defends) against any challenges to the codes submitted
   - Built-in reporting and analytics tools simplify audit preparation
3. Ensures complete, coder-ready documentation
   - Improves revenue

Leveraging Automation

For administrators…

- Eliminates duplicate data entry
- Enables limited resources to be refocused on other core responsibilities
- Increases productivity

As well as…

- When documentation software is interfaced with other systems, data can be shared without any additional resources

Why should we talk about documentation and coding?

You have two choices:

1. Get/use an effective system
   - Periodically (1-3 yrs) review to ensure it continues to meet your needs
2. Do not get an effective system and you will…
   - Be at risk for RAC/MAC audits and coding changes
   - Have to keep track of all of the documentation changes
   - Have to implement a system to capture the requirements
   - Lose all the added benefits (registries, internal quality control, negotiating leverage, interfaces)

Net result, without an effective system, you will CONSTANTLY be dealing with these issues

For more information about ProVation MD, or to schedule a software demonstration:

Contact:

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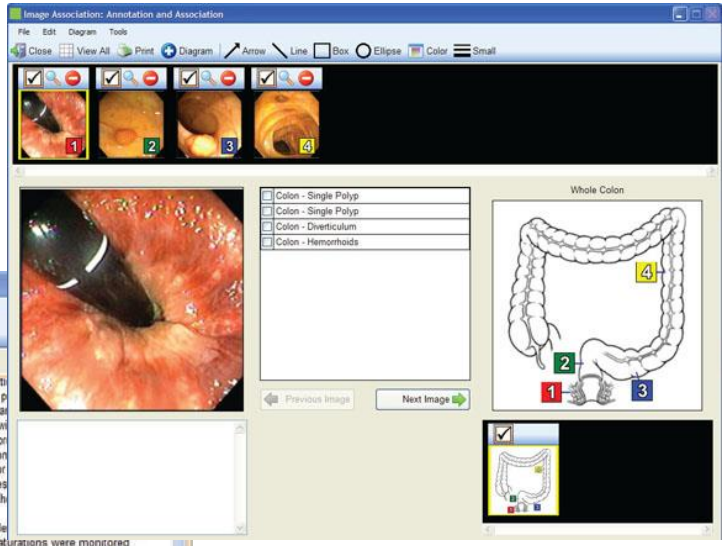
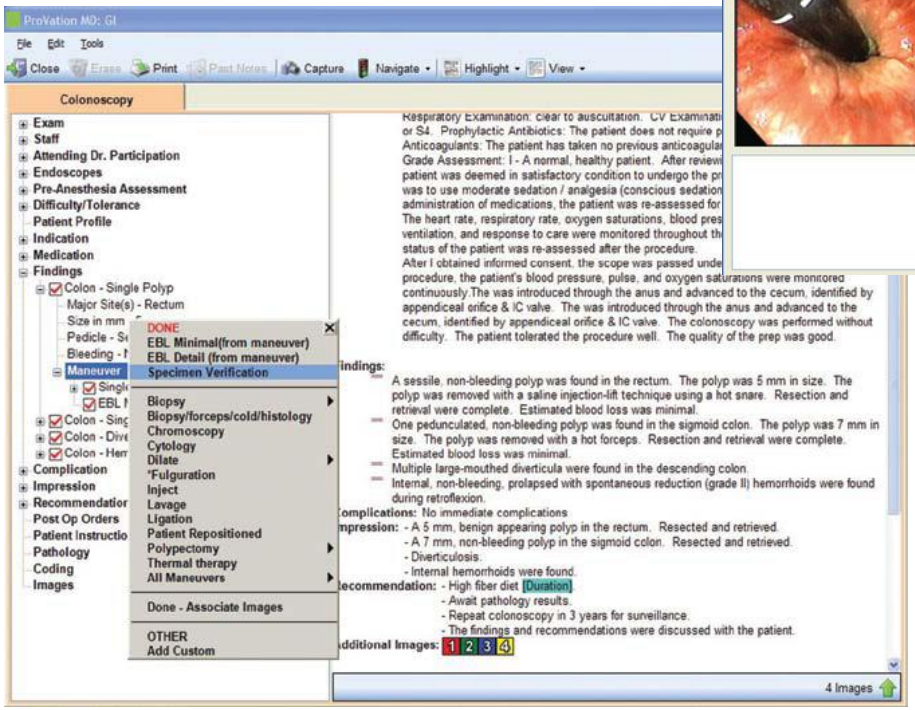
317-705-7618



Allows for capture & submission of appropriate PQRS measures, & GI Quality Indicators, including electronic GIQuIC submission



Creates a single, complete, compliant and easily retrieved electronic note for each procedure

Provides procedure documentation and coding solutions for medical specialties including:

- Cardiology
- Ear, Nose, Throat (ENT)
- Gastroenterology
- General Surgery
- Gynecology
- Ophthalmology
- Orthopedics
- Pain Management
- Plastic Surgery
- Pulmonology
- Urology

ICD and CPT codes generated based on physician documentation.