ICD-10: Fostering Change Through Collaboration

Health Care Compliance Association – Upper Northeast Annual Conference

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Agenda

◆ An Overview of ICD-10
◆ ICD-10: The Bad…and the Good
◆ Change Leadership
◆ Specific Actions
An Overview of ICD-10

What Is It?

- ICD is the International Classification of Diseases developed by the World Health Organization (WHO) and ten international centers for the clinical and epidemiological storage and retrieval of diagnostic information, health services payments, standardized health records, and public health assessments, and it includes compilations of national mortality and morbidity statistics. The current system used in the U.S. is ICD-9-CM (Clinical Modification).

- On January 16th, 2009, the Department of Health and Human Services published two final rules that would facilitate the U.S.’s ongoing transition to an electronic health care environment.

- The first rule adopts ICD-10, modifying the standard medical data code sets for coding diagnosis and inpatient hospital procedures and requiring use of the new code set by October 1, 2013. In August 2012, this implementation data was modified to require the use of the new code set by October 1, 2014.

- The second rule adopts updated versions of the standards for certain electronic health care transactions, under the authority of HIPAA (5010/D.O. final rule), and requires use of the new transaction standard by January 1, 2012.

- The US is the last of the developed nations to adopt ICD-10. Because ICD-10 compliance will be required for claims submission and payment, the US implementation effort can be far more complex than it was for other countries.

- ICD-10 represents a significant change in the standard healthcare coding systems in decades. ICD-10 and its transaction precursor, HIPAA 5010, will impact every system, process and transaction that contains or uses a diagnosis code or inpatient procedure code.

Gartner Research predicts “the effect of ICD-10 on the health care industry will be greater than that of HIPAA and Y2K combined.”

An Overview of ICD-10

ICD-10 structural change and many-to-many relationships

The ICD-10 code set expands the structure of the ICD-9 code set to provide additional granularity for diagnosis and IP procedure codes.

The increased granularity and specificity of the ICD-10 code set creates multiple potential translations from ICD-9 (one to many relationships).

ICD-10 consists of two parts:
- ICD-10 Clinical Modification (ICD-10-CM) - The diagnosis classification system developed by the Center for Disease Control and Prevention for use in all US healthcare treatment settings.
- ICD-10 Procedure Coding System (ICD-10-PCS) – The classification system developed by the Centers for Medicare and Medicaid Services (CMS) for use in the US for inpatient hospital settings. Does not replace CPT coding for outpatient services.

The U.S. ICD-10 classifications are far more complex than those that have been deployed in other countries.
KPMG’s Perspective on Healthcare Transformation

ICD-10 provides crucial data required for transformative business models

Increasingly granular clinical data captured through ICD-10, SNOMED, and interpreted free-form data...

Changes the practice of medicine and, therefore, the business of healthcare.

Viewed through the lens of ever-more-sophisticated healthcare information technology....

ICD-10: The Bad...and the Good
ICD-10: The Bad
There’s a code for that …

THE WALL STREET JOURNAL
September 13, 2011

Walked Into a Lamppost? Hurt While Crocheting? Help Is on the Way
New Medical-Billing System Provides Precision; New Codes for Marcus Molina

Code V91.07XA “Burn due to water-skis on fire, initial encounter”
• Is it work-related?
• Is it a trick skier jumping through hoops of fire? How does it happen?

Also mentioned in the article:
• V9027XA - Drowning and submersion due to falling or jumping from burning water-skis, initial encounter
• V9207XA - Drowning and submersion due to fall off water-skis, initial encounter

ICD-10: The Bad
and there’s a code for that

HEALTHCARE FINANCE NEWS
February 7, 2012

Top 10 outrageous ICD-10 code categories

Code V9542XA “Spacecraft crash injuring occupant, initial encounter”

Code X52 “Prolonged stay in weightless environment”

According to the NASA Orbital Debris Program Office “More than 21,000 orbital debris larger than 10 cm are known to exist”

V95.49XA - Other spacecraft accident injuring occupant, initial encounter
ICD-10: It's Not All Bad
Potential benefits of ICD-10

- Flexible coding convention that allows new procedures, diagnosis, and technologies to be easily incorporated.

- Precise codes to differentiate body parts, surgical approaches, and devices used.

- Robust code set helps support the detailed information requirements of Electronic Medical Records

- Greater specificity and clinical information may result in:
  - Improved ability to measure the variability, effectiveness and outcomes associated with care delivery
  - Refined reimbursement methodologies leading to more accurate reimbursement
  - Enhanced performance measurement capabilities, e.g. outcomes, costs, value analysis
  - Advanced population health tracking capabilities
  - Decreased need for medical necessity substantiation and/or supporting documentation

ICD-10: The Good
Increased data granularity may lead to lower healthcare costs

According to a national analysis:

- The benefits of drug-eluting stents in percutaneous coronary intervention are thought to be greatest in those at the highest risk of target-vessel revascularization. Drug-eluting stents, however, cost more than bare-metal stents and require prolonged dual anti-platelet therapy.

- This study found that the use of drug-eluting stents in the U.S. varies widely among physicians, with only a modest correlation to the patients' risk of restenosis and often despite the presence of clinical predictors suggesting a low pretreatment risk of subsequent target vessel revascularization.
ICD-10: The Good
Simplifying population health surveillance and data analysis

Example: Patient undergoes a PTCA involving one site and one stent

<table>
<thead>
<tr>
<th>ICD-9 Procedure Coding</th>
<th>ICD-10 Procedure Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.07</td>
<td>027034Z</td>
</tr>
<tr>
<td>insertion of drug-eluting coronary stent</td>
<td>Each component of this code denotes the following:</td>
</tr>
<tr>
<td>00.66</td>
<td></td>
</tr>
<tr>
<td>angioplasty (PTCA)</td>
<td>0 medical/surgical [procedure]</td>
</tr>
<tr>
<td>00.45</td>
<td>2 heart and great vessels [body system]</td>
</tr>
<tr>
<td>insertion of one vascular stent</td>
<td>7 dilation [root operation]</td>
</tr>
<tr>
<td>00.40</td>
<td>0 coronary artery, one site [body part]</td>
</tr>
<tr>
<td>procedure on single vessel</td>
<td>3 percutaneous [approach]</td>
</tr>
<tr>
<td></td>
<td>4 drug-eluting intraluminal device</td>
</tr>
<tr>
<td></td>
<td>Z no qualifier</td>
</tr>
</tbody>
</table>
People React to Change Much Like Grief
Leaders must recognize the phases and communicate accordingly

SOURCE: ADAPTED FROM KÜBLER-ROSS (1969)

Change Presents Opportunities
Minimizing negative impacts of change requires a structured approach

By definition, change destabilizes the environment around an individual and creates an impact on each individual.
Leading Change Requires an Understanding of Various Roles

Resources must understand their role and collaborate with others to enact change

- **Initiating Sponsor**
  - Gives the project “legitimacy”
  - Must have necessary seniority
  - Must want the change and be seen to want the change
  - May not play a day-to-day part but must be available to provide support and backing when needed
Leading Change Requires an Understanding of Various Roles

*Resources must understand their role and collaborate with others to enact change*

**Initiating Sponsor**
- Wants the change, but needs sponsorship to initiate it
- Is seen to support the change
- Is respected (in the appropriate places)
- Can lead the way in adopting the changed approach

**Sustaining Sponsors**
- Provide day-to-day management backing for specific activity
- Must want the change and be seen to want the change
- Must be actively involved
- Must have clear, agreed and measurable targets

**Change Advocates**
- Can lead the way in adopting the changed approach
Leading Change Requires an Understanding of Various Roles

Resources must understand their role and collaborate with others to enact change

Change Agents

- Facilitates the changes
- Must have a sustaining sponsor who “lends” their authority
- Must want the change, be seen to want the change, and model the new behaviors

Specific Actions
ICD-10 Specific Actions to Foster Internal Change
*Create a shared vision around transformation sustainability*

- Recruit influential executive sponsors for ICD-10 planning and remediation.
- Develop a strategic training plan to communicate and educate all levels of staff throughout the organization on the impacts of ICD-10.
- Formalize program management capabilities with clear reporting lines to enforce accountability for execution of remediation tasks.
- Identify medical staff “first movers” who can provide support and influence peers – start with potential “fast followers” to gain momentum.
- Incorporate ICD-10 granularity into EMR optimization and clinical documentation improvement efforts – while working to enable clinician efficiency.
- Position ICD-10 as a cornerstone of physician affinity and/or other integration efforts.

ICD-10 Specific Actions to Foster External Change
*Roles related to leading change are equally applicable to trading partners*

- Identify impacted trading partners – e.g. payors, clearinghouses, state agencies – and establish an ongoing, recurrent communication stream.
- Identify those trading partners on the “critical path” and develop a strategic testing plan that incorporates multi-layered integration cycles.
- Recognize potential laggards, implement increased communication frequency, and define contingency plans with key milestone triggers.
- Establish baseline performance metrics and develop monitoring capabilities for pre- and post-implementation.
- Communicate with non-covered entities – e.g. worker’s compensation, auto liability – to determine their plans for ICD-10 acceptance.
- Initiate testing early (and often) to identify and resolve defects in process or technology.
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