

# ICD-10



## WHITE PAPER

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### *ICD-10 and the ED: Build an Effective Strategy*

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# ICD-10 and the ED: Build an Effective Strategy

On October 1, 2013, the long-anticipated conversion to the 10th edition of the International Classification of Diseases, Clinical Modification/Procedure Coding System (ICD-10-CM/PCS) will go into effect in the United States. While this transition will have a significant impact on the revenue streams and operations of all healthcare providers, the hospital emergency department will face unique challenges.

This white paper delineates the potential advantages and disadvantages of ICD-10 and discusses its potential effects on hospitals, particularly the ED. It examines the value of implementing effective information technology solutions to offset the costs and reap the potential benefits of migrating to ICD-10, and it offers suggestions on how to select such a system.

## The Necessity for Change

A change of ICD-10's magnitude undoubtedly represents a significant challenge for hospitals. This challenge is only intensified by the simultaneous occurrence of ICD-10 and the American Recovery and Reinvestment Act's (ARRA) Meaningful Use mandates. However, the potential financial and productivity losses and gains from ICD-10 – estimated in the billions – are far greater than those associated with Meaningful Use.

ICD-10 allows many new diagnoses to be tracked and includes approximately 68,000 codes, five times more than ICD-9. ICD-10 will replace a now-insufficient ICD-9 code set that:

- Lacks adequate specificity and detail;
- Is running out of space, with a limited structural design that can't accommodate advances in medicine and medical technology and the growing need for quality data;
- No longer reflects current knowledge of disease processes, contemporary medical terminology or the modern practice of medicine;
- Hinders the ability to compare costs and outcomes of different medical technologies; and
- Can't support the nation's transition to an interoperable health data exchange.<sup>1</sup>

*“Globally, ICD-10 standards allow for shared constants. This need for consistency is what pushed the world to ICD-10.”*

– Eric Mueller  
President, WPC Services

The widespread expansion makes it impossible to convert ICD-9 data sets directly into ICD-10 data sets, which will mean a costly conversion for hospitals and vendors. The implications for the hospital are undeniably significant, and they are due in part to ICD-10's impact on emergency department (ED) operations.

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## The Implications of ICD-10 in the ED

The ED plays a pivotal role in terms of a hospital's profitability. According to statistics from the California Healthcare Foundation, the ED generates approximately 20 percent of total hospital net profits, and it is the source of almost half of all inpatient admissions.<sup>11</sup> For the ED, throughput is critical.

Because anything that interrupts or slows an ED process is problematic, ICD-10's requirement for more detailed information affects the ED and thus the entire hospital's patient flow. As a result, ED physicians and nurses potentially will have to delicately balance documentation detail with attention to patient care – and this choice has repercussions.

For the ED, capturing the most complete information – without disrupting ED workflow or patient care – is critical. For that, implementing an effective emergency department information system (EDIS) can be a wise strategy. But how will vendors prepare systems for ICD-10?

## Vendor Solutions for ICD-10

There is little question that most if not all hospital systems will be modified to become ICD-10 compliant. For vendors wishing to remain in business and support their clients, ICD-10 compliance is a necessity. Careful evaluation of a vendor's methods for handling the ICD-10 transition is essential as substantially two different approaches can be taken to address the ICD-10 transition:

**1** One method is to simply provide a search function that requires the clinician to type a diagnosis into a search field, wait for the return of all possible matches, and then review and select from that list. Depending upon the degree of specificity initially entered, the list could be very long – which would require the clinician to scroll or page through multiple screens.

For example, a clinician could enter the phrase “fracture of forearm” into the search field, and more than 185 different codes under “forearm fracture” in the ICD-10 code set could be returned. Such a list could require the clinician to spend considerable time scanning and scrolling before finding the most appropriate description of the forearm fracture.

*“Accurate documentation is key for providers to ensure the continuation of revenue. Documentation and diagnosis starts in the ED, often the patient's first point of contact with a healthcare organization. And with the spiraling cost of care and shortage of primary care physicians, the ED doctor often substitutes for the primary care physician.”*

*Training is critical for everyone in the ED, including the front desk. But hospital coders and billers have a learning curve, too. Hospital systems must recognize and support coding that comes from the emergency room.”*

– **Stanley Nachimson**  
Principal, Nachimson Advisors, LLC

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Each of the 185+ forearm fracture codes also requires a seventh digit from another list of 16 different descriptors. Therefore, depending on how the vendor presents the list to the clinician, there could be almost 3,000 codes for the user to review and select from. Such a design would be very frustrating and time-consuming for clinicians who desire to focus their time and attention on patient care.

This approach would be easiest for a vendor to implement, despite the fact that it would be most taxing for already overburdened clinicians. Should such a system be implemented, clinicians might attempt to save time by minimizing the number of diagnoses entered and for those diagnoses entered, select the ones that are easiest and quickest to access – even if more generic in their description. Potentially, this could have a largely negative impact on revenue and regulatory compliance.

**2** A much more desirable and efficient approach for clinicians would be for the vendor to invest the time and resources necessary to create clinical content and terminology that is consistent with ICD-10 codes. Ideally, ICD-10 codes would be generated automatically from the clinician's documentation, already provided during the normal clinical workflow associated with the patient's visit. This method is more efficient for clinicians and far more likely to provide complete and accurate clinical descriptions (and their associated ICD-10 codes).

Greater accuracy and thoroughness of documentation would improve revenue, decrease denials of payment, decrease the potential for down coding, and enhance regulatory compliance. However, the burden rests on the vendor to create the robust clinical content and automation necessary for ICD-10 code generation. This requires vendors to have a more client- and patient-centric view than the aforementioned "easy implementation" approach.

## Attributes to Look for When Selecting an Effective EDIS

To offset the costs and reap the potential benefits of migrating to ICD-10, hospitals need documentation systems that minimize or eliminate the impact on productivity while capturing greater specificity to optimize revenue. Foremost, systems must have complete, standardized content that is already encoded for ICD-10. Building and customizing during implementation is complex, time-consuming and expensive. With ICD-10, it will be an insurmountable task. Content should facilitate ED workflow and enhance regulatory compliance. Moreover, the EDIS should automatically return the appropriate ICD-10 codes rather than rely on providers to discern between tens to hundreds of possible codes. If code selection is not a by-product of efficient clinical documentation, it increases the risk of claim denial, down coding, and regulatory non-compliance.

In addition to the aforementioned considerations, systems must be easy to learn and use. Productivity will decrease if clinicians have to spend extra time navigating the system, making up for deficiencies in clinical workflow design and double documenting to fulfill clinical and regulatory purposes. Hospitals will also find it useful to choose a system that appropriately prompts users when documentation is missing to ensure all required elements are captured.

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## Benefits of ICD-10

With the right system and processes, especially in the ED, a more complete picture of a patient's treatment will be captured at the onset and made available for other providers, ensuring the most effective and informed patient care across the continuum. If hospitals can avoid many of the challenges that the conversion could present to them, then significant benefits could be realized. These benefits fall into several categories:

Better total disease management and better-directed preventive care:

- Measuring the quality, safety and efficacy of care
- Conducting research, epidemiological studies and clinical trials
- Tracking public concerns and assessing risks of adverse public health events

Improved clinical, financial and administrative performance especially as related to revenue cycle processes<sup>iii</sup>:

- \$100 million to \$1.2 billion due to more accurate payments to hospitals for new procedure ranges
- \$200 million to \$2.5 billion as a result of fewer rejected claims; \$100 million to \$1 billion for fewer exaggerated claims
- \$100 million to \$1.5 billion for more cost-effective services and directing care to specific populations

Easier and tighter system interoperability:

- A standardized coding system requires all systems to speak the same language
- More detailed, specific and meaningful data will be captured that is available across the continuum of care

## EDIS: Opening the Door to ICD-10

ICD-10 shows great promise for U.S. healthcare: Increased clinical information specificity for more accurate and timely reimbursements, better quality of patient care and improved disease and care management. Promise notwithstanding, implementing the new code set will be a major challenge that will have an impact on all parts of the healthcare industry. The ED stands to lose significant productivity as a result of ICD-10, and, as such, needs effective documentation solutions that maximize clinical efficacy.

Since the ED is the “front door” to the hospital and one of the hospital's most significant revenue sources, hospital executives must plan accordingly. Robust EDISs, coupled with effective planning and training, will be critical for successful ICD-10 transition.

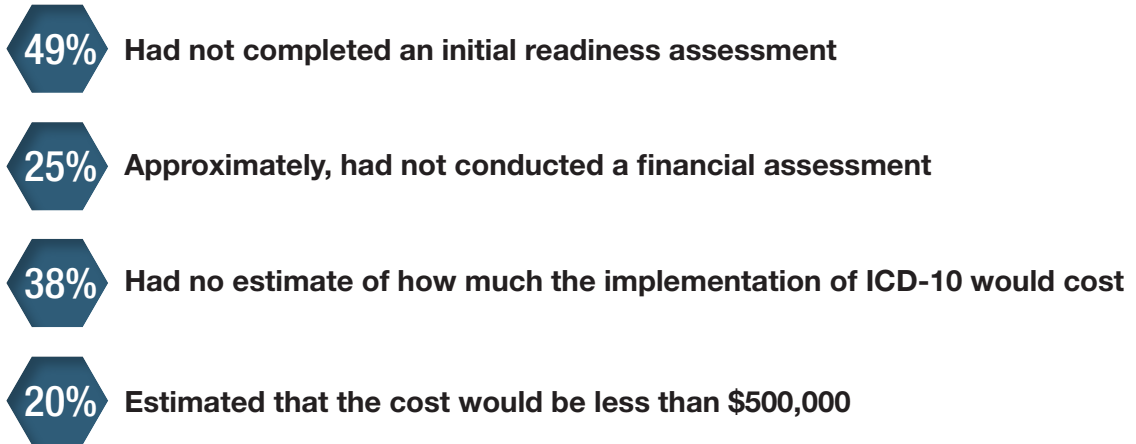
<sup>i</sup> Monegain B. Expert says ICD-10 implementation is critical - and expensive. Healthcare Finance News. October 08, 2010. Retrieved online 18-Sep-11 at <http://www.healthcarefinancenews.com/news/expert-says-icd-10-implementation-critical-and-expensive>

<sup>ii</sup> California Healthcare Foundation. California's Emergency Departments: Do They Contribute to Hospital Profitability? July 2003. Retrieved online 18-Sep-11 at <http://www.chcf.org/~media/MEDIA%20LIBRARY%20Files/PDF/E/PDF%20EmergDeptProfitability.pdf>

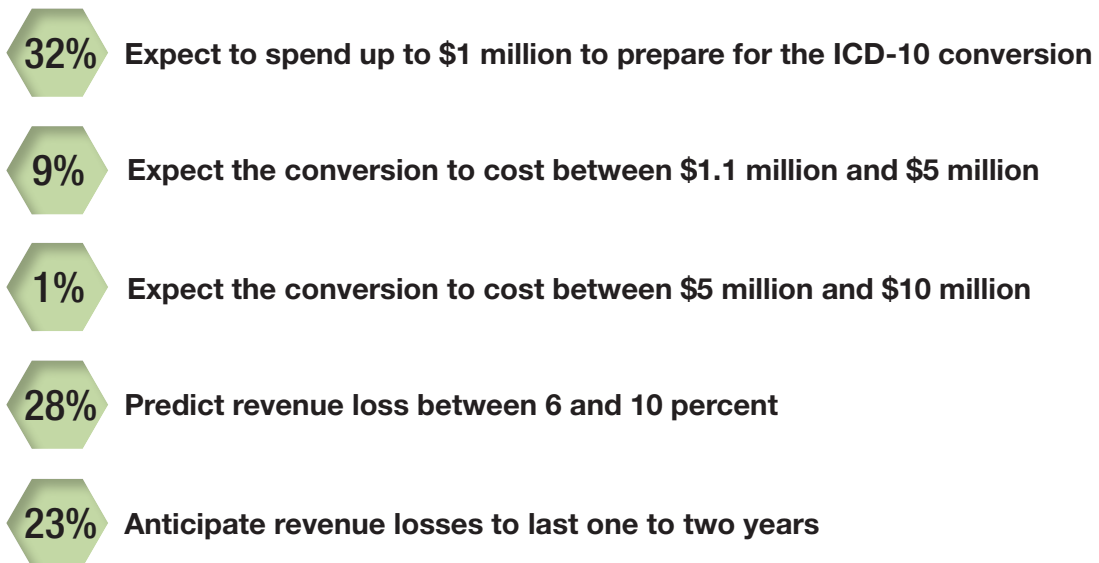
<sup>iii</sup> Libicki M., Brahmakulam I.

## How ready are healthcare providers to make the transition to ICD-10?

In a recent study, approximately 84 percent of healthcare leaders said their organizations have started the transition to ICD-10, but only 29 percent have moved beyond the assessment period into implementation.<sup>i</sup> Other results of the study show the respondents:



Among organizations that have completed a financial assessment:



<sup>i</sup>Minich-Pourshadi K. ICD-10 Puts Revenue at Risk. HealthLeaders Media. July 2011. Retrieved online 18-Sep-11 at <http://content.hcpro.com/pdf/content/268585.pdf>

# The T SystemEV® for Optimal Performance with ICD-10

ICD-10 could mean more accurate payments and a more complete record of patient care if you have the right system to support you. You need a system that is not only compliant but also ensures you can perform accurate coding without slowing down your emergency department (ED).

T SystemEV fully automates clinical, operational and financial processes for the ED. T SystemEV users typically see a \$1.5-2 million annual financial improvement as a result of increased efficiency. By spending less time documenting patient encounters, patient throughput is improved and the average length of stay is decreased.



## T SystemEV can help EDs transition to ICD-10 because it is:

### Content Rich

Without a rich set of clinical content, an EHR is just an empty shell. T SystemEV is complete and ready to use out of the box. Its content has been honed and tested by thousands of emergency medicine nurses and physicians across more than 250 million ED visits. T SystemEV clinical content reduces the cost of care and system maintenance, and it helps capture the whole story, effectively attaining the needed specificity to support ICD-10 codes.

### Efficient

T SystemEV's standardized template format provides the most efficient way to document because all content is available at a glance. This layout is compatible with normal clinical workflow and minimizes unstructured free text, allowing for a shorter learning curve and higher adoption rates due to its intuitive design.

### Technologically Advanced

T SystemEV alerts users when documentation is missing to ensure inclusion of all essential elements and capture of the highest level of specificity for maximum reimbursement. And instead of relying on the provider to make the correct code selections, T SystemEV auto-calculates ICD-10 codes based on algorithms built into the system. The clinical workflow remains unchanged. *Users can quickly document the full detail of the patient encounter just as they had before while the hospital is able to accurately and completely capture the needed ICD-10 codes for optimal reimbursement.*