



5 PREDICTIONS

— *FOR* —

ICD-10 & HOW YOU
SHOULD REACT



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By now, it has to be assumed that all medical organizations and practices have paid heed to the transition from ICD-9 to ICD-10.

It's an understatement to say that anyone unprepared for ICD-10 at this point will need to hit the ground running to catch up.

Those not ready for October 1st can expect to see a decline in reimbursement income until they completely get on board with the new code set.

The expected end result is improved healthcare based on more highly detailed information derived from the codes themselves, since they'll present much greater details on the diagnosis. For example, no longer will the diagnosis code simply denote an earache. Instead, it will describe which ear is affected, right down to the location in the ear, and if the earache may have developed as part of another problem or event.

Hopefully, this kind of detailed coding will have the expected result, but that doesn't mean certain issues won't develop around it. With that in mind, here are five predictions for ICD-10 and how you should react.

***PREDICTIONS
FOR ICD-10***

1

CODER PRODUCTIVITY WILL DECLINE

It's worth keeping in mind that with the number of codes rising from about 17,500 to over 141,000 codes, the sheer volume of new codes to learn and keep track of will undoubtedly cause coder productivity to decrease.

How the codes are structured adds another layer of complexity, as they will now involve letters and numerals instead of numerals alone.

As the program begins, the need to be at least in the correct family of ICD-10 codes, if not exactly precise, will have an expected negative effect on revenue flow.

Improvement in speed and accuracy should increase as coders become more accustomed to the new codes with which they have to work, mostly based on specialty. Coders who were able to practice with a "dummy" database will obviously have a head start over those who could not do the same.

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2

INCREASED DEMAND FOR MEDICAL CODERS

To cope with the expected disruptive effects of switching to ICD-10 and subsequent delays, the need to have additional proficient coders is predicted. Even the most knowledgeable and experienced coders will not become ICD-10 experts overnight. This will probably result in a boost in demand for people trained in ICD-10.

Another expectation is more savvy coders will have opportunities as consultants or “second jobbers” to help those at other practices who are less prepared.

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ORGANIZATIONS WILL REQUIRE STRONGER DENIALS MANAGEMENT TEAMS

The AMA noted that CMS has predicted the rate of claims denial may increase by one hundred percent during the initial phase of ICD-10!

Obviously, this will prompt the need for stronger denials management teams within practices and RCM companies.

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HEALTHCARE PROVIDERS WILL NEED NEW REVENUE CYCLE METRICS

With all the new codes in ICD-10, some changes will also be needed regarding the analytics that practices and RCM companies use in order to gain insight into why particular claims were initially denied, and then for determining what's needed to not only fix those denials, but to keep them from recurring.

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CASH FLOW COULD BE DRASTICALLY IMPACTED

As noted above, CMS' prediction of a one hundred percent increase in initially-denied claims during the early stages of ICD-10 deployment would disrupt cash flow in a major way.

The length of time cash flow would be impacted remains to be seen. But practices and RCM companies that fail to prepare almost assuredly can expect to see lengthier delays than others who may be more prepared.

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HOW YOU SHOULD REACT TO THESE ICD-10 PREDICTIONS

Clearly, it will take a while before we'll be able to determine just how accurate any of these ICD-10 predictions are. No one can say for sure since no one is actually in it yet. That won't happen until October 1, 2015.

Assuming each prediction is on track, practices and RCM companies will want to consider how to react to them to ensure that they'll be able to remain viable while providing the best level of care to their patients.

If your staff is still not completely prepared for the transition, one of your first reactions should be to step up training, allocating more time and other resources so that your employees can get the knowledge and practice they need before the October 1 deadline.

Special classes, seminars, and online webinars will all be useful for helping to bring your team into full readiness for the new codes.

Another possibility is to arrange for an ICD-10 expert to come to your facility to provide detailed, one-on-one support for members of your team who need the most help getting up to speed with the new codes.

Make sure that your electronic health records and practice management applications will integrate properly with ICD-10. Consult with your software vendor to see if they are on track. If the vendor is not going to be completely

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ready for the transition and cannot give assurances along those lines, that's a definite red flag at this stage in the game. You should start looking elsewhere right now for an alternative which might well be an ICD-10 enabled RCM company since time is of the essence.

Recognize that the new ICD-10 codes will enable you to describe your patients' diagnoses in much greater detail. And if done correctly, your chances are excellent that you'll be paid the first time the claim is submitted.

The anticipated reduction in cash flow, the need to learn perhaps thousands of new codes, and the prospect of a shortage of expert ICD-10 coders would make any practice or RCM company stakeholder or manager nervous.

However, if the user has automated tools built into the software that's being used, such as an ICD-9 to ICD-10 code converter, a real time claim tracker, and a real time denial manager, then hitting the mark the first time should be doable. And if claims are denied, the denial manager should alert as to the reason, and then be able to resubmit edited claims "on the fly."

The challenges can be daunting as we enter the world of ICD-10, and everyone should follow CMS' advice about having three to six months' worth of cash reserves to deal with a potentially enormous number of denied claims.

But with the correct tools at hand, or with the correct RCM company supporting you, those cash reserves should pretty much remain exactly as that: cash reserves.

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