

# The Hawthorn

# CONNECTION

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## ICD-10: Early Results

*By Stan Hosler*

The October 1, 2015 start date for ICD-10 has come and gone. Thanks to all the Hawthorn team members who have made our transition successful. As a result of our training and preparation with staff, physicians, hospitals and payers we have experienced very few surprises.

Shelly Bangert, Director, Revenue Cycle Management at Hawthorn, reports that the industry is adjusting to the new codes and processes required with ICD-10. "We monitor the posted comments of the healthcare community," Bangert says. "Most people are saying the months ahead will still present challenges, because the industry is learning how to incorporate ICD-10 processes into their daily work routines. We expect the experts will be sharing their initial reports on the effects of ICD-10 in December."

As reported previously, for the first twelve months the Centers for Medicare and Medicaid Services (CMS) will not deny claims based solely on incorrect specificity of ICD-10 coding, as long as the code entered is from the correct family. This allowance will operate from October 1, 2015 to September 30, 2016. The CMS policy does not apply to other payers, but

Humana, Anthem and Cigna have announced they will observe the CMS approach. Other payers, including United Healthcare and Kaiser Permanente, have not yet committed to the CMS policy.

Some Medicare payers have reported issues with the requirements for medical necessity, the Local Coverage Determinations (LCDs) and National Coverage Determinations (NCDs). Cahaba, Novitas and Palmetto GBA stated they are still working through their LCD issues and making headway. Cahaba reported higher than usual suspended workload, but they attributed this result to staff turnover rather than problems with ICD-10.

Bangert says the situation requires constant attention and monitoring. "Everyone is watching for trends," Bangert says. "The ICD-10 team at Hawthorn is comparing denials from before and after the start of ICD-10. We're also monitoring rejection results from the clearinghouses. Navicare, for example, is reporting an increase in rejections of less than one percent. These rejections are often due to non-specific code values or incorrect codes for date of service."

Hawthorn has seen similar results on the payer side, with an increase of less than one per cent in rejections. The remittance data on denial rates remains relatively low, between 6% and

9%. Further, payers are successfully processing claims with ICD-10 codes. “We are now seeing payments come back with charges that have ICD-10 codes,” Bangert says. “These payments are being processed by United Healthcare, BCBS, Aetna, Cigna and Medicare.”

Hawthorn also monitors coding productivity, a function that is directly affected by the increased coding requirements of ICD-10. According to Ms. Bangert, most organizations are reporting a drop in productivity. “We are reading e-news reports that say coders have experienced a 5% to 7% drop in productivity. There are a number of issues causing the drop, such as codes that lack sufficient documentation. Coders may not know which codes to apply, so they have to look up codes or send cases back to the physician. There is also some anxiety about selecting the right code, especially with injury codes.”

## Helpful Tips for ICD-10

**Pay attention to the seventh character.** The meaning of this character can be variable, depending on the section where it is being applied.

**V therapy codes have been eliminated.** ICD-10 does not include V codes because they only indicated that therapy was rendered. They did not provide any clinical information about the patient. With ICD-10 these treatments are reported as Z codes.

**Use coding shortcuts cautiously.** Do not depend on products such as General Equivalence Mapping (GEM) for coding shortcuts. There are no perfect crosswalks for converting ICD-9 codes to ICD-10.

**Focus on coherence and consistency.** Make sure each diagnosis is consistent with procedures, and give special attention to age, gender, provider type and so on.

**Track denials closely.** Share mistakes and learn from experience. Resubmit denied claims as soon as possible. Track claims sent back to physicians and capture additional information.

**Follow payers’ communications.** Visit payer websites and join their email lists to receive important updates.

## Single Most Helpful Tip for ICD-10

**Contact Hawthorn.** Even if you are not a Hawthorn client, please call us to discuss ICD-10 and our approach to revenue cycle management. We care about your results and we want to help. When you contact Hawthorn you will experience The Hawthorn Advantage—our platform for supporting your practice with expert Consulting, Communication and Compliance.

## Employee Spot Lights Reach for the Stars:

### July, Aug., Sept. 2015 Winners:

Katie C., Bonnie S. & Julia C.

Q3 2015 Winner: Bonnie Sax



*Addressing Complexity with Certainty*