ICD-10 to Launch Oct. 1

JOHNS HOPKINS MEDICINE GETS READY TO ADOPT THE NEW VERSION OF THE INTERNATIONAL BILLING CODE SYSTEM.

On Oct. 1, health care organizations nationwide will switch from the ICD-9 billing code system to the more detailed ICD-10. Johns Hopkins Medicine will be ready, says M. Tyrone Whitted, interim senior director of compliance and training in the Office of Billing Quality Assurance.

In fact, most doctors may barely notice the change, because they have already begun providing more detailed documentation within the Epic electronic medical record system. “If they document and bill through Epic, by the time Oct. 1 comes around, it will be just another day,” he says. “There is growing anxiety about ICD-10 and what it means,” says Stephen Sisson, executive director of ambulatory service at The Johns Hopkins Hospital and physician co-director of education outreach for the ICD-10 launch. “Epic really does walk you through that coding. Clinicians don’t need to memorize a ton of codes. What’s important is that they continue to appropriately document the level of detail that supports the billing code they submit.”

Comprehensiveness and Precision

More than 100 countries facilitate record keeping and research around the world through use of the International Classification of Diseases, or ICD. In the U.S., the change, first announced in 2008, was delayed three times by the Centers for Medicare and Medicaid Services amid concerns about transitioning from a template with 14,000 codes to one with nearly 70,000.

One goal of ICD-10 is to provide a different code for every imaginable injury, inspiring journalists to note that there are codes for such unlikely scenarios as being injured in a spacecraft or deep freezer.

The ICD-10 codes add such details as whether the diagnosed injury or ailment is on the patient’s right or left side and how it is progressing over time, explains Ruth Spangler, interim director of the Office of Billing Quality Assurance’s operations.

5 Questions About the Medicare Waiver

WHY IS IT CALLED THE MEDICARE WAIVER? WHAT IS BEING WAIVED?
Federal Medicare rules are being waived. Instead of following federal Medicare rules for payment, hospitals in Maryland follow Maryland-specific rules. Maryland is the only U.S. state with a Medicare waiver.

DOES THE MEDICARE WAIVER AFFECT ONLY MEDICARE PATIENTS?
The Medicare waiver affects all patients, regardless of age or Medicare eligibility, treated in Maryland hospitals. Under its rules, every payer—whether an individual, Medicare, Medicaid or a private insurer—pays the same charge for the same care. In other states, cost-shifting is common—that is the practice of charging some payers higher amounts to compensate for Medicare’s and Medicaid’s low reimbursement rates.

WHY HAVE A WAIVER? WHAT ARE THE BENEFITS?
There are financial benefits—with a catch. Because of the waiver, hospital services rendered to Medicare patients in Maryland are paid by the federal government at a higher rate than would be the case without the waiver. The catch is that, to keep the waiver, Maryland must slow the rate at which total hospital costs are increasing. The goal of the new waiver is to simultaneously improve health, quality and affordability. If Maryland is successful, other states may adopt its model.

DOES THE MEDICARE WAIVER CHANGE HOW THE JOHNS HOPKINS HOSPITAL, JOHNS HOPKINS BAYVIEW MEDICAL CENTER, HOWARD COUNTY GENERAL HOSPITAL AND SUBURBAN HOSPITAL ARE PAID FOR CARE?
Yes. Under the old waiver, hospitals were paid based on admissions: More admissions equaled more revenue. Under the new Maryland Medicare waiver, hospitals have a global revenue budget that they cannot exceed. If admissions grow, the amount paid per admission drops. The new waiver rewards preventive care that keeps patients out of the hospital.

WHAT ARE ITS IMPLICATIONS FOR OUT-OF-STATE AND INTERNATIONAL PATIENTS?
Revenue generated from such patients is not governed by the global revenue budget. So while these patients are still charged the same rate as other patients, there is no limit on the number of patients. Hence, there is no cap on the revenue that Johns Hopkins Medicine hospitals in Maryland can derive from out-of-state and international patients.
Change Coming for Professional Fee Billing

**EPIC WILL SOON PROCESS ALL PHYSICIANS’ INPATIENT AND OUTPATIENT CHARGES.**

Beginning Dec. 1, billing and collections for physician services will be processed through Epic. Professional fee billing currently happens via another system, IDX/GE, which will continue to hold accounts receivables for services delivered through November and will operate alongside Epic for 6 to 18 months, says Joe Bezek, senior vice president of finance for The Clinical Practice Association. This arrangement means that all the prior period billing detail from IDX/GE will not require transfer into Epic, a complex and lengthy undertaking.

In terms of daily workflow, the impact will be greatest on administrative staff, who will receive intensive training in the new billing process. Clinicians may experience a “learning curve” as they adjust to the new system, says Joyce Slater, senior director of revenue operations for The Johns Hopkins System. One change is that they will now enter Current Procedural Terminology (CPT) codes for inpatient as well as outpatient services.

Clinical departments should prepare for their cash flow to slow during the ramp-up of the new process, Bezek cautions. “According to Epic and peer organizations we spoke with, the complexities of the system typically slow the billing function, but with an expected recovery on a cumulative basis.”

In addition, the October roll-out of ICD-10, the latest version of the International Classification of Diseases, may create an additional lag in billing and collections if insurance companies and other payers are not prepared.

“To help cash flow, physicians should close Epic encounters, post charges, and complete all medical documentation within two weeks of the appointment,” says Bezek. Unlike when the Epic registration and scheduling systems were installed, “physicians should know there will be a temporary cash lag but that it will recover. Physician schedules and patient services should not be materially affected.”

—Christina DuVernay

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(Continued from front)

For example, all broken ankles are assigned the same ICD-9 code. But under ICD-10, the code also reflects the type of fracture, whether it is the right or left ankle, how long ago the injury took place and whether it is healing.

**Impact on Research and Clinical Practice**

“That level of specificity is going to make it easier for us to do public health, research and financial analysis,” says Jennifer Parks, director of clinical integration in the Office of Johns Hopkins Physicians.

For a recent project, she and a colleague analyzed the reasons that patients in community hospitals were transferred to The Johns Hopkins Hospital. “We were looking through all our coding data to determine why patients were transferred and what happened to them after they got to East Baltimore, the objective being to determine who could have stayed in place. The codes from ICD-9 weren’t specific enough.”

Parks cautions that clinicians might see an initial slowdown in their cash flow, because denials may be more common in the early days of use, as physicians and coders adjust to the new system.

**Epic’s Role**

Fortunately, Epic is smoothing the path. Whitted notes that Epic already prompts clinicians to enter such details through a diagnosis calculator that is being updated several times to reach the level of specificity required by ICD-10. For entities that do not yet use Epic, including inpatient departments at The Johns Hopkins Hospital and Johns Hopkins Bayview Medical Center, ICD-10 mitigation planning is currently underway and is on target to meet the October 1 implementation date.

Whitted believes the migration to ICD-10 will be so intuitive, it will require little or no physician training beyond information in Epic newsletters, the online ICD-10 training modules and other institutional communications. Moreover, Sisson says, the time doctors spend providing additional information yields benefits beyond ICD-10. “Good documentation really is the key to communicating with other clinicians,” he says.

That will improve patient care, says Parks. “ICD-10 allows a better description of patients, their conditions and their treatment. When those patients go from doctor to doctor, place to place, that specificity should improve continuity of care and communication. That’s the best part of it.”

—Karen Nitkin, Abigail Pulcinella and Christina DuVernay

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Newsletters with Epic optimization updates are published each week and can be found by clicking “Read the Epic Newsletter” on the right-hand side of the Epic website, hopkinsmedicine.org/epic.

More information about ICD-10 will be available online by May 25 at http://intranet.insidehopkinsmedicine.org/icd-10/.