

Computer Assisted Coding Technology: Supporting Meaningful Use and the Transition to ICD-10



Agenda:

- Industry Drivers:
 - Impact of MU
 - Impact of ICD-10
- How can Technology be a catalyst
- Woman's Case Study
- Questions

Overview of Woman's

- Nonprofit
- Founded in 1968
- 15% of babies born in LA
- 19th largest delivery service in U.S.
- Level III Regional referral center – OB, NICU
- OB and pediatric residency programs
- Top 100 Best Places to Work in Healthcare
- Statistics FY 2010
 - 8,000 births
 - 4,300 surgeries
 - 87,000 pap smears
 - 40,000 mammograms

Benefits of ICD-10

- Greater coding accuracy and specificity
- Higher quality information for measuring health care service, safety and efficiency
- Fewer miscoded, rejected, and improperly reimbursed claims
- Improved disease management

AHIMA/AHA Field Study

- **ICD-10 is proposed to:**
 - Enable to Health Care Reform, ARRA, 5010, P4P
- **Opportunities are endless:**
 - Clinical Quality/P4P improvement
 - Strategic Advantage
 - Complete, accurate information to drive healthcare reform
- **Readiness includes:**
 - Coordination/Integration between Payers, Providers, Vendors, Clearinghouses, Data Users
 - Clinical, Operational and Financial Process
 - IT integration between all trading partners

Potential Disadvantage

“Coding productivity data from some Canadian hospitals indicated there was a 50 percent productivity loss within the first three to six months of implementation of the new classification system. Although productivity rebounded to close to pre-ICD-10-CA /CCI levels within a year, facilities never did fully recover to their ICD-9 coding productivity levels.”¹

¹ “Implementing ICD-10: A Canadian Perspective from the Front Line,” *Revenue Cycle Strategist* (HFMA publication), February 2009, p. 3.

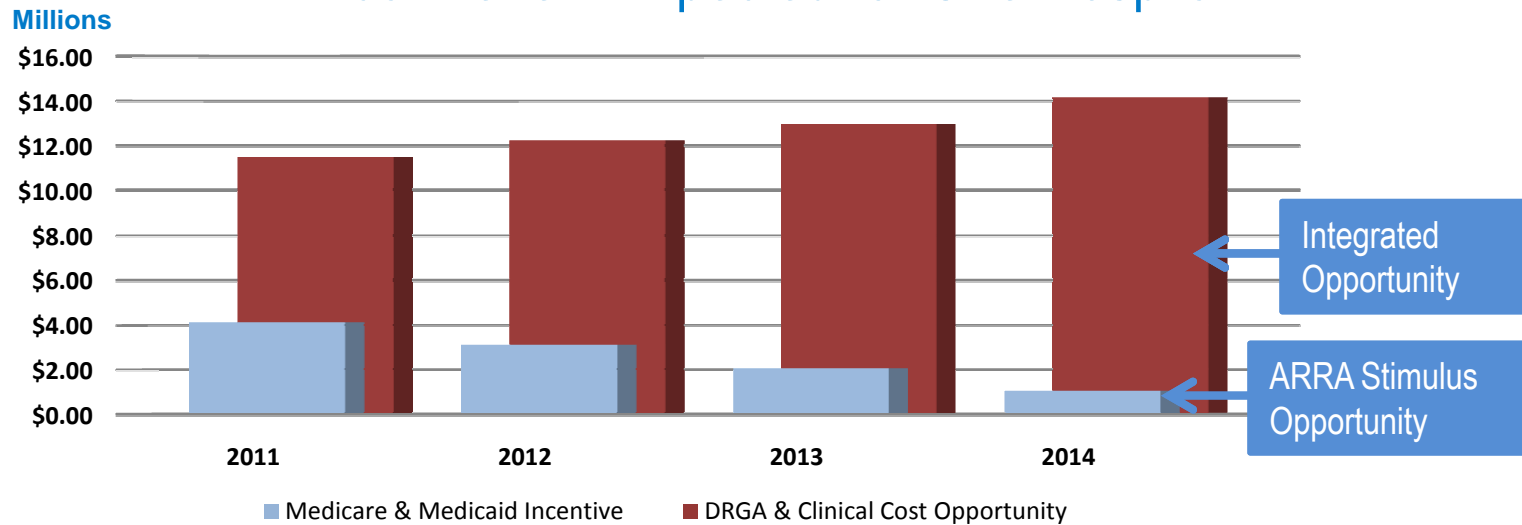
ICD-10 Reality

- Moving from single code set to multiple code set
- Requiring dual systems
- Volume of documentation to be codified will dramatically increase:
 - Now from MU
 - Cut & Paste documentation
 - Through 2013 for ICD-10 specificity
- Training
- Code translation (legacy systems, manual lists, reports, non-natively supported systems)

*****ICD-10 is an UNFUNDED event, unlike ARRA**

Regulatory events (ARRA/MU) impact to funding

Annual Benefit Expected for One Hospital



Sources: Actual hospital estimates for ARRA funding
 3M DRG Analysis
 3M internal estimates for clinical cost reductions applying 3M analytical products
 MEDPAR data 2009

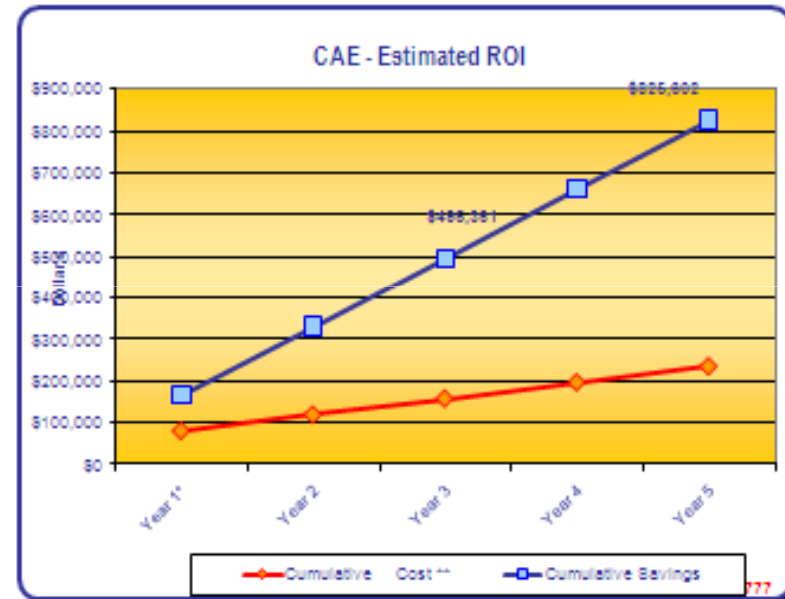
...and will continue to deliver the improvements well beyond the stimulus period

Real-world results: Productivity and ROI

Select Expected Improvement % (Inpatient)	Select Expected Improvement	Total Estimated 3 Year ROI	Total Estimated 5 Year ROI
30%	40%	\$338,331	\$590,825

Current Hospital Metrics				
Total # of Staff Coders	Equivalent Outsource	Total # of Coders	Average Cost Per Coder	Total Costs
7.00	4.14	11.14	\$57,938	\$645,566

Results				
	% Improvement	Coders w/Improvement	Total Savings Per Year	Total Savings Over 5 Years
Inpatient	30%	4.67	\$81,174	\$405,868
Outpatient	40%	3.62	\$83,947	\$419,734
Total	39%	8.29	\$165,120	\$825,602



The CAC Customer Experience

*Inpatient CAE Results at **Eastern Maine Medical Center**:*

- 30% increase in records coded per hour
- 12.5% HIM FTE reduction
- 7.4% A/R reduction
- 100% reduction in outsource coding costs (\$200,000 annually)
- 7% increase in coder satisfaction

What You can be Addressing Today

- **Understanding Impact of Coding Productivity**
 - ✓ Develop a mitigation plan to support loss of coding productivity
- **Strategic Advantage to Consider**
 - ✓ Computer assisted coding automation can improve efficiency of coding, costs and backlogs
 - ✓ Develop Mitigation Plan – Prevent backlog coding now through technology and automation

Timeline: Now. Implement computer assisted coding to be live prior to 4th Qtr 2012 to leave last 12 months to devote to integrated testing of all software to determine/assure ICD-10 ready.

Using technology to Meet Your Needs

Increasing pressure on healthcare providers:

- Leverage EHR investment and convert to ICD-10
- Comply with RAC requirements and P4P
- Reduce coding costs

Complete, compliant and cost-effective coding offers:

- Industry-leading coding accuracy and completeness
- Improved coding productivity and consistency
- Optimized workflow

Real-world results:

- **Productivity** improvements up to 50%
- Outsourcing **cost reduction** up to 100%
- **Increased CMI** up to 3%, reduced denials and improved revenue collection

The Role of NLP

- NLP helps alleviate many coding pressures:
 - Address increased complexity and need for accurate translations
 - Automates where possible while constantly adapting and improving
- Not just any NLP will do; critical success factors include:
 - Intimate knowledge of language and concepts
 - Rules that map to meanings
 - Ability to deliver statistical reliability based on industry knowledge
- Advantage: Hybrid of best of NLP with rules expertise
 - Hybrid of Rules + Statistical Models (NLP) = most effective approach
 - Unsurpassed coding pathways provide vital foundation
 - 30 years of coding development and more than 4000 coding customers
 - Ability to provide In-Patient, Out-Patient and Professional coding

Physician: -None- Date: -None-

Discharge Summary 04/04/10

PATIENT: Jack White

SEX: Male

AGE: 62

ADMIT DATE: March 25, 2010

DISCHARGE DATE: April 4, 2010

PRINCIPAL DISCHARGE DIAGNOSES:

- Gram-negative pneumonia causing respiratory failure and sepsis syndrome with multiorgan system failure requiring intubation and mechanical ventilation. Causative organisms included Pseudomonas species as well as Moraxella catarrhalis, resolved.
- Bronchiolitis obliterans organizing pneumonia.
- Acute nonoliguric renal failure secondary to infection and volume depletion.
- Respiratory failure with mechanical ventilation as noted above.
- Narcotic dependence.

SECONDARY DIAGNOSES:
History of hepatitis C, status post successful treatment, history of hypertension, history of attention deficit hyperactivity disorder, history of anxiety and depression, history of chronic headaches, history of chronic back pain, hypernatremia and hyperphosphatemia, all improved. Severe physical deconditioning due to prolonged bedrest secondary to the above.

PROCEDURES:

- Intubation and mechanical ventilation.
- CT scan of the abdomen and pelvis which was essentially a benign study.
- CT scan of the chest, looking for infection with evidence of right basilar atelectasis. There was definite upper lobe airspace disease present. Mild mediastinal adenopathy was again noted as it had been previously.

Process to modify Auto-suggested codes

Admit Diagnosis

- R 6271 Postmenopausal bleeding** (Codebook)
- Principal Diagnosis**
 - 2180 Submucous leiomyoma of uterus
- Secondary Diagnoses**
 - R 4280 Congestive heart failure, unspecified**
 - R 4019 Essential hypertension, unspecified**
 - R 7850 Tachycardia, unspecified**
 - R V074 Hormone replacement therapy**
 - V2651 Tubal ligation status
 - 4293 Cardiomegaly
 - R 6271 Postmenopausal bleeding**
 - R V146 Personal history of allergy to aspirin**
- Principal Procedure**
 - 6849 Unspecified total abdominal hysterectomy (Codebook Coding Cl.)

Validate/Recode Coding Path History for code: 4280

Enter Keyword: -- CONGESTIVE HEART FAILURE

HEART FAILURE IN CURRENT EPISODE could be due to, associated with, or precipitated by any following condition:

- AORTIC VALVE DISEASE (STENOSIS/INSUFFICIENCY)
- CARDIOMYOPATHY
- CORONARY ARTERY DISEASE/ATHEROSCLEROSIS (CAD)
- **FAILURE TO FOLLOW TREATMENT**
- MITRAL VALVE DISEASE (STENOSIS/INSUFFICIENCY)
- OLD MYOCARDIAL INFARCTION
- **RHEUMATIC HEART DISEASE**
- RUPTURED CHORDAE TENDINEAE
- THYROTOXICOSIS
- * NO PRECIPITATING FACTORS MENTIONED or ALREADY CODED (a general deterioration of already existing failure)

Buttons: Close, Print, Help

Options:

- C. RESPIRATORY FAILURE
- D. SYSTEMIC VENOUS CONGESTION

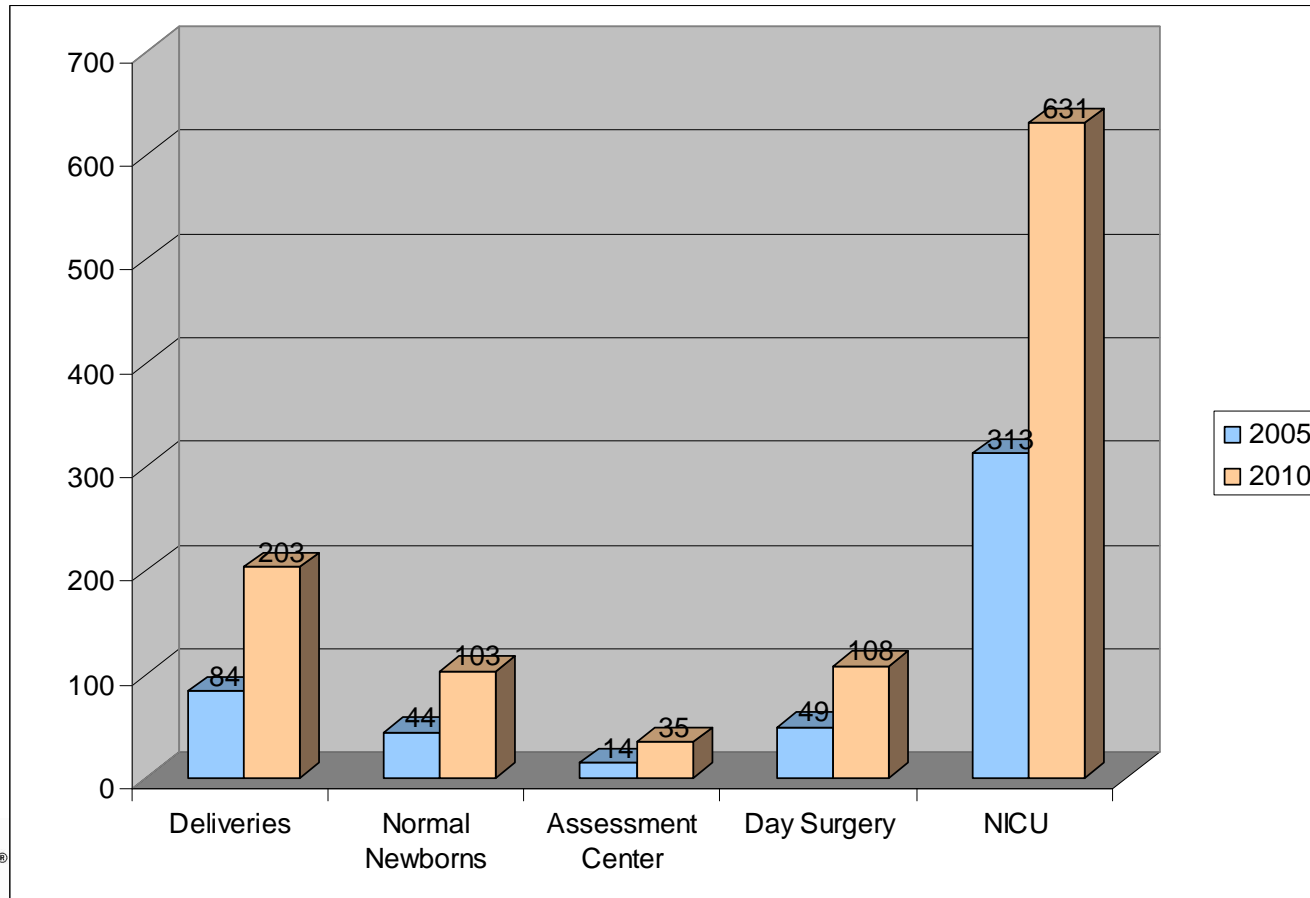
Buttons: History, Complete

10:25 AM

Woman's Business Drivers

- Decreasing Coder Availability
- Declining Reimbursement
- Escalating Compliance Issues
- Increasing Electronic Documentation
- ICD-10 will create productivity loss across organizations

Page Counts By Record Type



Leverage technology to reduce or eliminate non value added coding tasks

Leveraging Technology

Using the technology to:

- Extract data
- Assign and/or suggest codes

Frees the coders to:

- Review and approve

Benefits of CAC

- Increased Productivity
- Reduced Costs
- Increased Coding Consistency
- Improved Coder Satisfaction
- Enhanced Accuracy
- Improved Documentation
- Enhanced Coding Compliance

Project Results

	2009 Before CAC	2010 After CAC	Change
Records/day/coder	24.01	25.95	1.94 (8%)
OB Case Mix	0.63462	0.65306	0.01844
GYN Case Mix	0.99214	1.01598	0.02384

How does CAC impact Meaningful Use?

Provide coders with consistent access to clinical summaries and pertinent data to identify clinical information to the highest level of specificity

- Ensuring appropriate and consistent diagnosis and procedure code assignment
- Facilitating clinical and quality measure reporting
- Mechanism to neutralize the productivity impact via the increase in documentation volume

Questions

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