ICD-10 Coding Denials: Why Waiting is NOT a Strategy

Three Revenue Questions to Ask Your Coding Team Today

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Coding Denials in ICD-10: A Different World

Coding accuracy always carries significant impacts on reimbursement and cash flow. This was true in ICD-9 and also true in ICD-10. A recent industry survey conducted by ICD-10 Monitor reports a 71% increase in denials since ICD-10. Even more denials and audits are predicted later in 2016 as payers no longer grant providers amnesty for unspecified codes.

THREE ICD-10 PREDICTIONS TO KNOW
- **71% more denials in ICD-10**
- **2017 claims data will determine 2019 payments**
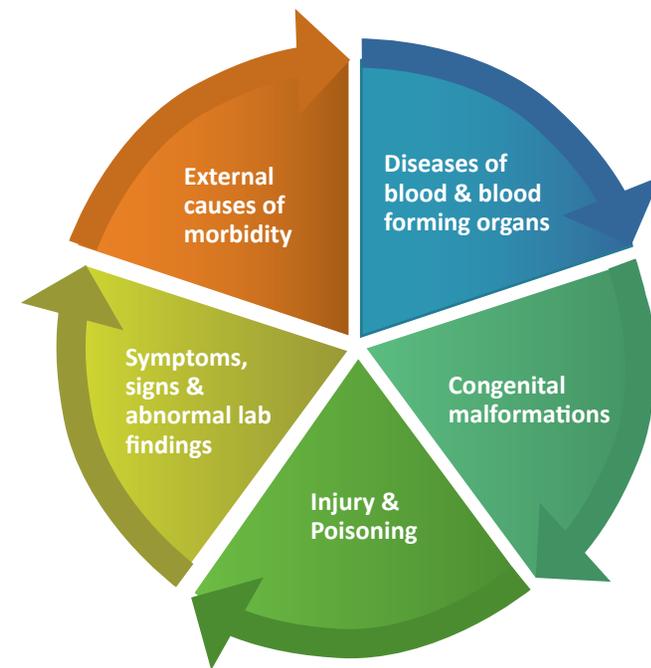- **3% of hospital net revenues impacted by ICD-10 and denials**

DENIALS REINFORCE NEED FOR CODING ACCURACY
The #1 reason for complex RAC denial is inpatient coding error. 81% of hospitals report complex denials based on IP coding errors

OUTPATIENT CODING ERRORS CAN'T BE IGNORED
40% of hospitals report OP coding errors have largest financial impact

TOP CODING ACCURACY GAPS IN ICD-10

- External causes of morbidity
- Diseases of blood & blood forming organs
- Congenital malformations
- Injury & Poisoning
- Symptoms, signs & abnormal lab findings

Sources:
Central Learning, April 2016
RACTrac Survey, 4th Quarter 2015, Published March 2, 2016

Denials are Dollars: Waiting is Risky Business

Don't take a wait-and-see approach to ICD-10 coding denials. By the time you identify problems, there could be significant impacts to your revenue stream. Prevention trumps cleanup—every encounter, every time. Organizations that establish a strong denials prevention program improve clean claim rates to save revenue cycle time, dollars and days. Improving coder accuracy is a logical first step.

Associated Risks

- **Up to $100 per case to analyze a denied claim***
- **71% report more denials in ICD-10**
- **Frequent coding denials increase OIG audit risk**

Source:
* ICD-10 Monitor, May 2016

Three Questions to Ask Your Coding Team

#1. HOW ACCURATE ARE MY CODERS?

Identify the continual trends that are evident both individually and as a team. Coding audits are an absolute necessity in ICD-10.

#2. HOW PRODUCTIVE ARE MY CODERS?

Difficult to measure with EHRs alone, coder productivity plays a key role in ICD-10 revenue cycle management.

#3. CAN WE PROVIDE CONTINUAL FEEDBACK TO STAKEHOLDERS?

Continual feedback is necessary to analyze coding errors and take preventative action. ICD-10 is not just once and done. Ongoing assessment and coder improvement is essential.
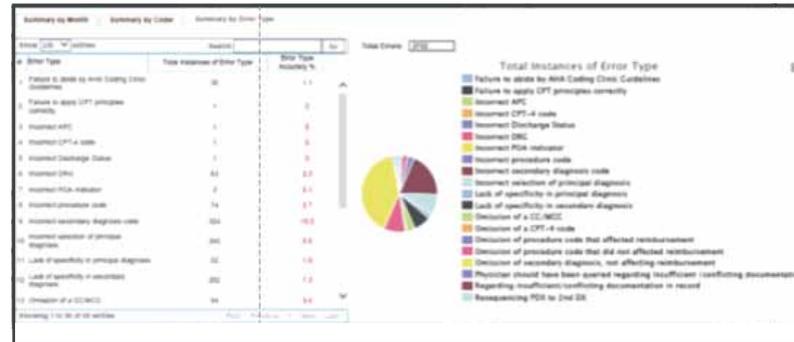
Sources:
Central Learning, April 2016
RACTrac Survey, 4th Quarter 2015, Published March 2, 2016

Beyond the Numbers: Two More Coding Concerns

#1. ICD-10 CODING AUDITS ARE ESSENTIAL—BUT COSTLY

● 4-5 days required for managers to review coder's codes, score and analyze results
● Perform external audits at least quarterly
● Increase internal coding audit activity
● Review all types of cases, analyze data, take action[1]

#2. CODER SHORTAGES REMAIN. YOUR TRAINED ICD-10 STAFF ARE IN DEMAND.

● 40% of hospitals report lack of clinical coders [2]
● Hospitals continue to grow their own coders through training, mentoring and certification
● Recently-certified coders must be monitored: 100% of cases across multiple months

Sources:
[1] Four Truths about ICD-10 Productivity. Available online at:
    http://www.himoncall.com/4truths/
[2] AHIMA Survey, June 2011

Practical Solution Addresses Denial Prevention, Reduces Costs

CENTRAL LEARNING IS A WEB-BASED CODER KNOWLEDGE ASSESSMENT AND SCORING APPLICATION. THE SOFTWARE PROVIDES HARD DATA TO IDENTIFY CODING DENIAL RISK AND PINPOINT AREAS FOR TARGETED CODER EDUCATION.

- Central Learning facilitates a proactive approach to preventing ICD-10 coding denials.
- Central Learning builds an individualized coaching plan per coder to boost knowledge and mitigate risk.
- Central Learning reduces coding audit and onboarding costs. Managers are at least 80% more efficient with automated coder assessments.

"Traditionally 4-5 days were required for our ICD-10 coding manager to review coder's codes, score and analyze data results. With Central Learning, this is done instantaneously – an 80% productivity improvement."
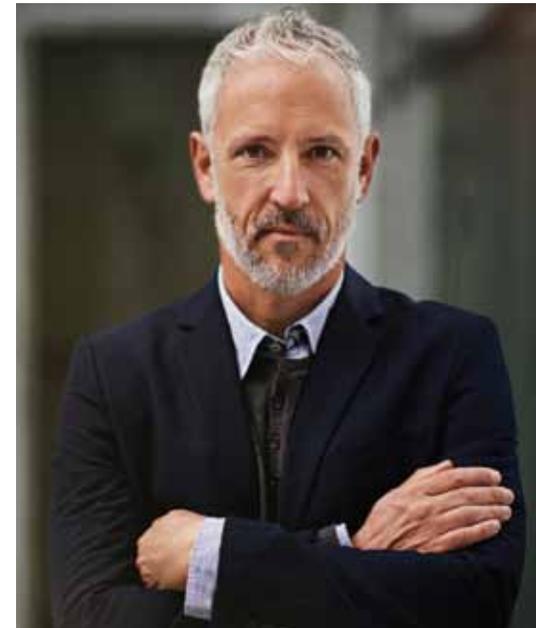
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Take a test drive—request a demo of Central Learning.
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