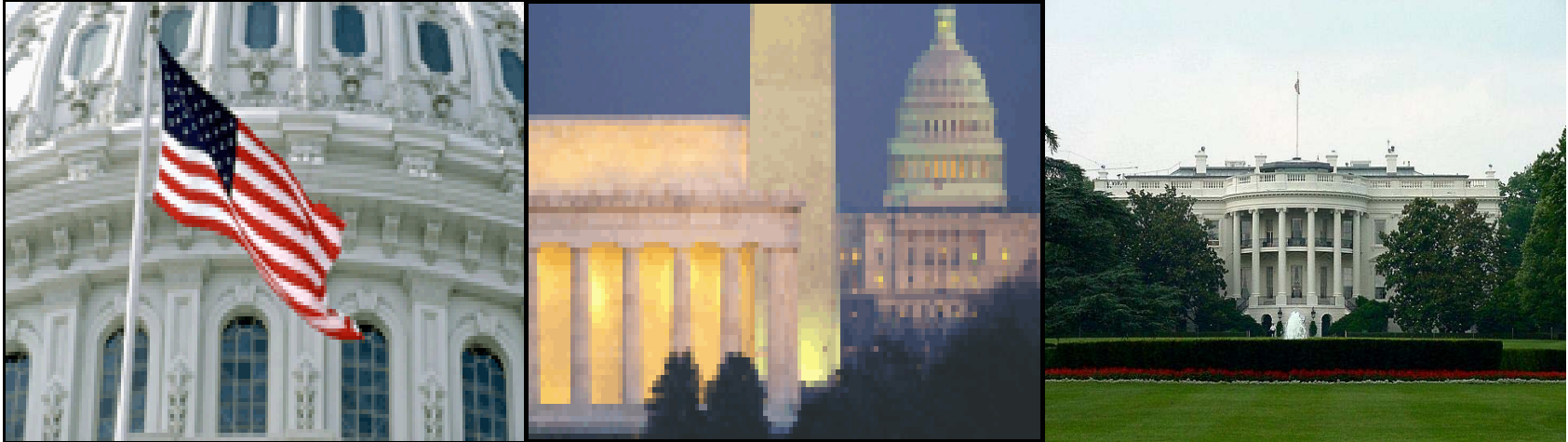


# Hospitals Leveraging Administrative Simplification And Post ICD-10 Update

March 23, 2016





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# TRENDWATCH

Administrative Simplification Strategies Offer Opportunities  
to Improve Patient Experience and Reduce Costs

<http://www.aha.org/research/reports/tw/16jan-tw-adminsimp.pdf>



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# Goal of TrendWatch® Report

- Highlights the importance of administrative simplification including operating rules
  - Describes what we have gained
  - Prepared to generate enthusiasm
  - Seeks further commitment in adopting the standards and operating rules



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# Benefits of Administrative Simplification

- Quality – ability to provide more accurate and complete data
- Timeliness – capable of moving data quickly to aid decision making
- Cost Reduction – enables computer systems to process and handle information without manual intervention



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# Potential Not Realized

- According to the Council of Affordable Quality Healthcare (CAQH) [2014 Index Report](#):
  - Additional \$8 Billion annually could be saved
    - \$7.2 Billion savings accruing primarily to providers
- Ability to reduce paperwork burden for providers and patients
- Prepares the field for health reform changes in reimbursement by better integrating financial and clinical data
- Helps patients learn about their financial obligations up front



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# Some of the Tangible Benefits

Figure 4. Summary of HIPAA Transactions Benefits Applicable to Providers

HIPAA Transaction	Benefits
1. Eligibility and benefits inquiry and response transactions	<ul style="list-style-type: none"> <li>• Inform patients</li> <li>• Collect payment promptly</li> <li>• Reduce bad debt</li> </ul>
2. Claim submission transaction	<ul style="list-style-type: none"> <li>• Reduce discharged not final billed (DNFB) days</li> <li>• Speed payment</li> <li>• Reduce errors</li> </ul>
3. Claims status inquiry and response transactions	<ul style="list-style-type: none"> <li>• Reduce time on telephone</li> <li>• Address issues sooner</li> </ul>
4. Electronic remittance advice and funds transfer transactions	<ul style="list-style-type: none"> <li>• Match payments to remittance advice to streamline processes and more quickly flag for problems</li> <li>• Make funds available sooner</li> </ul>
5. Request and response for prior approval transactions	<ul style="list-style-type: none"> <li>• Reduce labor costs</li> <li>• Inform patient sooner</li> </ul>
6. Request and response for additional information (attachments) transactions	<ul style="list-style-type: none"> <li>• Support auto-adjudication of claims</li> <li>• Reduce labor costs</li> </ul>
7. Acknowledgements transaction (not mandated by HIPAA)	<ul style="list-style-type: none"> <li>• Confirm receipt of transaction</li> <li>• Provide electronic log to determine timeliness</li> </ul>



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# Recent Developments

- NCVHS Hearings in February
  - Attachment Standard
  - Phase IV Operating Rules
  - Pre-Authorization
- Expect Release of Attachment Standard rule later this year.
- Anticipate new versions of the existing HIPAA Standards later this year



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# Looking Forward

- Consolidation, Consolidation, Consolidation
  - Operational Efficiencies
    - Centralized Routines
- All-inclusive/Bundled Payments
  - Accountability, Performance, Quality
  - Coordination of care
- Intersection of Administrative Transactions & EHR
- Become involved in the process
  - Provider and Health Plan dialogue to increase understanding
  - Work toward better and faster Data exchange



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# Post ICD-10 Implementation

- Transition Success
  - Biggest change since Y2K
- Productivity Issues
- Establish baseline metrics
- Procedure Coding (ICD-10-PCS) Challenges
  - Documentation Narrative
- Expect a series of new ICD-10 codes late spring for implementation in October 2016
- Assess impact to your organization
  - Relative Weight Changes to DRGs
- Expect recalibration of DRGs in 2017



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# Questions

- Thank you

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