Providence Health & Services is committed to using technology and evidence-based practices to deliver the highest quality care in a safe, compassionate and cost effective way for each patient. Health care reform and federal guidelines are increasingly changing the way health care is delivered. In order to meet these new requirements and incentives, Providence will implement powerful information technology systems like the Epic electronic health record (EHR).

As we implement the Epic EHR, we will be positioned to receive financial incentives under the Health Information Technology for Economic and Clinical Health (HITECH) Act. To receive the incentive payments, hospitals and providers must demonstrate “meaningful use” of an EHR system. This can be done by reporting compliance in capturing coded health information, using electronic information to track key clinical conditions and reporting clinical quality measures. Starting in 2015, the meaningful use guidelines become mandates and providers without electronic health records will be subject to payment penalties from Medicare.

Providence is also working to comply with updates to the way health care providers code diagnoses and procedures, through the International Classification of Diseases, 10th revision, or ICD-10. This new version of coding replaces the current version, ICD-9, in October 2013. In advance of the replacement, the regulations require an upgrade of all electronic data transaction standards to ensure they comply with the Health Insurance Portability and Accountability Act, and to provide capacity to handle the ICD-10 system. This upgrade is called HIPAA 5010, and will be used in all exchanges of information with payers. It will take place January 2012.

Advanced technology is critical to the Providence vision of providing a connected experience of care and answering the call of every person we serve: “Know me, care for me, ease my way.” Responding to the requirements of health care reform allows Providence to receive increased reimbursement that we will use to improve care to our patients and the health of our communities.
Meaningful Use, ICD-10, HIPAA 5010
Talking Points

As one ministry committed to excellence, Providence Health & Services embraces the use of electronic health records and related information technology to improve the health of our communities by providing our patients with compassionate, high quality, safe and cost-effective care.

We recognize the value of technology in realizing our vision, and we are actively engaged in implementing technology in compliance with federal regulations that support the goal of health care reform in the United States.

ARRA/HITECH/Meaningful Use

- Our health information technology programs will enable Providence to receive additional federal funding for implementing and successfully using technology to improve the health of our patients and communities under the “meaningful use” provision of The American Recovery and Reinvestment Act (ARRA). As people of Providence, we plan to reinvest this funding to expand and strengthen our capacity to carry out our Mission.
- The ARRA authorizes the Centers for Medicare and Medicaid Services to provide reimbursement incentives for health systems, hospitals and physicians who demonstrate “meaningful use” of an EHR.
- The Health Information Technology for Economic and Clinical Health (HITECH) Act was passed as part of the ARRA to promote the adoption and meaningful use of EHR technologies by the health care providers and organizations.
- Beginning in 2011, providers will be eligible for meaningful use funding through HITECH by demonstrating specific use of the EHR in such key areas as capturing coded health information, using the EHR to track clinical conditions and reporting clinical quality outcomes.
- Meaningful use incentives incrementally decrease until 2015, when providers are expected to have fully adopted an EHR in compliance with the guidelines or be subject to financial penalties under Medicare.

HIPAA 5010 and ICD-10

- Providence Health & Services is upgrading existing technology and implementing new systems to meet deadlines set by the Department of Health and Human Services (DHS) for adopting an international system for electronically coding medical diagnoses and procedures, known as ICD-10. The implementation deadline of Oct. 1, 2013 must be met or providers can be subject to interruption or delay in Medicare reimbursement.
- All hospitals, physicians, payers, clearing houses, billing software vendors and pharmacies must comply with these regulations by implementing the new systems.
- Once implemented, the International Classification of Diseases, 10th revision (ICD-10), which is currently in use outside the U.S., will replace the current ICD-9 coding system. With its limited and outdated capacity, ICD-9 is literally running out of new codes.
- ICD-10 significantly expands the number of diagnostic and procedure codes from 18,000 in ICD-9 to 144,000, which enables the new coding system to accurately capture the severity and complexity of disease and procedure classifications.
- The DHS regulations also call for implementation of an upgraded set of electronic administrative transaction standards that define how information is exchanged between providers and payers, such as Medicare and Medicaid.
• These new standards, which must be implemented by Jan. 1, 2012, are an upgrade to the current version, Health Insurance Portability and Accountability (HIPAA) 4010, now in use at Providence. Version 5010, which is compliant with the HIPAA Act will have the capacity to accommodate all electronic transactions using ICD-10.
• The HIPAA 5010/ICD-10 program supports the Providence Mission and provides an opportunity to fulfill our core value of excellence by bringing more information and increased precision to the measurement of quality, safety and efficiency of patient care.
• The HIPAA 5010/ICD-10 program will result in more accurate payments for new procedures and fewer miscoded, rejected and improper reimbursement claims.
• The Epic EHR system, and the California Advanced Medical Information System (CAMIS) in the California Region, will be HIPAA 5010-compliant.
Meaningful Use, ICD-10, HIPAA 5010
Frequently Asked Questions

ARRA/HITECH/Meaningful Use

Why is Providence installing a new electronic health record system and other technologies?
The advance of technology in health care presents an opportunity for Providence to improve quality, safety and access to care, while complying with governmental regulations. As health care reform and guidelines change the way health care is delivered, there are opportunities for hospitals and providers to receive financial incentives for implementing new technologies. By embracing the value of technology, Providence will enhance our ability to answer the call of every person we serve: “Know me, care for me, ease my way.”

What is “Meaningful Use”?
“Meaningful use” refers to a standard that health care providers and physicians must meet in use of an electronic health record to be eligible for financial incentives through the Health Information Technology for Economic and Clinical Health (HITECH) Act. Passed as part of the economic stimulus, the HITECH act was designed to advance and integrate technology into health care. The act’s meaningful use provision requires demonstration of proficiency in such key functions as electronically capturing coded health information, using electronic information to track clinical conditions and reporting clinical quality measures.

How will “meaningful use” affect Providence?
This regulation will affect most of our ministries, with the exception of nursing homes. The Center for Medicare & Medicaid Services (CMS) estimates that physicians can potentially receive as much as $44,000 per practice over the course of five years if they achieve meaningful use of EHRs in 2011. Hospitals would receive $1 million and a percentage of total discharges if they achieve meaningful use by 2011. After 2015, hospitals and physicians that are not using EHRs will have their Medicare payment reduced.

Is Providence eligible for the “meaningful use” financial incentives through HITECH?
Yes, Providence has launched a Providence-wide initiative to implement the Epic EHR system in our ministries to be in compliance with the HITECH act. This also positions Providence to receive the financial incentive funding that is available by demonstrating that our organization is a meaningful user of EMR technology. We are installing the Epic EHR system for hospitals and clinics in all Providence regions. The only exception is California hospitals which are first implementing the California Advanced Medical Information System (CAMIS) EHR, but will also eventually implement Epic.

ICD-10

What is ICD-10?
New federal regulations also call for the health care industry to adopt technologies that are aimed at raising quality and safety, facilitating outcomes measurement and reducing cost. The Department of Health and Human Services (DHS) has mandated that hospitals, payers and other health care entities convert to the International Classification of Diseases, 10th revision (ICD-10), which changes the way health care providers code diagnoses and procedures. The new version of coding replaces the current version, ICD-9, Oct. 1, 2013.

Why ICD-10?
Designated to replace the current outdated, 30-year-old coding system known as ICD-9, ICD-10 expands the number of diagnostic and procedure codes from 18,000 to 144,000, which enables the coding system to accurately capture the severity and complexity of disease and procedure classifications.
Will ICD-10 replace CPT or HCPCS codes?
No. There will be no impact on the use of the Current Procedural Terminology coding system maintained by the American Medical Association, or on the Healthcare Common Procedure Coding System level II codes used for products, supplies and other services with the implementation of ICD-10.

Where can I find more information about ICD-10?
Information about ICD-10 can be found on the CMS website: www.cms.gov/icd10.

HIPAA 5010

What is HIPAA 5010?
To prepare for ICD-10, DHS also requires health care to upgrade electronic administrative transaction standards that define how information is exchanged between providers and payers, such as Medicare and Medicaid. The upgrade of these system standards from the current version (4010) now in use at Providence is necessary for compliance with the Health Insurance Portability and Accountability (HIPAA) Act. The update must be completed by Jan. 1, 2012.

How does HIPAA relate to ICD-10?
Once HIPAA 5010 is implemented, our systems will be capable of handling the new ICD-10 codes, which must go into use Oct. 1, 2013. HIPAA 5010 lays the groundwork for the implementation of ICD-10-CM/PCS by making changes to the electronic data standards that are necessary to support the revised coding systems.

What happens if Providence cannot meet the HIPAA 5010 deadline?
If Providence has not fully tested our systems and transactions by the implementation date, it is possible that we could experience problems with transmitting electronic claims and receiving electronic payments. This could result in serious impacts to cash flow and business processes that enable Providence to fulfill our Mission. Additionally, CMS has indicated it may levy fines against non-compliant organizations.

Are health care systems like Providence the only ones affected by the upgrade to 5010?
No, payers or insurance companies and any vendors that handle the affected transactions also must comply with the new standards. Providence already has taken the steps necessary to identify our affected business partners so we can assure our implementation plan is complete.

How does HIPAA 5010 affect Epic and CAMIS?
Both Epic and CAMIS will generate electronic bills, which must be compliant with the HIPAA 5010 regulations; upgrades and testing will be implemented in both systems to ensure that the Jan., 2012 deadline is met.

How does HIPAA 5010 affect physicians?
Since physician claims are one of the affected transactions, any physician offices sending electronic claims also will be required to comply with the updated 5010 standards.

Where can I find more information about 5010?
Information about the HIPAA 5010 transaction standards can be found at: www.cms.gov/versions5010andd0 and educational assistance in preparing for the change can be found at: www.getready5010.org.