
ICD-10: A Guide to a Successful Transition

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Agenda

- ❖ **ICD-10 Overview**
- ❖ **Industry Updates**
- ❖ **Transition Steps**
- ❖ **Transition Topics**

What Are 5010 and ICD-10?

❖ 5010

- ❖ New HIPAA-mandated version of healthcare EDI transactions
- ❖ Replaces Version 4010
- ❖ Required on January 1, 2012

❖ ICD-10

- ❖ New HIPAA-mandated version of diagnosis codes
- ❖ Replaces ICD-9
- ❖ Required on October 1, 2013



Why ICD-10?



- ❖ **More precise reimbursement**
- ❖ **Improved benchmarking and quality initiatives**
- ❖ **Improved public health reporting**
- ❖ **Reduced need for attachments**
- ❖ **Help prevent and detect healthcare fraud and abuse**

5010 and ICD-10

- ❖ **5010 adds an indicator associated with the ICD code to indicate whether it is ICD-9 or ICD-10 on all HIPAA transactions**
- ❖ **5010 increases number of diagnosis codes allowed on a claim from 8 to 12**
- ❖ **ICD-10 support does not exist in 4010: the transition to 5010 is an essential first step in the transition to ICD-10**

What 5010 Doesn't Do



- ❖ Does not require the use of ICD-10
- ❖ Does not provide a crosswalk between ICD-9 and ICD-10
- ❖ Does not determine when ICD-10 codes should be used

5010 and ICD-10: The Differences

- ❖ **5010 is more of a technical change**
- ❖ **ICD-10 is much larger in scope because it affects:**
 - ❖ Electronic transactions (e.g. claims and eligibility)
 - ❖ Most, if not all, clinical and administrative aspects of your practice, including personnel
 - ❖ Many business arrangements (e.g. payer contracting, P4P)
 - ❖ How you code - it's a new language that must be mastered

5010 Update: 2012

- ❖ **January 1, 2012 remained the compliance date**
- ❖ **Medicare, most BCBS plans, and major commercial plans were ready on January 1, 2012**
 - ❖ Some have announced delays: CA Medicaid, Cigna, KC BCBS
- ❖ **No announcements that there will be a delay in the ICD-10 compliance date of October 1, 2013**
- ❖ **For the most part, 5010 went as planned.**



ICD-10 Overview

- ❖ **Compliance date is October 1, 2013**
- ❖ **Part of HIPAA's Transactions and Code Sets Requirements**
- ❖ **Field size increases**
 - ❖ **ICD-10-CM from 3 to 7 characters**
 - ❖ **ICD-10-PCS from 4 to 7 characters**
- ❖ **Number of codes increases**
 - ❖ **ICD-10-CM from approximately 14,000 to approximately 70,000**
 - ❖ **ICD-10-PCS from approximately 4,000 to approximately 70,000**
- ❖ **Both ICD-9-CM and ICD-9-PCS are being updated**



ICD-10 Structure

- ❖ **First character is always alpha (A through Z, except for “U”)**
- ❖ **Second character is numeric**
- ❖ **Characters 3 – 7 are alphanumeric and describe etiology, anatomic site, severity and the seventh position provides an extension**
- ❖ **ICD-10 is not case sensitive**
- ❖ **If there are more than 3 characters, a decimal point is placed in the third position, for example: L89.022 (pressure ulcer of left elbow, stage II)**

Key ICD-10 and ICD-9 Differences

- ❖ ICD-10 codes may be up to 7 characters
- ❖ ICD-10 supports laterality
- ❖ Injuries grouped by anatomical site rather than type of injury
- ❖ Expanded use of combination codes, e.g., K57.21 diverticulitis of large intestine with perforation and abscess with bleeding
- ❖ Addition of 7th character used mostly for injuries and external caused, e.g., A = initial encounter, D = subsequent encounter

Key ICD-10 and ICD-9 Differences Continued

- ❖ Placeholder 'x' to allow for future expansion, e.g., T46.1x5A, underdosing of antithrombotic drugs, subsequent encounter
- ❖ New clinical concepts such as underdosing and blood type
- ❖ Terminology changes:
 - ❖ Amputation is now detachment
 - ❖ Aspiration is now drainage
 - ❖ Cesarean section is now extraction of products of conception
 - ❖ Etc.

ICD-10: Who and What Will Be Affected?

Who:

❖ Physicians/clinicians

- Superbills
- Medical documentation

❖ Coders

- Medical necessity verification
- Clinical coding

❖ Registration

- ❖ ABN
- ❖ Scheduling/eligibility checks

What:

❖ Reporting

- Quality/performance statistics
- Public health
- HEDIS
- Mortality

❖ IT Systems

- EMR/clinical software
- Practice Management System

❖ Business processes

- Contracts
- Appeals

What Business Processes Will Be Affected?

- ❖ **ICD-10 will impact almost every aspect of a healthcare organization, including:**
 - ❖ Electronic transactions (i.e. claims and eligibility)
 - ❖ Clinical processes
 - ❖ Business arrangements (i.e. payer contracting and P4P)
- ❖ **The transition to ICD-10 represents a new language healthcare organizations will have to master**

What Internal Operations Will Be Affected?

- ❖ **Between now and October 1, 2013, everyone in healthcare will be affected by 5010 and/or ICD-10 – though some more than others**



5 Steps to ICD-10 Success



- ❖ **Plan**
- ❖ **Install**
- ❖ **Test**
- ❖ **Train**
- ❖ **Monitor**



Plan

Install

Test

Train

Monitor

Goal: produce a timeline/plan that transitions your practice to ICD-10 by October 1, 2013

- ❖ **Identify all stakeholders and their needs**
- ❖ **Understand where and how diagnosis codes are used**
 - ❖ **Contracts**
 - ❖ **Pay-for-performance**
 - ❖ **Medical necessity**
 - ❖ **Patient billing**
 - ❖ **Software systems**
 - ❖ **Paper forms (e.g. superbills)**
- ❖ **Understand current capabilities**



Plan

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- ❖ **Ensure that you budget time and money for training (both of these will be significant)**
- ❖ **Assess being able to handle both ICD-9 and ICD-10 for some time after October 1, 2013**
- ❖ **Determine where changes are necessary:**
 - ❖ **Software systems**
 - ❖ **Business processes/paper forms**
 - ❖ **Training**



Plan

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You're Now Ready to Establish Your Timeline/Plan

❖ What to include:

❖ HIT vendor information

- ❖ Upgrading and testing requirements**
- ❖ Their implementation plans**

❖ How ICD-10 affects your contracts

❖ Workflow and business processes that will need to be modified

❖ Training – include who should be involved, when to begin, where to conduct, and how much to do

❖ Budget items – IT, business process updates and training

❖ Testing and monitoring



Plan

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- ❖ **Assess vendor solutions, costs, testing requirements and timelines.**
- ❖ **Establish necessary software and business process changes.**
- ❖ **Ideally, install changes incrementally after thorough testing over time, coordinated with vendor plans.**
- ❖ **Changes must accommodate simultaneous use of ICD-9 and ICD-10.**
- ❖ **Each change has planning, installation, testing, training and monitoring elements.**

Plan

Install

Test

Train

Monitor

Test each change individually and all changes together

❖ Internal Testing

❖ Front Office

- ❖ Scheduling
- ❖ Eligibility
- ❖ Authorization

❖ Encounter

- ❖ Coding (don't forget clinician pieces)

❖ Back Office

- ❖ Charge entry/claim submission
- ❖ Claim status
- ❖ Payment processing

Plan

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Monitor

❖ External Testing

❖ Data, paper and communications:

- ❖ From and to your office
- ❖ From and to your IT vendors
- ❖ From and to your payers

❖ Once vendors are ready to test:

- ❖ Work through the entire life of a claim
- ❖ Perform mock patient visits from beginning to end
- ❖ Submit test claims with the new codes through your software
- ❖ Make sure the claims process correctly (no claims error out)
- ❖ Look for any cash flow interruptions

❖ Test your larger payers with highest volume first

❖ Identify test cases containing your most commonly used codes and ones that account for most of your revenue



Plan

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- ❖ **Training is arguably the single biggest ICD-10 success factor and where you should focus most of your effort.**

- ❖ **To effectively train for the transition:**
 - ❖ **Identify ALL staff who use diagnosis codes, including providers, who must re-learn and re-think diagnosis coding.**
 - ❖ **Determine the level of necessary knowledge each staff member needs.**
 - ❖ **Make sure the staff understands that this is a transition to an entirely new code set and will take time, money and effort.**

Plan

Install

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Monitor

- ❖ **ICD-10 will have three primary training efforts:**

- ❖ **ICD-10 itself**
- ❖ **Technology system updates**
- ❖ **Business process updates**

- ❖ **Each of these could be extensive, so plan for the necessary cost and time to allow staff to become acquainted with new technology updates as well as use of the ICD-10 code values**



Plan

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❖ **Most experts recommend that ICD-10 training happen to two phases:**

❖ **Phase 1:**

- ❖ Basic introduction
- ❖ Early 2012

❖ **Phase 2**

- ❖ Comprehensive training
- ❖ Early 2013



❖ **This approach allows for coders and other staff members to go back to the office and use their new knowledge**

Plan

Install

Test

Train

Monitor

❖ On and after October 1, 2013

❖ Monitor key operational statistics to ensure all systems are working properly

❖ Rejections

❖ Denials

❖ Accounts receivable



ICD-10: Other Considerations

Training

❖ Identify education needs:

- ✓ Who requires training: administrative and clinical staff
- ✓ Determine the type and level
 - ✓ Consider experience
- ✓ How should they be trained: classroom, web, self-taught
- ✓ Timing is important:
 - ✓ Too early will require re-training,
 - ✓ Too late it may be difficult to get a slot
 - ✓ Consider: 6-9 months before for coders; 3-6 months ahead for physicians and/or two-phased approach
- ✓ Don't forget the possibility that some staff may need additional training on anatomy, physiology, pharmacology
- ✓ **Likely changes in medical necessity policy**

Training the Physician

- ❖ **ICD-10-CM and ICD-10-PCS provide for much more specificity, which means documentation must support the increased specificity.**
 - ❖ Lack of documentation because of specificity could cost the physician both time and money
- ❖ **Consider a documentation review**
- ❖ **Coders can only code what is documented**

Productivity

- ❖ **Very likely that ICD-10 will impact productivity**
 - ❖ More documentation time
 - ❖ More time to review charts
 - ❖ Learning curve
- ❖ **Rand study:** loss between \$5M and \$40M
- ❖ **Nolan study:** loss between \$50M and \$380M
- ❖ **Possible increase in need for appeals and requests for documentation**
- ❖ **However, with more specific documentation and coding, there is the potential for more revenue**

IT and Software Systems

- ❖ **ICD-10 will likely affect all of your IT and software systems:**
 - ❖ Both administrative (PMS) and clinical systems (EMR)
 - ❖ Reporting processing: public health, research, quality statistics



Business Impacts

- ❖ **Coverage and payment**
 - ❖ **New coverage policies**
 - ❖ **New medical review edits**
 - ❖ **New reimbursement schedules**
 - ❖ **Superbill and other paper documentation changes**
 - ❖ **Contract renegotiations based on new coding**



Costs

- ❖ **Software systems**
- ❖ **Business systems**
- ❖ **Time spent working on the transition**
- ❖ **Documentation reviews**
- ❖ **Consultants**
- ❖ **Overtime and/or additional staff**
- ❖ **Training**
- ❖ **Patient “training”**



ICD-10: Final Thoughts

- ❖ **The transition to ICD-10 is anticipated to be a bigger effort for practices than 5010.**
 - ❖ Understand that your staff and payers will take time to be as productive with ICD-10 as they are today with ICD-9; expect delays and lower productivity levels and plan accordingly.
- ❖ **October 1, 2013 is closer than you think—start preparing now!**

Resource List

Accredited Standards Committee (ASC) 4010/5010 standards information - <http://www.x12.org>

Current ICD-10-CM Codes (*maintained by the ICD-9 Coordination and Maintenance Committee*) - <http://www.cdc.gov/nchs/icd/icd10cm.htm>

Current ICD-10-PCS Codes (for hospital/inpatient coding) (*maintained by CMS*) - <http://www.cms.gov/ICD10/>

CMS Resources

- ▶ 5010 website - <http://www.cms.gov/Versions5010andD0/>
- ▶ Transaction and Code Set Standards - <http://www.cms.gov/TransactionCodeSetsStandards>
- ▶ Electronic Billing and EDI Transactions Help Lines- <http://www.cms.gov/ElectronicBillingEDITrans>

General Equivalence Mappings (GEMS) files
ICD-9/ICD-10 crosswalk maps

- ▶ General information guide - <https://www.cms.gov/ICD10/Downloads/GEMs-CrosswalksBasicFAQ.pdf>
- ▶ GEMS files and User Guides – for diagnosis codes - http://www.cms.gov/ICD10/12_2010_ICD_10_CM.asp
- ▶ GEMS files and User Guides – for inpatient procedure codes- http://www.cms.gov/ICD10/13_2010_ICD10PCS.asp

ICD-10 Hub – www.icd10hub.com

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