ICD-10 Transition: What You Don’t Already Know – and How to Prepare for It!

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Speaker Disclosures

Jennifer Keiser is an employee of Mediware, a software company providing solutions and financial services to home infusion providers. This conflict of interest was resolved by peer review of slide content.

Clinical trials and off-label/investigational uses will not be discussed during this presentation.
Objectives

At the end of this session, you should be able to:

• Describe the format of ICD-10 codes and how they are different from ICD-9 codes
• Understand the history and future milestones for the U.S. transition to the use of ICD-10 codes
• Describe the tools that are available to support the transition to ICD-10 and how to use them
• List the components that must be addressed when planning your ICD-10 implementation
Agenda

- Start with the Basics: The ICD-10 Code Format
- History and Future Milestones
- Transition Tools
- Planning Your Implementation
ICD-10 Transition

START WITH THE BASICS ...
THE ICD-10 CODE FORMAT
ICD-10 Code Format

• What’s changing?
  Soon, you must use ICD-10 rather than ICD-9 diagnosis codes on all HIPAA transactions:
  – Authorizations
  – Eligibility
  – Claims
• The new electronic formats (X12 5010 and NCPDP D.0) allow you to report either ICD-9 or ICD-10 codes
ICD-10 Code Format

- ICD-10 codes are formatted as:
  - 3 – 7 digits
  - Digit 1 is alpha
  - Digit 2 is numeric; and
  - Digits 3 – 7 are alpha or numeric (alpha digits are not case sensitive)
  - Some, but not all, contain decimals

Examples:
A69.21 – Meningitis due to Lyme disease
047K04Z – Angioplasty (Dilation of right femoral artery ... )
ICD-10 Code Format

• ICD-10 is much more specific:
  – For diagnoses, there are 14,025 ICD-9-CM codes and 68,069 ICD-10-CM codes; and
  – For procedures, there are 3,824 ICD-9-CM codes and 72,589 ICD-10-PCS codes

• General Equivalence Mappings (GEM)s developed by the CDC help you translate your data from ICD-9 to ICD-10

• The math tells us that some ICD-9 codes have no direct ICD-10 translation
ICD-10 Code Format Examples

**ICD-9-CM**

Angioplasty
1 code (39.50)

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**ICD-10-PCS**

Angioplasty codes
854 codes
Specifying body part, approach, and device, including

- 047K04Z – Dilation of right femoral artery with drug-eluting intraluminal device, open approach
- 047K0DZ – Dilation of right femoral artery with intraluminal device, open approach
- 047K0ZZ – Dilation of right femoral artery, open approach
- 047K34Z – Dilation of right femoral artery with drug-eluting intraluminal device, percutaneous approach

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**ICD-9-CM**

Pressure ulcer codes
9 location codes (707.00 – 707.09)
Show broad location, but not depth (stage)

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**ICD-10-CM**

Pressure ulcer codes
125 codes
Show more specific location as well as depth, including

- L89.131 – Pressure ulcer of right lower back, stage I
- L89.132 – Pressure ulcer of right lower back, stage II
- L89.133 – Pressure ulcer of right lower back, stage III
- L89.134 – Pressure ulcer of right lower back, stage IV
- L89.139 – Pressure ulcer of right lower back, unspecified stage
ICD-10-CM Classification Enhancements

The compliance date for implementation of the International Classification of Diseases, 10th Edition, Procedure Coding System/Clinical Modification (ICD-10-PCS/CM) is October 1, 2013 for all covered entities. ICD-10-CM, including the ICD-10-CM Official Guidelines for Coding and Reporting, will replace the International Classification of Diseases, 9th Edition, Clinical Modification (ICD-9-CM) diagnosis code set in all health care settings for diagnosis reporting with dates of service, or dates of discharge for inpatients, that occur on or after October 1, 2013. This publication discusses the benefits of ICD-10-CM, similarities and differences between the two coding systems, and new features and additional changes that can be found in ICD-10-CM.

**Benefits of ICD-10-CM**

ICD-10-CM incorporates much greater clinical detail and specificity than ICD-9-CM. Terminology and disease classification have been updated to be consistent with current clinical practice. The modern classification system will provide much better data needed for:

- Measuring the quality, safety, and efficacy of care;
- Reducing the need for attachments to explain the patient's condition;
- Designing payment systems and processing claims for reimbursement;
- Conducting research, epidemiological studies, and clinical trials;
- Setting health policy;
- Operational and strategic planning;
- Designing health care delivery systems;
- Monitoring resource utilization;
- Improving clinical, financial, and administrative performance;
- Preventing and detecting health care fraud and abuse; and
- Tracking public health and risks.

Non-specific codes still exist for use when the medical record documentation does not support a more specific code.

**Similirities and Differences Between the Two Coding Systems**

ICD-10-CM uses 3-7 alpha and numeric digits and full code titles, but the format is very much the same as ICD-9-CM (e.g., ICD-10-CM has the same hierarchical structure as ICD-9-CM).

The 7th character in ICD-10-CM is used in several chapters (e.g., the Obstetrics, Injury, Musculoskeletal, and External Cause chapters). It has a different meaning depending on the section where it is being used (e.g., in the Injury and External Cause sections, the 7th character classifies an initial encounter, subsequent encounter, or sequelae (late effect)).

Primarily, changes in ICD-10-CM are in its organization and structure, code composition, and level of detail.

**ICD-9-CM Diagnoses Codes:**

- 2-5 digits:
- First digit is alpha (E or V) or numeric (alpha characters are not case sensitive);
- Digits 2-5 are numeric; and
- Decimal is used after third character.

Examples:
- 496 – Chronic airway obstruction, not elsewhere classified (NEC);
- 511.9 – Unspecified pleural effusion; and
- V02.61 – Hepatitis B carrier.

**ICD-10-CM Diagnosis Codes:**

- 3-7 digits:
- Digit 1 is alpha; Digit 2 is numeric;
- Digits 3-7 are alpha or numeric (alpha characters are not case sensitive); and
- Decimal is used after third character.

Examples:
- A78 – Q fever;
- A69.21 – Meningitis due to Lyme disease; and
- S52.131A – Displaced fracture of neck of right radius, initial encounter for closed fracture.

**New Features Found in ICD-10-CM**

The following new features can be found in ICD-10-CM:

1) Laterality (left, right, bilateral)

Examples:
- C50.511 – Malignant neoplasm of lower-outer quadrant of right female breast;
- H16.013 – Central corneal ulcer, bilateral; and
- L89.012 – Pressure ulcer of right elbow, stage II.
2) Combination codes for certain conditions and common associated symptoms and manifestations

Examples:
- K57.21 – Diverticulitis of large intestine with perforation and abscess with bleeding;
- E11.341 – Type 2 diabetes mellitus with severe nonproliferative diabetic retinopathy with macular edema; and
- I25.110 – Atherosclerotic heart disease of native coronary artery with unstable angina pectoris.

3) Combination codes for poisonings and their associated external cause

Example:
- T42.3x2S – Poisoning by barbiturates, intentional self-harm, sequel.

4) Obstetric codes identify trimester instead of episode of care

Example:
- O26.02 – Excessive weight gain in pregnancy, second trimester.

5) Character “x” is used as a 5th character placeholder in certain 6 character codes to allow for future expansion and to fill in other empty characters (e.g., character 5 and/or 6) when a code that is less than 6 characters in length requires a 7th character

Examples:
- T46.1x6A – Adverse effect of calcium-channel blockers, initial encounter; and
- T15.02x0 – Foreign body in cornea, left eye, subsequent encounter.

6) Two types of Excludes notes

- Excludes 1 – Indicates that the code excluded should never be used with the code where the note is located (do not report both codes).
  Example:
  - Q03 – Congenital hydrocephalus
    Excludes 1: Acquired hydrocephalus (G91.1-)

- Excludes 2 – Indicates that the condition excluded is not part of the condition represented by the code but a patient may have both conditions at the same time, in which case both codes may be assigned together (both codes can be reported to capture both conditions).
  Example:
  - L27.2 – Dermatitis due to ingested food.
    Excludes 2: Dermatitis due to food in contact with skin (L23.6, L24.6, L25.4).

7) Inclusion of clinical concepts that do not exist in ICD-9-CM (e.g., underdosing, blood type, blood alcohol level)

Examples:
- T45.526D – Underdosing of antithrombotic drugs, subsequent encounter;
- Z67.40 – Type 0 blood, Rh positive; and
- Y90.6 – Blood alcohol level of 120–199 mg/100 mL.

8) A number of codes have been significantly expanded (e.g., injuries, diabetes, substance abuse, postoperative complications)

Examples:
- E10.610 – Type 1 diabetes mellitus with diabetic neuropathic arthropathy;
- F10.182 – Alcohol abuse with alcohol-induced sleep disorder; and
- T82.00x4A – Displacement of heart valve prosthesis, initial encounter.

9) Codes for postoperative complications have been expanded and a distinction made between intraoperative complications and postprocedural disorders

Examples:
- D78.01 – Intraoperative hemorrhage and hematoma of spleen complicating a procedure on the spleen; and
- D78.21 – Postprocedural hemorrhage and hematoma of spleen following a procedure on the spleen.

ADDITIONAL CHANGES FOUND IN ICD-10-CM

The additional changes that can be found in ICD-10-CM are:
- Injuries are grouped by anatomical site rather than by type of injury;
- Category restructuring and code reorganization have occurred in a number of ICD 10 CM chapters, resulting in the classification of certain diseases and disorders that are different from ICD-9-CM;
- Certain diseases have been reclassified to different chapters or sections in order to reflect current medical knowledge;
- New code definitions (e.g., definition of acute myocardial infarction is now 4 weeks rather than 8 weeks); and
- The codes corresponding to ICD-9-CM V codes (Factors Influencing Health Status and Contact with Health Services) and E codes (External Causes of Injury and Poisioning) are incorporated into the main classification rather than separated into supplementary classifications as they were in ICD-9-CM.

To find additional information about ICD-10-CM/PCS, visit http://www.cms.hhs.gov/ICD10 on the Centers for Medicare & Medicaid Services (CMS) website.
ICD-10 Benefits

• Per CMS
  – Much greater clinical detail and specificity than ICD-9-CM.
  – Consistent with current clinical practice.
  – Provides much better data needed for measurement, setting policy, etc.

• Direct benefits to you?
  – Hope of simpler coding
  – Improved tracking of outcome data
  – Increase in acuity rates (benefit in a Pay for Performance model)
  – Increase in case mix ratio
  – More accurate payments, fewer rejected claims
  – Increased auto adjudication of claims
  – Reduced need for attachments to explain a patient’s condition
ICD-10 Transition

HISTORY AND FUTURE MILESTONES
ICD-10 History

Health Care Industry Use of Diagnoses Codes
1979 - World Health Organization (WHO) adopts ICD-9 and United States adopts ICD-9-CM (clinical modification with procedure codes) for use in hospitals
1983 - Inpatient prospective payment system—DRG links code data with reimbursement
1988 - Medicare Catastrophic Coverage Act requires physicians to report conditions using ICD-9-CM

World Moves to ICD-10
1994 - WHO adopts ICD-10
1995 - United States draft of ICD-10-CM made available. United States poised to adopt ICD-10-CM to align with WHO and other countries

Stop Action
1996 - HIPAA (Heath Insurance Portability and Accountability Act) enacted:
• Code set standards established under the Administrative Simplification provision of the Social Security Act
• New code set adoption process falls under legislative controls
ICD-10 History

Legislative Steps to ICD System Conversion
• 2003 - National Committee for Vital and Health Statistics (NCVHS) voted to recommend that the secretary of Health and Human Services move forward to adopt ICD-10 under HIPAA standards
• 2008 - Notice of proposed rule making (NPRM) published in the Federal Register with a proposed implementation date of October 1, 2011, and a 60-day public comment period.
• 2009 - HHS publishes final rule, adopting ICD-10-CM and ICD-10-PCS effective October 1, 2013, with implementation timeline for version 5010 electronic transactions and ICD-10

Effective Dates
• 2012 - Version 5010 electronic billing process and format compliance on January 1, 2012 (except for small health plans; January 1, 2013)
• 2014 - ICD-10-CM/PCS compliance effective October 1, 2013 2014, for all HIPAA-covered entities
AMA Recommended Timeline

<table>
<thead>
<tr>
<th>#</th>
<th>Step</th>
<th>Duration</th>
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<tbody>
<tr>
<td>1</td>
<td>Impact Analysis</td>
<td>2-3 months</td>
</tr>
<tr>
<td>2</td>
<td>Contact Your Vendors</td>
<td>2-3 months</td>
</tr>
<tr>
<td>3</td>
<td>Contact your Payers, Billing Service and Clearinghouse</td>
<td>2-3 months</td>
</tr>
<tr>
<td>4</td>
<td>Installation of Vendor Upgrades</td>
<td>4-6 months</td>
</tr>
<tr>
<td>5</td>
<td>Internal Testing</td>
<td>3-6 months</td>
</tr>
<tr>
<td>6</td>
<td>Update Internal Processes</td>
<td>2-3 months</td>
</tr>
<tr>
<td>7</td>
<td>Conduct Staff Training</td>
<td>2-3 months</td>
</tr>
<tr>
<td>8</td>
<td>External Testing with Clearinghouses, Billing Service, and Payers</td>
<td>6-9 months</td>
</tr>
<tr>
<td>9</td>
<td>Make the Switch to ICD-10</td>
<td>Oct 1, 2014</td>
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ICD-10 Transition

TRANSITION TOOLS
# Transition Tools

<table>
<thead>
<tr>
<th>Tool</th>
<th>Purpose</th>
<th>Published By</th>
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<tbody>
<tr>
<td>Generic Equivalence Mappings (GEMs)</td>
<td>Convert data from ICD-9 to ICD-10-CM and ICD-10–PCS (“forward mapping”) and back (“backward mapping”). Mapping is many-to-one.</td>
<td>CMS and CDC</td>
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<tr>
<td>Reimbursement Mappings</td>
<td>Provides a one-to-one crosswalk to map ICD-10-CM/PCS codes back to ICD-9-CM codes. Identifies the best matching code. Used to process claims containing ICD-10 codes by legacy systems that use ICD-9.</td>
<td>CMS</td>
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Mapping Challenges

• Multiple possible maps require a human’s decision:

One ICD-9-CM Diagnosis Code is represented by multiple ICD-10-CM codes:

- **82002** Fracture of midcervical section of femur, closed
  - *From S72031A* Displaced midcervical fracture of right femur, initial encounter for closed fracture
  - *From S72031G* Displaced midcervical fracture of right femur, subsequent encounter for closed fracture with delayed healing
  - *From S72032A* Displaced midcervical fracture of left femur, initial encounter for closed fracture
  - *From S72032G* Displaced midcervical fracture of left femur, subsequent encounter for closed fracture with delayed healing
  - And other codes from the GEMs

• A cluster of ICD-9s map to one ICD-10:

One ICD-10-CM Diagnosis Code is represented by multiple ICD-9-CM codes:

- *To ICD-9 cluster:*
  - 25050 Diabetes with ophthalmic manifestations, type II or specified type, not stated as uncontrolled
  - 36206 Severe nonproliferative diabetic retinopathy
  - 36207 Diabetic macular edema

-tic retinopathy
Transition Tools

• How might you or your software vendor use these tools?

• A survey of popular vendors showed some different approaches ...
## Transition Strategies

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<tr>
<th>#</th>
<th>Approach</th>
<th>Pros</th>
<th>Cons</th>
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<tbody>
<tr>
<td>1</td>
<td>Convert ICD-9s to ICD-10s; use only ICD-10s going forward</td>
<td>• No requirement for dual maintenance</td>
<td>• There may be some inconsistency when billing ICD-9s</td>
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<tr>
<td>2</td>
<td>Convert ICD-9s to ICD-10s; allow ICD-9s and ICD-10s to co-exist for each patient</td>
<td>• Bill using either ICD-9 or ICD-10</td>
<td>• Must maintain both codes for a period of time (system should help)</td>
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<td></td>
<td></td>
<td>• No loss of integrity via backward mapping</td>
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ICD-10 Transition

PLANNING YOUR IMPLEMENTATION
Planning Your Implementation

- Deadline is 18 months away...what you must do now and what you really should put off
- Planning your technology transition
- Planning your business transition
- Planning for life after October 2014
Do Now: Plan Your Technology Transition

• Take an inventory of all systems that contain diagnosis information
• Consider all systems
  – Your “practice management” system
  – Nursing documentation system
  – Claims clearinghouses
  – Other “revenue cycle management” systems
  – Outcomes systems
  – Reporting systems/dashboards
  – Custom reports
  – Interfaces
  – Etc.
Do Now: Plan Your Technology Transition

• Like everyone says ... check with your vendors*:
  – Verify there are plans to add ICD-10 support to your system
  – Verify the vendor isn’t banking on another delay
  – Understand the scope of the change
  – Understand what tools you’ll have available to manage “mapping challenges”
  – Determine whether there are any costs to you

  * Check websites first. Any well-established vendor should have published information on their ICD-10 plan

• Understand the timing
  – Learn from Y2K / 5010 experiences: not all payers are equally prepared
Do Now: Plan Your Technology Transition

• Create a plan for updating your custom tools/reports
• Develop a plan for testing
  – Each system individually
  – Interrelated systems together
• Cover the easy and the more difficult cases
  – Direct ICD-9 to ICD-10 map
  – Multiple possible maps
  – Cluster

• This is a great opportunity to develop a project management resource!
Do Now: Plan Your Business Transition

- Take an inventory of non-technology processes that are impacted
  - Clinical documentation (if not electronic)
- Plan for staff training
  - ICD-10 coding
  - Technology changes
  - Other process changes
- Develop or purchase training programs
- Carefully consider the timing of training
What You Should Put Off

- Staff training
  - Plan training for a time when they can use it ... or they’ll lose it
Planning for Life After Oct 2014

• Expect that some physician office and some payers will lag in their readiness
  – Ensure your staff has tools and a process

• Look forward to freedom from emails warning you to be prepared!
Resources

• CMS’s ICD-10 Provider Resources: http://www.cms.gov/ICD10/05a_ProviderResources.asp
• ICD-10 Watch: www.icd10watch.com/
• Healthcare IT News: www.healthcareitnews.com
ICD-10 Transition:
What you don’t already know!

Q & A