

ICD-10

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Learning Objectives

- Explain the key fundamentals of ICD-10
- Discuss the impact of ICD-10 for your organization
- Understand what the ICD-10 implementation priorities are now and some of the steps your organization needs to be taking to be ready

ICD-10 implementation date is 10/1/2015!

ICD-10 Introduction

- In January 2009, the federal government determined the U.S. would upgrade to the 10th revision of the ICD as of October 1, 2014.
 - ICD-10-CM (**C**linical **M**odification)
 - Used to assign diagnosis codes
 - A clinical modification of ICD-10 developed by the National Center for Health Statistics (NCHS), a division of the Centers for Disease Control and Prevention (CDC)
 - ICD-10-PCS (**P**rocedural **C**oding **S**ystem)
 - Unique to the US and independent of ICD-10, but designed to complement the structure of ICD-10
 - Developed by the Centers for Medicare and Medicaid Services (CMS) with 3M's health information systems division
 - Used to assign procedure codes for the inpatient setting

Who Does ICD-10 Impact?

- ICD-10-CM (diagnosis coding) impacts anyone who is covered under HIPAA
 - ➔ Physicians
 - ➔ Home Health
 - ➔ SNF
 - ➔ Rehab
- ICD-10-PCS (procedure coding) impacts anyone who submits claims for inpatient procedures on a UB04
 - ★ *ICD-10-PCS does not impact outpatient procedure coding (CPT codes)*

Differences Between ICD-9-CM & ICD-10-CM

ICD-9-CM	ICD-10-CM
808.41	S32.311A
Closed fracture of Ilium	Displaced avulsion fracture of right Ilium, initial encounter for closed fracture
3-5 characters in length	3-7 characters in length
Approximately 13,000 codes	Approximately 70,000 codes
First digit may be alpha or numeric; digits 2-5 are numeric	First character is alpha; digits 2 and 3 are numeric; digits 4-7 are alpha or numeric

Differences Between ICD-9-CM & ICD-10-CM

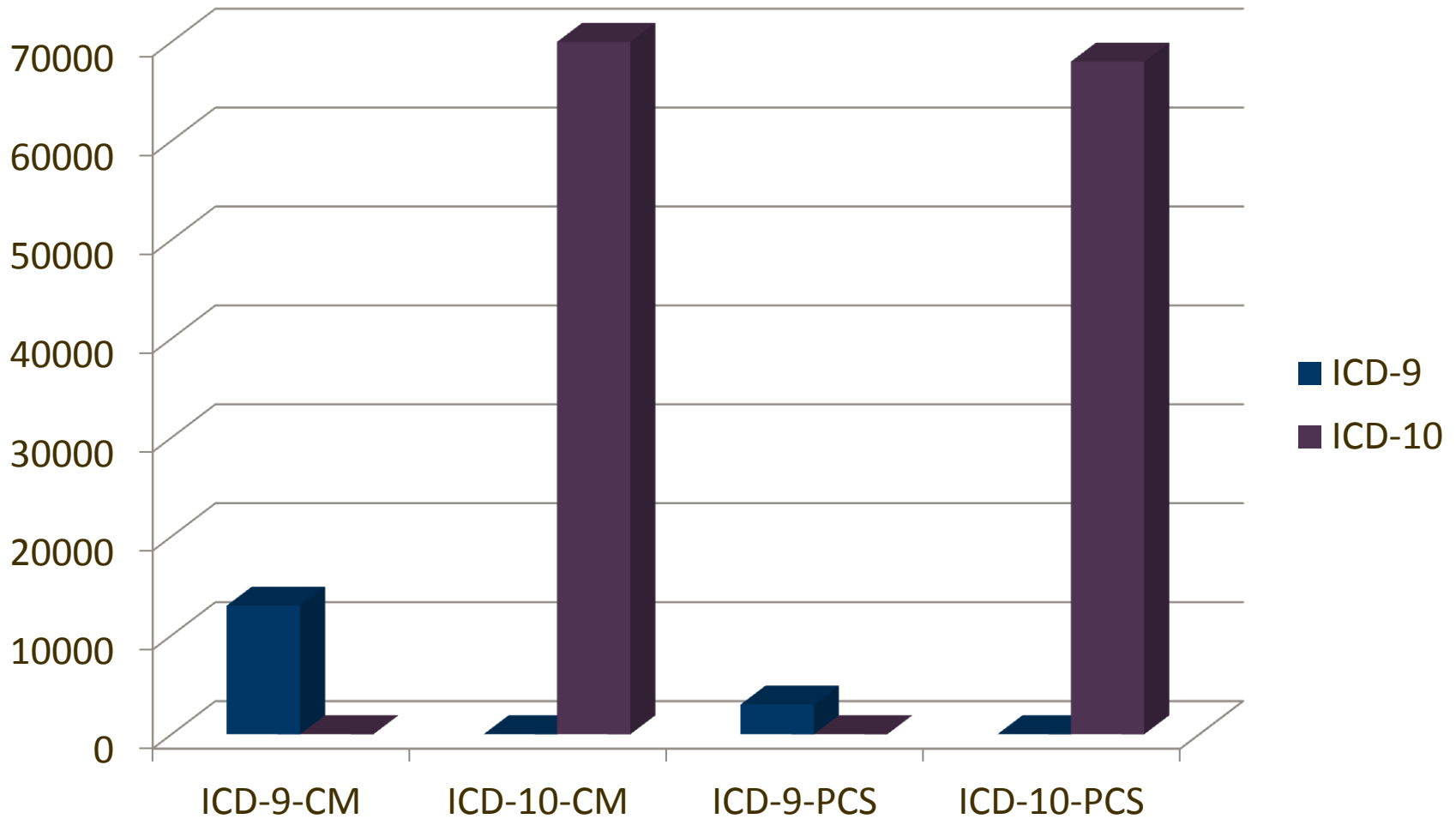
- Structure of ICD-10 diagnosis codes:
 - Characters 1-3: Category
 - Characters 4-6: Etiology, anatomic site, severity, or other clinical detail
 - Character 7: Extension
- Example: Code S52.521A

Differences Between ICD-9-CM & ICD-10-PCS

- ICD-9-CM example:
 - 81.51 (total hip replacement)
- ICD-10-PCS example:
 - 0SR901A (Replacement of right hip joint with metal synthetic substitute, uncemented, open approach)

Character	1	2	3	4	5	6	7
Definition	Section	Body System	Root Operation	Body Part	Approach	Device	Qualifier

ICD-10 Code Growth



Why The Increase in Codes?

Greater specificity and detail:

- 34,250 (50%) of all ICD-10-CM codes are related to the musculoskeletal system.
- 17,045 (25%) of all ICD-10-CM codes are related to fractures.
- 10,582 (62%) of fracture codes distinguish right from left.
- 25,000 (36%) of all ICD-10-CM codes distinguish right from left.

Reasons for Change

- ICD-9 is 30 years old
 - Outdated terminology
 - No room for expansion
 - Inconsistent with current medical practices
 - Produces limited data about patient condition
- The need for a more specific coding system
 - Quality
 - Reimbursement
 - Better data

Reasons for Change

- Greater interest in more specific coding
 - Increased interest in using administrative data for quality reporting
 - Enhance reimbursement
 - Facilitate evaluation of medical processes and outcomes
 - Better data to support performance measurement, outcome analysis, cost analysis and monitor resource utilization

ICD-10 Benefits

- Reduce ambiguity
- Enhance system flexibility for new codes
- Better description of current medical terminology and technology
- Expanded detail
- Data transparency for reimbursement and compliance efforts
- Incorporate recommended revisions to ICD-9-CM that could not be accommodated
- Improve collection and tracking of new diseases and technologies
- Space to accommodate new codes in the future!

Risks of Failure to Implement

- Failure to properly implement ICD-10 could potentially:
 - Create coding and billing backlogs
 - Create cash flow issues
 - Cause an increase in rejected or denied claims
 - Shift payments
 - Create additional un-necessary work
- Inaccurate coding of medical services can lead to distorted or misinterpreted information regarding patient care which could lead to poor decisions to improve healthcare delivery

If you don't transition to ICD-10, you will not get paid!



Impact

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General Impacts

- The transition to ICD-10 impacts many departments within healthcare organizations, including but not limited to:
 - HIM
 - Physicians/Non-Physicians
 - Finance
 - Billing
 - Utilization review
 - IT

General Impacts

- System/software
 - Internal applications
 - Vendor readiness
 - Clearinghouses
 - Other external partners
- Reimbursement
 - General Equivalent Mapping (GEMs)
 - Reimbursement mapping
 - Case mix

General Impacts

- Cash flow
 - Delayed claims submission
 - Increased physician queries
 - Coding errors
 - Payment errors
- Medical documentation and coding
 - Forms (OASIS-C1)
 - Initial decrease in coding productivity
 - Increased specificity in documentation
 - Physician queries

Documentation

- ICD-10 codes are more specific therefore, medical documentation will need to be more specific. This could impact:
 - Physician chart notes
 - MDS forms
 - OASIS-C1 forms
 - Inpatient Rehab Patient Assessment Instrument
 - Nurse visits
- Increased specificity does not mean those documenting will need to completely change how they document
- Correct documentation will be critical for appropriate coding and correct payment

Documentation

- The importance of consistent and complete documentation by physicians and non-physicians cannot be overemphasized
- Documentation from anyone involved in the treatment of a patient can be used to support services billed
- Diagnosis and procedure code expansion is due to additions for laterality, site and cause



Medical Coding

- Correct coding on claims or other forms is directly impacted by correct documentation
- Most ICD-9 codes do not have a 1 to 1 match to an ICD-10 code for either diagnosis or procedure codes
 - ICD-9 diagnosis code for closed fracture of the head of radius crosswalks to 6 new ICD-10 codes based on encounter (initial, subsequent, sequela) and type (displaced or non-displaced)
- ICD-10 contains new guidelines for sequencing diagnosis codes

Billing

- Tracking denials
- Ability to understand if a denial is correct or needs review
- Responsible for backlog (may have current ICD-9 issues to clear up as well as ICD-10)
- Responsible for working with patients and patient families on questions around how claims processed after 10/1/14

Information Technology

- Software will need to accommodate both ICD-9 and ICD-10
- Both ICD-9 and ICD-10 codes will need to be transmitted out on claims
- Code acceptance within internal applications



Finance/Accounting

- Impact may include:
 - Determining incorrect payments
 - Working with contracts that contain ICD-9 language
 - Working with payers to correct incorrectly paid claims
 - ICD-10 budgeting
- Important note: organizations will want to work with finance to ensure they have a financial cushion for the first few months of ICD-10!

Skilled Nursing Facilities

- MDS (Medicare Data Sets) forms do have a section for additional diagnosis codes
 - Diagnosis codes not required and do not directly affect payment on the MDS form
 - Diagnosis codes within this form are not required, but any codes listed must have appropriate supporting documentation
- UB forms and any physician forms will need to contain ICD-10 codes

Rehabilitation

- ICD-10 diagnosis codes will need to be used on the UB04 claim form for inpatient services
- ICD-10 codes will need to be used on the Inpatient Rehab Facility-Patient Assessment
- ICD-10 coding will require an understanding of etiology and manifestation coding conventions, and coding guidelines for late effects of illness and injury and chronic conditions.
- Increased documentation specificity

Hospice

- Physician services are impacted by ICD-10 codes
- Inpatient services provided will need to be coded with ICD-10
- Potential impact to quality reporting
- Coding and documentation compliance
- CMS will eventually not allow debility and failure to thrive as primary diagnosis codes for terminal illness

Additional Challenges for Post Acute Care

- Coding and sequencing will vary depending on circumstances of admit or continued stay
- Codes assigned at admission and different points throughout patient stay, so the primary diagnosis code and sequencing will depend on when coding is done

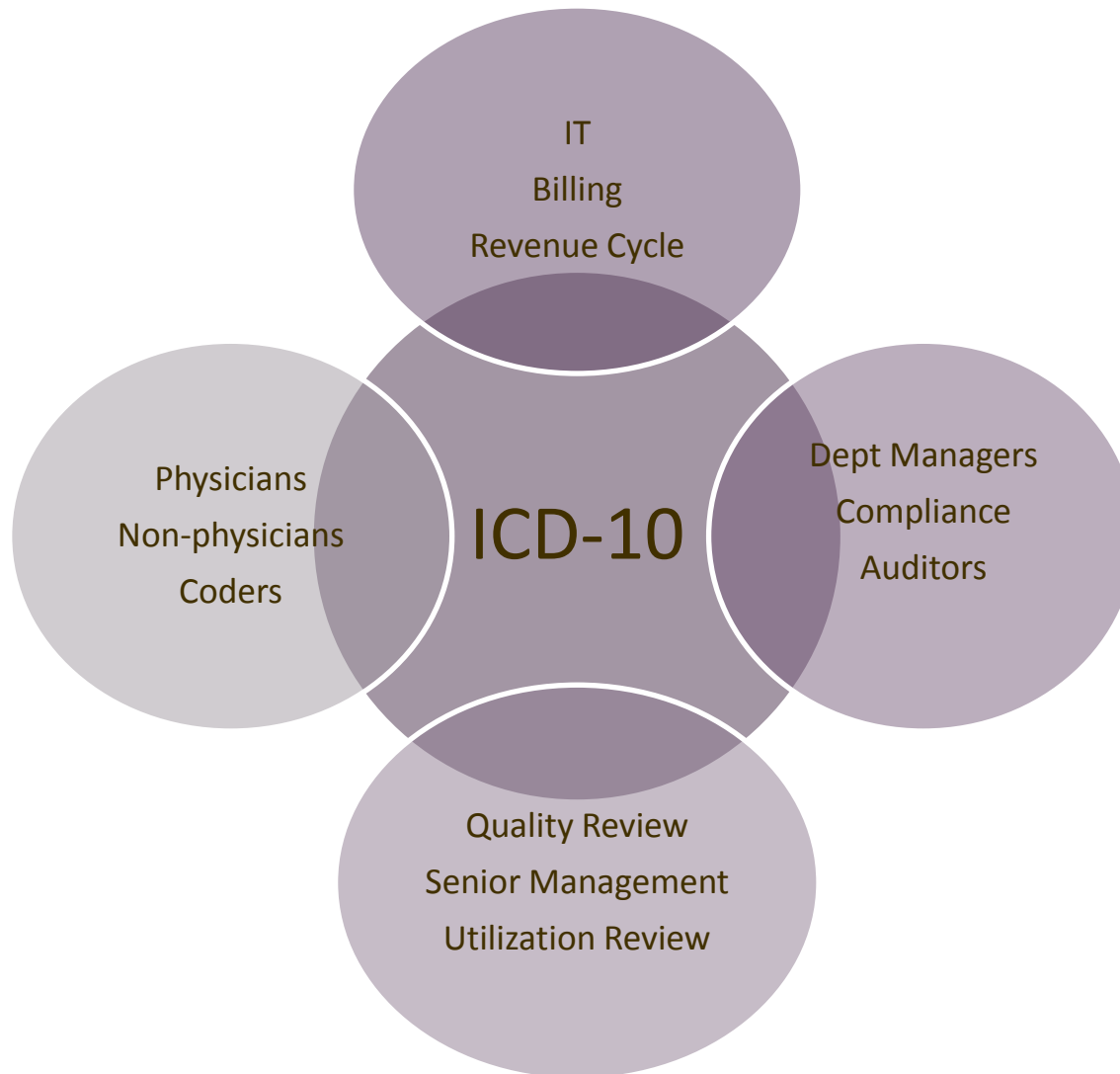




Planning

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Organization



Overall Planning

- Perform an organizational assessment
 - Create an inventory of software impacted
 - Assess vendor readiness
 - Determine training needs for staff (time and budget)
 - Create an inventory of internal documents that contain ICD-9 codes
 - Determine if there are any contracts other than Medicare and Medicaid that will need updating
 - Determine if and when a documentation gap analysis needs to be done

Planning- Education

- Who needs education?
- Coders will need the most extensive education
- Budget for your educational needs



Planning- Documentation Enhancement

- Work with your staff
- Have a gap analysis done to see where your staff is today and what needs to change
 - Is there enough specific documentation today to allow coders to cross code to ICD-10?
- Have a report generated showing what diagnosis codes and what procedure codes have been billed in the past year
- Focus on top diagnosis or procedure codes billed

Planning- IT

- Systems
 - Allow sufficient time for testing
 - Find out when your external partners will be ready for testing
 - Perform internal and external testing
 - Track issues and resolve them
 - Allow time to test again after issues have been resolved
 - Systems will need to be able to split bill for services spanning September-October 2014



Post-Implementation

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Post-Implementation

- The final phase of ICD-10 implementation is monitoring progress after 10/1/2015
 - Monitor software upgrades
 - Review coded claims for quality
 - Perform additional training as needed
 - Assess impact to case mix data
 - Track claims payment



Questions



Resources

CMS

- http://www.cms.gov/Medicare/Coding/ICD10/cmsgov_favicon.ico

American Health Information Management Association (AHIMA)

- [AHIMA Home - American Health Information Management Association](#)

Centers for Disease Control

- [ICD - ICD-10-CM - International Classification of Diseases, Tenth Revision, Clinical Modification](#)

Updated CMS 1500 form

<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM8509.pdf>



Thank you! Please contact me if there is anything I
can help you with:

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