



# **Transitioning to ICD-10**

Wednesday, February 12, 2014

11:30 AM EST

Dial In: 1-877-267-1577

Meeting ID: 994 262 500

No audio available through Webinar



### Introduction

- Series of calls will focus on 2014 participation in quality programs to earn incentives and avoid payment adjustments
- All calls Tuesdays at 12 Noon EST and Thursdays at 6:00 PM EST
  - January 7 & 9: Physician Quality Reporting System (PQRS)
  - January 14 & 16: Value Modifier
  - January 21 & 23: ICD-10
  - January 28 & 30: Stage 2 Meaningful Use
- Planning webinar in February to merge information from all programs





# **Upcoming 2014 Important Dates**

Date	Program	Milestone
February 28, 2014	PQRS	<ul> <li>Last day to submit 2013 PQRS data through some reporting methods (deadline for submission of PQRS data varies by reporting method, but all methods require data to be submitted by end of first quarter in 2014)</li> <li>Last day to submit Part B charges to be included in calculation of 2013 PQRS and eRx incentive payments</li> </ul>
	eRx	<ul> <li>Deadline to request an informal review of application of eRx payment adjustment in 2014 (2014 eRx Payment Adjustment Informal Review Made Simple)</li> </ul>
March 31, 2014	PQRS	Deadline for submission of measures information for QCDRs
	EHR	<ul> <li>NEW DEADLINE: Last day for EPs to register and attest MU data to receive 2013 incentive (and to avoid the 2015 payment adjustment)</li> <li>Last day of quarter for EPs reporting for first quarter of CY 2014</li> </ul>









# ICD-10 Basics ICD-10 Implementation



# ICD-10 Compliance Date

The compliance date for ICD-10-CM and PCS is October 1, 2014







### What is ICD-10?

In 1990, the World Health Organization (WHO) approved the 10<sup>th</sup> Revision of the International Classification of Diseases (ICD), which is known as ICD-10.

#### What

- A method of coding:
  - The patient's state of health and
  - > Institutional procedures
- In the U.S., ICD-10 includes:
  - ICD-10-CM: clinical modification of WHO standard for diagnoses that is maintained by NCHS and is for specific use in the U.S.
  - ICD-10-PCS: inpatient procedures developed and maintained by CMS

#### Why

- ICD-10-CM and PCS are complete revisions of their U.S. developed ICD-9 counterparts, which were adopted in 1979
  - ➤ More information per code
  - Better support for care management, quality measurement, & analytics
  - Improved ability to understand risk and severity

#### Who

 All HIPAA-covered entities must use ICD-10 for information they transmit electronically

#### When

- Compliance Date: 10/1/14
  - Outpatient services are based on the Date of Service
  - Inpatient services are based on the Date of Discharge







## Why ICD-10 Matters

- ICD-10 Advances Health Care and Implementation of eHealth Initiatives
- ICD-10 Captures Advances in Medicine and Medical Technology
- ICD-10 Improves Data for Quality Reporting
- ICD-10 Improves Public Health Research, Reporting and Surveillance





# ICD-10 Compliance

### **Opportunities for Compliance**

- Improve accuracy of payment policies and implementation of payment policies
- Improve coding practices & claims payment accuracy and efficiency
- Enhanced fraud, waste, abuse prevention and detection
- Foundational for health care reform
- Better quality measurement through improved identification of patient populations
- More accurate understanding of population health
- Enhanced research and analytics



### **Risks of Non-Compliance**



- Incorrect or slow claims payment
- Increased risk of improper payments
- Increased error rates
- Penalties for non-compliance
- Increased appeals and customer service volume
- Incorrect or slow Medicare as a Secondary Payer and Coordination of Payments processes
- Disruptions in research, analytics, and longitudinal reporting
- Disruptions to surveillance and public health reporting





### Structural Differences

 The examples below show the structural differences between ICD-9-CM and ICD-10-CM/PCS.

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

- 3-5 digits
- First digit is alpha or numeric
- Digits 2-5 are numeric; and
- Decimal is after third digit

#### **ICD-9-CM Procedure Codes:**

- 3-4 digits
- All digits are numeric
- Decimal is after second digit

#### **ICD-10-CM Diagnoses Codes:**

- 3-7 digits
- Digit 1 is alpha
- Digit 2 is numeric
- Digits 3-7 are alpha or numeric
- Decimal is after third digit

#### **ICD-10-PCS Procedure Codes:**

- 7 digits
- Each digit is either alpha or numeric (alpha digits are not case sensitive and letters O and I are not used to avoid confusion with number 0 and 1)
- No decimal





# ICD-10-CM/PCS Comparison Examples

 The examples below show that ICD-10-CM/PCS codes are more precise and provide better information.

#### ICD-9-CM

- Mechanical complication of other vascular device, implant and graft
  - = 1 code (996.1)
- Pressure ulcer codes; show broad location, but not depth (stage)
  - = 9 location codes (707.00-707.9)
- Angioplasty (PCS)= 1 code (39.50)

#### ICD-10-CM

- Mechanical complication of other vascular grafts (example: Leakage of aortic graft, initial encounter)
  - = 49 codes
- Pressure ulcer codes (example: pressure ulcer of right lower back, stage 1; pressure ulcer of right lower back, stage 2, etc.)
  - = 150 codes
- Angioplasty codes specifying body part, approach, and device
  - = 854 codes





## **Unspecified Codes in ICD-10-CM**

- Like ICD-9-CM, ICD-10-CM sign/symptom and unspecified codes have acceptable, even necessary uses.
- Signs/symptoms, or unspecified codes can be the best choice to accurately reflect the health care encounter. Each health care encounter should be coded to the level of certainty known.
- When sufficient clinical information is not known or available about a particular health condition to assign a more specific code, it is acceptable to report the appropriate unspecified code
  - For example, a diagnosis of pneumonia has been determined but the specific type has not been determined.
- It is inappropriate to select a specific code that is not supported by the medical record documentation.





# Clinical Documentation Concepts for ICD-10

- 1. Review how you document your clinical services. This will help you and your coding staff become more accustomed to the specific, detailed clinical documentation needed to assign ICD-10 codes.
- 2. Examine the documentation for the most often used codes in your practice, and work with your coding staff to determine if it would be specific and detailed enough to select the best ICD-10 codes.





# Clinical Documentation Concepts for ICD-10

 Below are additional examples of the specific information needed to accurately code the following common diagnoses:

Diabetes Mellitus:	Fractures:	Injuries:
Type of diabetes	• Site	External cause
Body system affected	• Laterality	Place of occurrence
<ul> <li>Complication or manifestation</li> </ul>	• Type	Activity code
<ul> <li>If type 2 diabetes, long- term insulin use</li> </ul>	<ul> <li>Location</li> </ul>	<ul> <li>External cause status         <ul> <li>(Injury related to military, work, or other)</li> </ul> </li> </ul>





# Clinical Documentation Concepts for ICD-10

Remember, ICD-10 will not affect the way you provide patient care. ICD-10 just gives more specific choices for coding diagnoses. This information is likely already being shared by the patient during your visit—it's just a matter of recording it for your coding staff.

Good documentation will also help reduce the need to follow-up on submitted claims—saving you time and money.











### **CMS**

# **ICD-10 Implementation**



# CMS ICD-10 Implementation Today

### Medicare Implementation

- The Medicare implementation is on track.
- Testing
- Coverage and payment policy conversion.

### State Medicaid Agencies

- CMS working with states to prepare readiness.
- Engaging in regular conference calls,, as well as offering implementation tools and technical assistance.

#### **Providers**

- Health plans, clearinghouses, large physician practices and hospitals are on target for ICD-10 implementation.
- CMS is providing small physician practices with additional technical assistance.

#### **Vendors**

Vendors are having discussions with their customers to ramp up ICD-10 efforts.





## ICD-10 Implementation Update

**Planning & Analysis** 

**Design & Development** 

**Internal Testing** 

**External Testing** 

### CMS Implementation

- ✓ On track for October 1, 2014
  - ✓ Completed internal testing phase
  - ✓ External testing phase
- Monthly Reporting
- ✓ Weekly Planning Meetings
- ✓ Medicare March 2014 Testing Week

#### **States**

- ✓ Quarterly assessments for State Medicaid Agencies (SMA)
- Ongoing SMA technical assistance and training
- ✓ Medicaid testing





## ICD-10 Implementation Update

- Now 2014 General Equivalence Mappings are available for public use
- Now The ICD-10 test grouper currently is available for ICD-10 development purposes
- Now ICD-10 Reimbursement Mappings are available
- Now National Coverage Determinations are available
- April 2014\* Local Coverage Determinations available to industry
- July 2014\* Home Health Groupers, Inpatient Rehab (Case Mix Groupers), Resource Utilization Groups
- August/September 2014\* ICD-10 grouper will be available

CMS Industry Resources





<sup>\*</sup> Target dates

## ICD-10 Implementation Update

**Planning & Analysis** 

**Design & Development** 

**Internal Testing** 

#### CMS Implementation

#### **Industry**

- ✓ April National Medicare FFS Provider Call reached 12,500 providers
- August National Medicare FFS Provider Call reached 27,000 providers
- Continuing online training for industry reaching 16,000 per quarter
- ✓ Website reached 85,000 in December
- ✓ Listserv reaching **148,000** subscribers
- ✓ 64 free trainings since July 2013 offering technical assistance
  to small provider groups, rural health providers, and safety net
  organizations
- ✓ Online training module series
- ✓ Online ICD-10 Guide
- ✓ Coming Soon Small Provider Action Plan







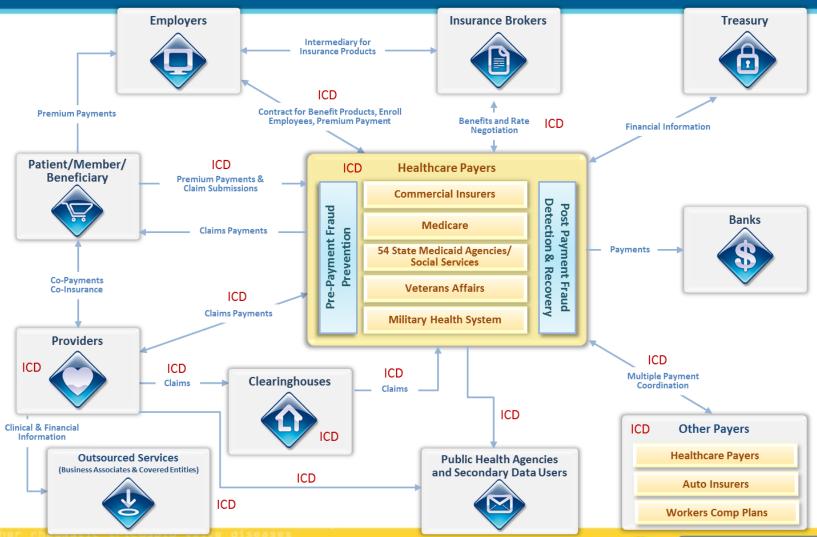




# Providers ICD-10 Implementation



# ICD-10 Impact Across the Industry







# ICD-10 and Physician Practices

#### NURSES

- · Forms: Every order must be revised or recreated.
- Documentation: Must use increased specificity.
- · Prior Authorization: Policies may change, requiring training and updates.

#### PHYSICIANS

- Documentation: The need for specificity dramatically increases by requiring laterality, stages of healing, weeks in pregnancy, episodes of care, and much more.
- Code Training: Code increases from 17,000 to 140,000. Physicians must be trained.

#### CLINICAL

- Patient Coverage: Health plan policies, payment limitations, and new ABN forms.
- · Superbills: Revisions required and paper superbills may be impossible.
- · ABNs: Health plans will revise all policies linked to LCDs or NCDs, etc., ABN forms must be reformatted, and patients will require education.

#### MANAGERS

- New Policies and Procedures: Any policy or procedure associated with a diagnosis code, disease management, tracking, or PORI must be revised.
- Vendor and Payer Contracts: All contracts must be evaluated and updated.
- Budgets: Changes to software, training, new contracts, and new paperwork will have to be paid for.
- · Training Plan: Everyone in the practice will need training on the changes.

#### LAB

- Documentation: Must use increased specificity.
- Reporting: Health plans will have new requirements for the ordering and reporting of services.

#### BILLING

- · Policies and Procedures: All payer reimbursement policies may be revised.
- · Training: Billing department must be trained on new policies and procedures and the ICD-10-CM code set.

#### CODING

- Code Set: Codes will increase from 17,000 to 140,000. As a result, code books and styles will completely change.
- Clinical Knowledge: More detailed knowledge of anatomy and medical terminology will be required with increased specificity and more codes.
- Concurrent Use: Coders may need to use ICD-9-CM and ICD-10-CM concurrently for a period of time until claims are resolved.

#### FRONT DESK

- HIPAA: Privacy policies must be revised and patients will need to sign the new forms.
- Systems: Updates to systems may impact patient encounters.

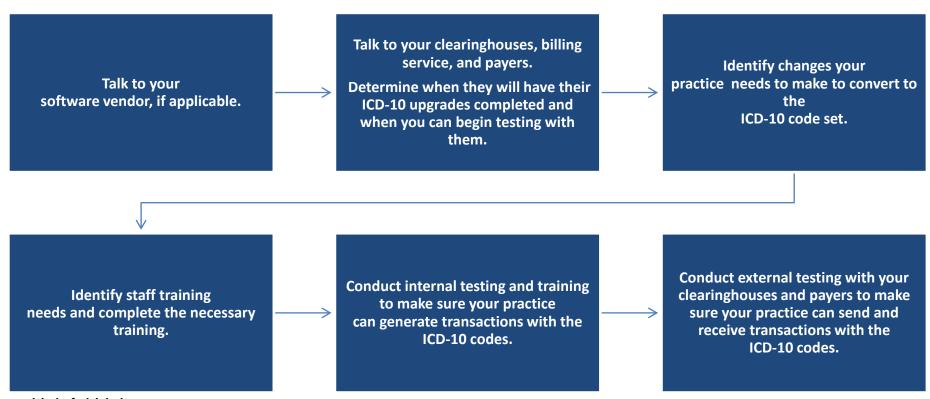
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# What Should You Do to Prepare?



#### Helpful Links:

http://www.himss.org/library/icd-10/playbook?navItemNumber=13480 https://implementicd10.noblis.org/wp-uploads/2013/03/VendorChecklist\_smallmed.pdf





# Implementation Tips

Physician Engagement	<ul><li>Communicate practice needs for a successful transition</li><li>Communicate risks</li></ul>
Resources	<ul><li>Allocate people, time, and tools</li><li>Ensure everyone is trained appropriately</li></ul>
Oversight	<ul><li>Monitor what is being done</li><li>Respond immediately to issues</li></ul>
Coordination	<ul> <li>Work with vendors, payers, and trading partners</li> <li>Utilize industry tools (i.e. transition guides, fact sheets, best practices)</li> <li>Reach out to other providers - you are not alone!</li> </ul>
Contingencies	Plan for the "what ifs".
Future	Ongoing improvements to support ICD-10





# Implementation Tips

### Systems Prepare Software & Systems

- Upgrade and remediate systems as needed (EHR, Practice Management)
- Test (internal, external)
  - Identify alternative ways to submit your ICD-10 claims if your system isn't ready

### Educate and Train Staff

- Coder, anatomy and physiology, and implementation training
  - Seek coder and implementation training
  - Explore coding exercises and scenarios
  - Determine use of third-party or outsourced coders

### Review Internal Policies

- Internal operations
  - Contact clearinghouses, trading partners, etc.
  - Review clinical documentation practices

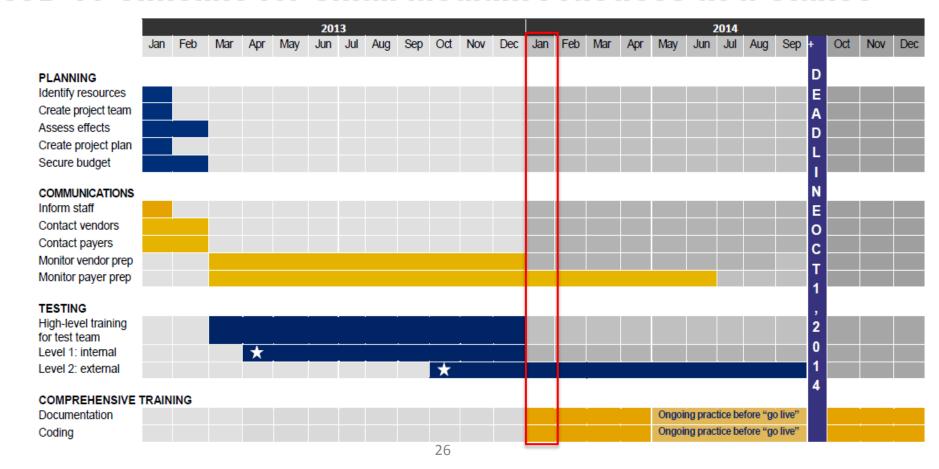




### Where Should You Be?

Conducting testing within your organization

### ICD-10 Timeline for Small-Medium Practices at a Glance







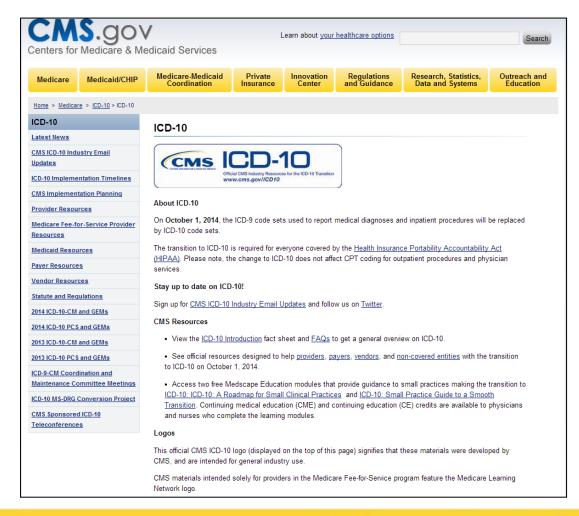
# Resources ICD-10 Implementation



#### CMS website:

### www.cms.gov/icd10

Features fact sheets,
 FAQs, implementation guides, timelines, and checklists









### ICD-10. COMPLIANCE DATE OCTOBER 1, 2014

News Updates | November 7, 2013

### Back to School: Identify How ICD-10 Will Affect Your Practice

In order to be fully prepared for the October 1, 2014, ICD-10 transition, you need to know exactly how ICD-10 will affect your practice. Although many people associate coding with submitting claims, in reality, ICD codes are used in a variety of processes within clinical practices, from registration and referrals to billing and payment.

The following is a list of important questions to help you think through where you use ICD codes and how ICD-10 will affect your practice. By making a plan to address these areas now, you can make sure your practice is ready for the ICD-10 transition.

Where do you use ICD-9 codes? Keep a log of everywhere you see and
use an ICD-9 code. If the code is on paper, you will need new forms (e.g.,
patient encounter form, superbill). If the code is entered or displayed in your
computer, check with your EHR and/or practice management system vendor
to see when your system will be ready for ICD-10 codes.

CMS ICD-10 Email Updates provide timely information

To sign up for updates:

- 1. Go to cms.gov/icd10
- 2. Select "CMS ICD-10 Industry Email Updates" from left navigation bar
- 3. Click on "Sign up for update messages"







### Timelines and checklists for:

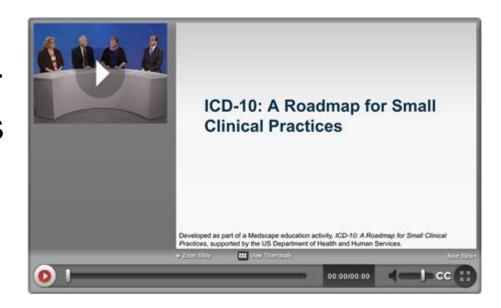
- Small to medium practices
- Large practices
- Small hospitals
- Payers





### ICD-10 Medscape Videos

- ICD-10: A Roadmap for Small Clinical Practices
- ICD-10: Small Practice Guide to a Smooth Transition

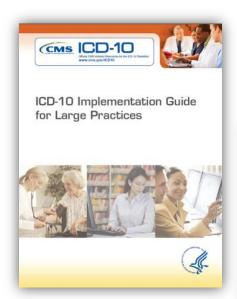


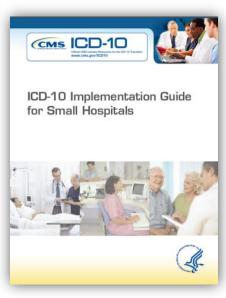
Free continuing medical education (CME) and continuing education (CE) credits available to physicians and nurses who complete a brief post-test. Accessible from CMS ICD-10 website: www.cms.gov/icd10

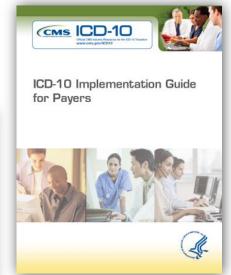


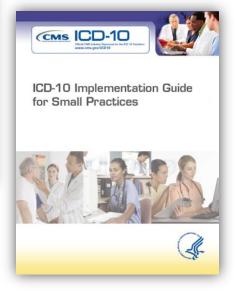


## **Transition Guides**













# Online ICD-10 Guide: Provider Resources page, cms.gov/ICD10



Step-by-step ICD-10 advice for clinical practices, small hospitals, and payers





### CMS ICD-10 Fact Sheets



#### The ICD-10 Transition: An Introduction

The ICD-9 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets. This fact sheet provides background on the ICD-10 transition, general guidance on how to prepare for it, and resources for more information.

#### About ICD-10

ICD-10-CM/PCS (International Classification of Diseases, 10th Edition, Clinical Modification /Procedure Coding System) consists of two parts:

- 1. ICD-10-CM for diagnosis coding
- 2. ICD-10-PCS for inpatient procedure coding

ICD-10-CM is for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar.

ICD-10-PCS is for use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanument digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding. Coding under ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.

The transition to ICD-10 is occurring because ICD-9 produces limited data about patients' medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice. Also, the structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are full.

#### Who Needs to Transition

ICD-10 will affect diagnosis and inpatient procedure coding for everyone covered by Health Insurance Portability Accountability Act (HIPAA), not just those who submit Medicare or Medicaid claims. The change to ICD-10 does not affect CPT coding for outhatient procedures.



#### ICD-10 Basics for Medical Practices

The ICD-10 transition takes planning, preparation, and time, so medical practices should continue working toward compliance. The following quick checklist will assist you with preliminary planning steps.

- Identify your current systems and work processes that use ICD-9 codes. This could include your clinical documentation, encounter forms/superbills, practice management system, electronic health record system, contracts, and public health and quality reporting protocols. Its likely that therever ICD-9 codes now appear, ICD-10
- Talk with your practice management system vendor about accommodations for ICD-10 codes.
  - Confirm with your vendor that your system has been upgraded to <u>Version 5010</u> standards, which have been required since January 1, 2012. Unlike the older Version 4010/4010A standards, Version 5010 accommodates ICD-10 codes.
  - Contact your vendor and ask what updates they are planning to make to your practice management system for ICD-10, and when they expect to have it ready to install.
- Check your contract to see if upgrades are included as part of your agreement.
- If you are in the process of making a practice management or related system purchase, ask if it is ICD-10 ready.
- Discuss implementation plans with all your clearinghouses, billing services, and payers to ensure a smooth transition. Be preactive, don't wait. Contact organizations you conduct business with such as your payers, clearinghouse, or pilling service, Ask about their plans for ICD-10 compliance and when they will be ready to test their systems for the transition.
- □ Talk with your payers about how ICD-10 implementation might affect your contracts. Because ICD-10 codes are much more specific than ICD-9 codes, payers may modify terms of contracts, payment schodules or reimburgsment.
- Identify potential changes to work flow and business processes. Consider changes to existing processes including clinical documentation, encounter forms, and quality and public health reporting.



#### FAQs: ICD-10 Transition Basics

The ICD-9 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets. These FAQs provide an overview of the transition to ICD-10 and points to resources for more information.

1 What does ICD-10 compliance mean?

ICD-10 compliance means that everyone covered by <u>HIPAA</u> is able to successfully conduct health care transactions using ICD-10 codes.

2. Will ICD-10 replace Current Procedural Terminology (CPT) procedure coding?

No. The switch to ICD-10 does not affect CPT coding for outpatient procedures. Like ICD-9 procedure codes, ICD-10-PCS codes are for hospital inpatient procedures only.

3. Who is affected by the transition to ICD-10? If I don't deal with Medicare claims, will I have to transition?

Everyone covered by <u>HIPAA</u> must transition to ICD-10. This includes providers and payers who do not deal with Medicare claims.

4. Do state Medicaid programs need to transition to ICD-10?

Yes. Like everyone else covered by HIPAA, state Medicaid programs must comply with ICD-10.

5. What happens if I don't switch to ICD-10?

Claims for all services and hospital inpatient procedures performed on or after the <u>compliance deadline</u> must use ICD-10 diagnosis and inpatient procedure codes. (This does not apply to CFT coding for culpatient procedures.) Claims that do not use ICD-10 diagnosis and inpatient procedure codes cannot be processed. It is important to note, however, that claims for services and inpatient procedures provided before the <u>compliance data</u> must use ICD-9 codes.

6. If I transition early to ICD-10, will CMS be able to process my claims?

No. CMS and other payers will not be able to process claims using ICD-10 until the <u>compliance date</u>. However, providers should expect ICD-10 testing to take up to 19 months.

7. Codes change every year, so why is the transition to ICD-10 any different from the annual code changes? ICD-10 codes are different from ICD-9 codes and have a completely different structure. Currently, ICD-9 codes are mostly numeric and ontain 3 to 7 characters. ICD-10 codes are alphanumeric and contain 3 to 7 characters. ICD-10 is more robust and descriptive with "one-to-many" matches in some instances.

Like ICD-9 codes, ICD-10 codes will be updated every year.

Visit www.cms.gov/ICD10 for ICD-10 and Version 5010 resources from CMS.







### **ICD-10** Resource Links

#### **ICD-10** Website

• CMS.gov/ICD10

### Online Guide and Implementation Guides

 Available through the "Provider Resources" link on the CMS.gov/ICD10 website sidebar

### Mapping (GEMs)

 Available through the "ICD-10-CM and GEMs" link on the CMS.gov/ICD10 website sidebar





### **ICD-10** Resource Links

#### ICD-10 National Provider Calls

 "CMS Sponsored ICD-10 Teleconferences" link on the CMS.gov/ICD10 website sidebar

### National Coverage Determinations (NCDs)

CMS.gov/Medicare-Coverage-Database/

### Medicare Testing Week

Medicare Learning Network Article MM8465





### **ICD-10** Resource Links

#### Medicare Reimbursement Mappings

- 2014 Reimbursement Mappings Diagnosis Codes and Guides through the "ICD-10-CM and GEMs" link on the CMS.gov/ICD10 website sidebar
- 2014 Reimbursement Mappings Procedure Codes and Guides through the "ICD-10-PCS and GEMs" link on the CMS.gov/ICD10 website sidebar
- Links to ordering the ICD-10 Pilot Version 31.0 Mainframe and PC version of the ICD-10 MS-DRGs and Medicare Code Editor (FY 2014 version) from NTIS through the "ICD-10 MS-DRG Conversion Project" link on the CMS.gov/ICD10 website sidebar
- Medicare Learning Network

#### Medicare Claims Processing Guidance for ICD-10

Medicare Learning Network Article MM7492





# **Looking Forward**



### **Pre-Implementation**

- Collaboration with stakeholder groups for pre-implementation and industry monitoring activities
  - New CMS weekly planning meetings with industry stakeholders
  - New WEDI stakeholder coalition "ICD-10 Implementation Success Initiative"
    - Public and private partnership to help providers through the transition
- National calls and webinars to address specific ICD-10 topics
- Targeted materials to assist providers

### Post-Implementation

- Continued collaboration with stakeholder groups for post-implementation and industry monitoring activities
- Increase internal monitoring activities with a focus on provider payment
- Host national calls and webinars to address specific ICD-10 topics
- Develop targeted materials to assist providers





# CMS Regional Office Contacts

Region I: CT, ME, MA, NH, RI, VT Renee Richard (617-565-1256) Renee.richard@cms.hhs.gov

Region II: NJ, NY, PR, VI
Anthony Jamrozy (212-616-2439)
Anthony.jamrozy@cms.hhs.gov
Rebecca Romm (212-616-2531)
Rebecca.romm@cms.hhs.gov

Region III: DE, DC, MD, PA, VA, WV
Laura DeVirgilio (215-861-4188)
Laura.DeVirgilio@cms.hhs.gov
Barbara Connors, D.O. (215-861-4218)
Barbara.connors@cms.hhs.gov

Region IV: AL, FL, GA, KY, MS, TN, NC, SC Keith Gilliam (404-562-3007) Keith.Gilliam@cms.hhs.gov

Region V: IL, IN, MI, MN, OH, WI Kristine Scherbring (302-353-3756) Kristine.scherbring@cms.hhs.gov Region VI: AR, LA, NM, OK, TX Kathy Maris (214-767-4448) Kathy.maris@cms.hhs.gov

Region VII: IA, KS, MO, NE Ruth Parker (816-426-6459) Ruth.parker@cms.hhs.gov

Region VIII: CO, MT, ND, SD, UT, WY
Ceilly Robl (303-844-4861)
Ceceilia.robl@cms.hhs.gov)

Region IX: AZ, CA, NV, HI, U.S. Pac.
Terr.
Dickon Chan (415-744-3662)
Dickon.chan@cms.hhs.gov
Lolita Jacobe (415-744-3531)
Lolita.jacobe@cms.hhs.gov

Region X: AK, ID, OR, WA Fay Baier (206-615-2397) Fay.baier1@cms.hhs.gov



