

# Preparing for ICD-10

## Expected Impact on Prospective Payment Systems

HSCRC ICD-10 Information Exchange April 2011



Seeing the big picture to solve the biggest problems in health care.

# Agenda

- ICD-10: A Brief Overview
- The HSCRC ICD-10 Preparation Process
- MHA ICD-10 Planning Process
- Providers ICD-10 Processes
- Q&A

# *ICD What ?*

# In Brief ...

- The transition from ICD-9-CM to ICD-10-CM/PCS is scheduled for October 1, 2013
- This is not an optional event (no grace period, no phase-in)
- This transition is a “big deal” because
  - > All systems that hold or analyze healthcare data will need substantial modifications by that date
  - > Every edit, business rule and application that currently uses ICD-9-CM codes will need to be revised or replaced
  - > Not possible simply to map from ICD-10-CM/PCS back to ICD-9-CM
  - > ICD-10 is especially problematic for hospital and other institutional services, especially in the context of Diagnosis Related Groups (DRGs)
- It is essential that health care organizations take advantage of ICD-10-CM/PCS to make these costs worthwhile

# ICD-10-CM and PCS

- Today's healthcare industry is dependent upon coded data
  - Drives our clinical and financial decision making
  - Much of today's reimbursement (private and government) is code-based
- A smooth transition from ICD-9-CM to ICD-10 is critical to the clinical and financial welfare of the key players in American healthcare

“ICD-10, however, is a massive overhaul of the coding scheme and will require field size expansion, change to alphanumeric composition, and complete redefinition of code values and their interpretation. ***In effect, this will be the most significant overhaul of the medical coding system since the advent of computers.***”

*Issues Surrounding the Proposed Implementation of ICD-10,  
Workgroup for Electronic Data Interchange Subcommittee on ICD-10*

# HSCRC ICD-10 Preparation

- Identify all responsibility areas, staff and processes within HSCRC that will be affected by ICD-10
- Review all standard HSCRC policy documents to identify ICD-10 impacts
- Interview key HSCRC staff to review and document roles and responsibilities that will be affected by ICD-10
- Meet with industry stakeholders to discuss and gather information about ICD-10 plans and concerns
- Develop a HSCRC ICD-10 Readiness Plan that will include:
  - > Key areas affected
  - > Specific tasks, timeframes and responsibility assignments
  - > Resource requirements
  - > Project management provisions
  - > Communication plan

# Technical Impact and Planning Considerations

# Why Adopt New Code Set Standards

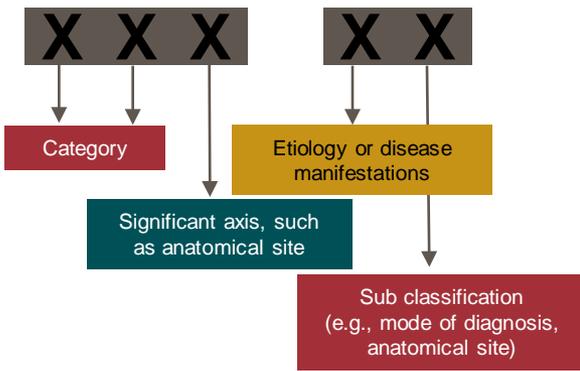
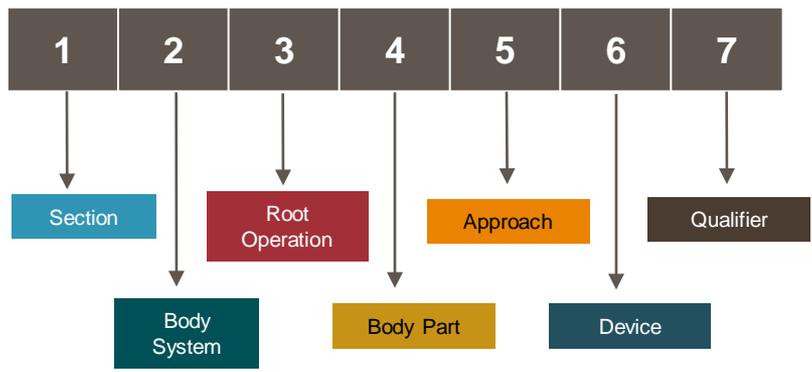
- ICD-9-CM has become outdated and obsolete:
  - > More than 30 years old
  - > Many categories are full
  - > Lacks space for expansion
  - > Not descriptive enough
  - > Overlapping and duplicative codes
  - > Inconsistent and non-current use of terminology
  - > Lack of codes for preventative services

# Key Differences

## Diagnosis Codes ICD-9-CM v. ICD-10-CM

Feature	ICD-9-CM	ICD-10-CM
Code Set	ICD-9-CM Volume I and II	ICD-10-CM (Clinical Modification)
Structure	<ul style="list-style-type: none"> <li>• Minimum of 3 digits, maximum of 5 digits, decimal point after the third digit</li> <li>• Numeric, except for supplementary codes — V codes and E codes</li> <li>• Structure of injuries designated by wound type</li> <li>• No laterality (left v. right)</li> <li>• 733.01, Senile osteoporosis</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of 3 digits, maximum of 7 digits, decimal point after the third digit</li> <li>• Alphanumeric, with all codes using alphabetic lead character — V and E codes have been eliminated and incorporated into the main code set</li> <li>• Structure of injuries designated by body part (location)</li> <li>• Laterality (left v. right)</li> </ul>
Sample Codes	733.01, Senile osteoporosis	M80.011a, Postmenopausal osteoporosis with current pathological fracture, right shoulder, initial encounter for fracture
Format		

# Key Differences Procedure Codes ICD-9-CM v. ICD-10-PCS

Feature	ICD-9-CM	ICD-10-CM
Code Set	ICD-9-CM Volume III	ICD-10-PCS (Procedural Classification System)
Structure	<ul style="list-style-type: none"> <li>• Minimum of 3 digits, maximum of 4 digits, decimal point after the second digit</li> <li>• Numeric</li> <li>• Limited multiaxial structure</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum/maximum of 7 digits, no decimal point</li> <li>• Alphanumeric</li> <li>• Multiaxial structure — each code character has the same meaning within the specific procedure section and across procedure sections, where possible</li> </ul>
Sample Codes	<ul style="list-style-type: none"> <li>• 47.01, Laparoscopic appendectomy</li> </ul>	<ul style="list-style-type: none"> <li>• 0DTJ4ZZ, Laparoscopic appendectomy</li> </ul>
Format	 <p>The diagram illustrates the ICD-9-CM code structure. It shows two examples of code breakdowns. The first example shows a 3-digit code (XXX) where the first two digits represent the 'Category' and the third digit represents the 'Significant axis, such as anatomical site'. The second example shows a 2-digit code (XX) where the first digit represents 'Etiology or disease manifestations' and the second digit represents the 'Sub classification (e.g., mode of diagnosis, anatomical site)'.</p>	 <p>The diagram illustrates the ICD-10-PCS code structure. It shows a 7-digit code (1-7) where each digit has a specific meaning: 1 is 'Section', 2 is 'Body System', 3 is 'Root Operation', 4 is 'Body Part', 5 is 'Approach', 6 is 'Device', and 7 is 'Qualifier'.</p>

# ICD-10-CM/PCS is a Different Coding Paradigm

80% of Diagnoses Map 1-to-1

Category	No. of ICD-9-CM Diagnosis Codes
Exact	3,703
No Map*	416
Approximate (no combination code)	9,577
With single map	7,428
I9 Combination Code	616
With single map	284
Total	14,312

\* 271 of these are part of ICD-9 code clusters linked to ICD-10-CM combination codes.

9% of Procedures Map 1-to-1

Category	No. of ICD-9-CM Procedure Codes
Exact	0
No Map**	209
Approximate (no combination code)	3,458
With single map	335
I9 Combination Code	171
With single map	21
Total	3,838

\*\* 32 of these codes are part of ICD-9 code clusters linked to ICD-10-CM combination codes.

# Support of Multiple Code Sets

- For some time period, will need both ICD-9-CM and ICD-10-CM/PCS code support:
  - > Code and process both old and new claims
  - > Training on new, using old
  - > Trend analyses
  - > Systems or people not ready for new coding system
- Hardware, software, materials, and staff must support both old and new code sets

# Technical Impact of Structural Changes

- Anything with codes and descriptions will require updating:
  - > Programs
  - > Screens
  - > Reports
  - > Interfaces or APIs
  - > Forms – printed or electronic
  - > Documentation
  - > On-line help
- Increased storage requirements to accommodate new larger classification schemes (hardware/disk space)
- Modify fields to accommodate alphanumeric codes

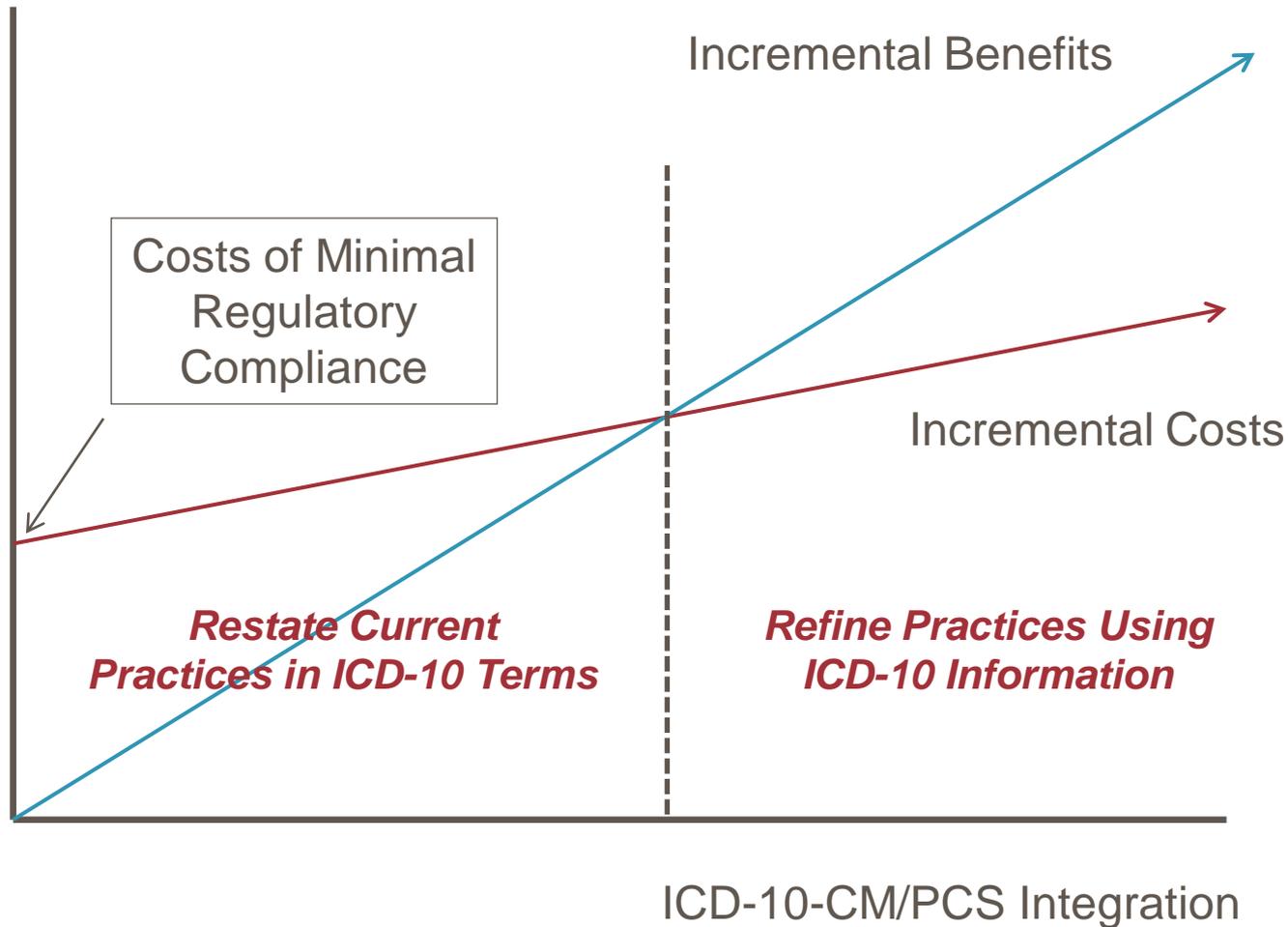
# Logic Changes

- Encoding Software – major enhancements
- New documentation requirements
- Other software supporting code assignment or selection
- Editing software
- Clinical alerting software
- Contract and benefit terms
- Care management and clinical protocols

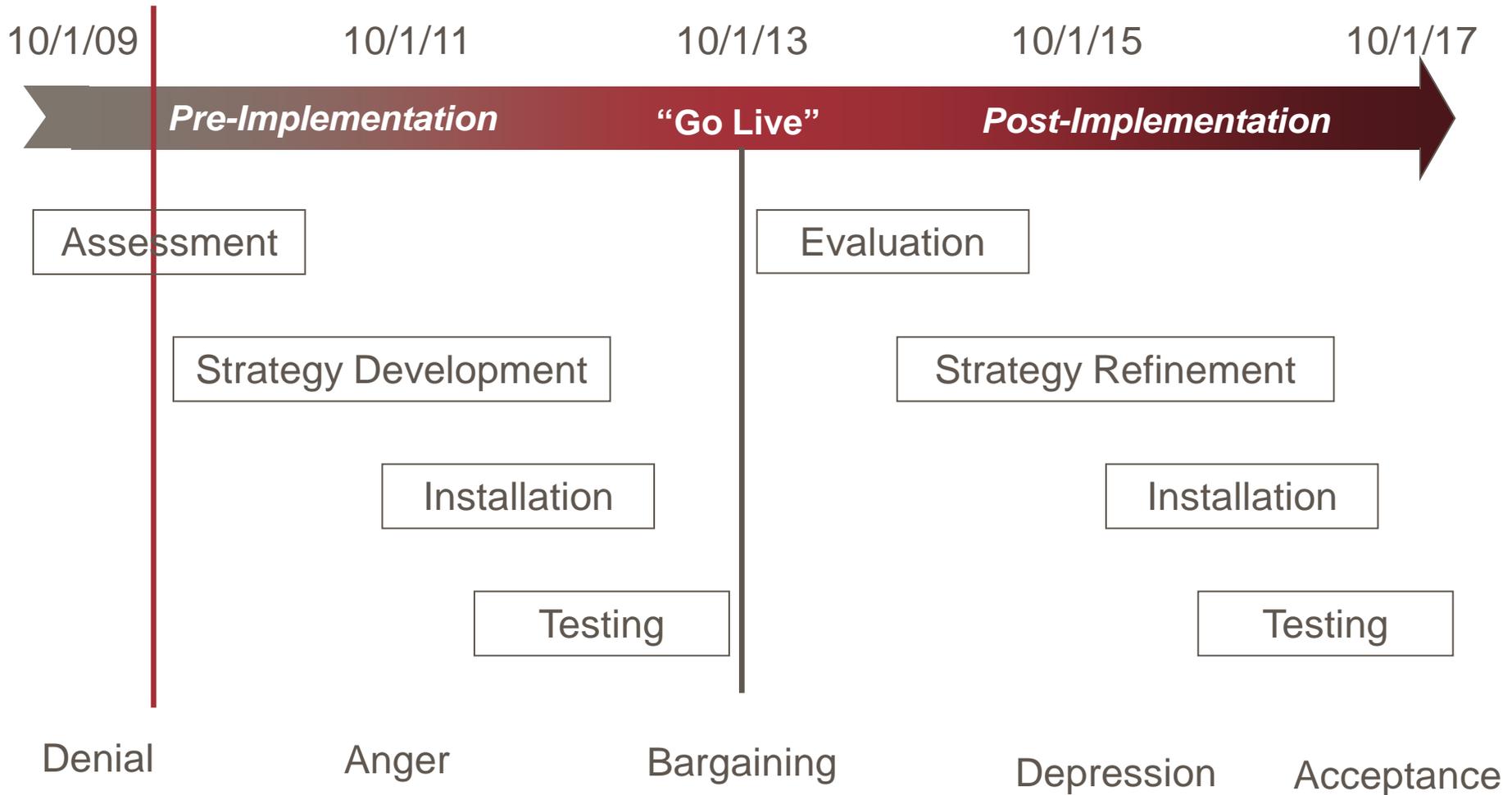
# Translating Between Systems

- Crosswalks map:
  - > ICD-10-CM to ICD-9-CM
  - > ICD-10-PCS to ICD-9-CM
- Official mapping rules (General Equivalency Maps) are “limited”
  - > Often ambiguous and unresolved
  - > Are independent of context/application
  - > Incorporate minimal clinical knowledge
- Many-to-many mapping
- Must be maintained as ICD-10-CM/PCS is updated
- Most healthcare organizations will need to develop and maintain multiple mapping algorithms

# The Net Impact of ICD-10-CM/PCS Will Depend On How Well Industry Leverages Its Potential



# Stages of ICD-10-CM/PCS Implementation



# ICD-10-CM/PCS Web Resources

- CMS

- > General ICD-10 Information:

- <http://www.cms.hhs.gov/ICD10>

- > ICD-10 Notice of Proposed Rulemaking:

- [http://www.cms.hhs.gov/TransactionCodeSetsStands/02\\_TransactionsandCodeSetsRegulations.asp](http://www.cms.hhs.gov/TransactionCodeSetsStands/02_TransactionsandCodeSetsRegulations.asp)

- > ICD-10-PCS Coding system and files:

- [http://www.cms.hhs.gov/ICD10/02\\_ICD-10-PCS.asp#TopOfPage](http://www.cms.hhs.gov/ICD10/02_ICD-10-PCS.asp#TopOfPage)

- > ICD-10-CM Coding System:

- [http://www.cms.hhs.gov/ICD10/03\\_ICD\\_10\\_CM.asp#TopOfPage](http://www.cms.hhs.gov/ICD10/03_ICD_10_CM.asp#TopOfPage)

# ICD-10-CM/PCS Web Resources

- Center for Disease Control (CDC), National Center for Health Statistics (NCHS):
  - > General ICD-10 information
    - <http://www.cdc.gov/nchs/about/major/dvs/icd10des.htm>
  - > ICD-10-CM files, information and general equivalence mappings between ICD-10-CM and ICD-9-CM
    - <http://www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm>
- American Hospital Association (AHA):
  - > Central Office on ICD-9-CM
    - <http://www.ahacentraloffice.org>
  - > AHA Central Office ICD-10 Resource Center
    - <http://www.ahacentraloffice.org/ICD-10>
- American Health Information Management Association (AHIMA)
  - > ICD-10 General Information
    - <http://www.ahima.org/icd10>