Transitioning to ICD-10

Presented by:
The Centers for Medicare & Medicaid Services

June 20, 2013
ICD-10 Compliance Date

- The compliance deadline for ICD-10-CM and PCS is **October 1, 2014**
What is ICD-10?

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

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<thead>
<tr>
<th>What</th>
<th>Why</th>
<th>When</th>
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<tr>
<td>A method of coding:</td>
<td>ICD-10-CM and PCS are complete revisions of their U.S. developed ICD-9 counterparts, which were adopted in 1979</td>
<td>Compliance Date: 10/1/14</td>
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<td>• The patient’s state of health and</td>
<td>• More information per code</td>
<td>Outpatient services are based on the Date of Service</td>
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<td>• Institutional procedures</td>
<td>• Better support for care management, quality measurement, &amp; analytics</td>
<td>Inpatient services are based on the Date of Discharge</td>
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<td>• In the U.S., ICD-10 includes:</td>
<td>• Improved ability to understand risk and severity</td>
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<td>• ICD-10-CM: clinical modification of WHO standard for diagnoses that is maintained by NCHS and is for specific use in the U.S.</td>
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<td>• ICD-10-PCS: inpatient procedures developed and maintained by CMS</td>
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Who

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

ICD-10 Implementation
The Medicare implementation is on track. Internal testing started.

CMS conducted a State assessment in January 2013 and in early May 2013. May results currently are being compiled. Assessment response rate was 94% in January 2013.

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 are having discussions with their customers to ramp up ICD-10 efforts.
CMS ICD-10 PMO Approach

Baseline Documents
- Impact Analysis
- Solution Concept
- Implementation Plans
- Baseline Project Schedules

Project Oversight
- PMO Established
- ICD-10 Steering Committee Established
- 18 Project Areas Established
- Establish and Monitor Risk and Action Logs
- Training and Project Support

Monitor Schedule and Progress
- Monthly Project and Program Dashboards
- Compare Actual % Complete with Expected % Complete
- Prepare Executive Program Dashboards

eHealth Initiatives
- Integrated governance of all e-health initiatives established by HIPAA and the ACA.
- Leverage resources across initiatives for effective and efficient policy development, outreach, and implementation.
- Continued collaboration with public and private sector stakeholders to accomplish e-health goals.

CMS ICD-10 Implementation Approach

Establish and Monitor Risk and Action Logs

Monthly Project and Program Dashboards

Prepare Executive Program Dashboards

Ongoing

Ongoing

Ongoing
CMS ICD-10 Reporting Structure

- Project Areas report schedule updates, risk, issues to the PMO.
  1. The PMO distributes a Project Input Dashboard every two weeks.
  2. The Project Area Lead uses the *Project Input Dashboard* to update the schedule and communicate risks and submits to the PMO.
  3. The Project Area Lead submits the *Project Input Dashboard* to the PMO.
  4. The PMO aggregates the input and:
     - Updates the master schedule
     - Creates *Program Dashboards* and reporting for the Steering Committee
Providers

ICD-10 Implementation
ICD-10 Impact Across the Industry

Employers
- Premium Payments

Insurance Brokers
- Intermediate for Insurance Products
- Contract for Benefit Products, Enroll Employees, Premium Payment

Patient/Member/Beneficiary
- Premium Payments & Claim Submissions
- Co-Payments Co-Insurance
- Claims Payments

Providers
- ICD Claims

Clearinghouses
- ICD Claims

Outsourced Services (Business Associates & Covered Entities)
- ICD

Public Health Agencies and Secondary Data Users
- ICD

Healthcare Payers
- Commercial Insurers
- Medicare
- 54 State Medicaid Agencies/Social Services
- Veterans Affairs
- Military Health System

Post Payment Fraud Detection & Recovery

Other Payers
- Healthcare Payers
- Auto Insurers
- Workers Comp Plans

Banks
- Payments

ICD Multiple Payment Coordination

Financial Information

Benefits and Rate Negotiation

ICD
ICD-10 Timeline for Providers and Payers

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

ICD-10 Timeline for Payers at a Glance
ICD-10 and Physician Practices

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.

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

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.

MANAGERS
- New Policies and Procedures: Any policy or procedure associated with a diagnosis code, disease management, tracking, or PQRI 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.

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.

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.

Source: AAPC/Ingenix
What Should You Do to Prepare?

Talk to your software vendor, if applicable.

Talk to your clearinghouses, billing service, and payers. Determine when they will have their ICD-10 upgrades completed and when you can begin testing with them.

Identify changes your practice needs to make to convert to the ICD-10 code set.

Identify staff training needs and complete the necessary training.

Conduct internal testing and training to make sure your practice can generate transactions with the ICD-10 codes.

Conduct external testing with your clearinghouses and payers to make sure your practice can send and receive transactions with the ICD-10 codes.

Helpful Links:
http://www.himss.org/library/icd-10/playbook?navItemNumber=13480
Resources

ICD-10 Implementation
Medscape Modules on ICD-10

- Two video lectures
  - ICD-10: A Guide for Large Practices
- Expert article
  - Transition to ICD-10: Getting Started
Welcome to the Centers for Medicare & Medicaid Services (CMS) ICD-10 Website.

Here you will find resources to help Providers, Payers, and Vendors with the U.S. health care industry's transition to ICD-10 on October 1, 2014.

As of January 1, 2012, all electronic transactions must use Version 5010 standards, which accommodate ICD-10 codes.

New ICD-10 Deadline—October 1, 2014

HHS has announced the final rule that delays the ICD-10 compliance date from October 1, 2013 to October 1, 2014.

Keep Up To Date
- Sign up for CMS ICD-10 Industry Email Updates
- Follow @CMSGov on Twitter
- Subscribe to Latest News Page Watch
Implementation Guides

ICD-10 Implementation Guide for Large Practices

ICD-10 Implementation Guide for Small Hospitals

ICD-10 Implementation Guide for Payers

ICD-10 Implementation Guide for Small and Medium Practices
Online ICD-10 Implementation Guide
(in development)

Online ICD-10 Implementation Guide

WELCOME ICD-10 OVERVIEW PAYER SMALL OR MEDIUM PHYSICIAN PRACTICE LARGE PHYSICIAN PRACTICE SMALL HOSPITAL

WHICH ROLE AM I?

SMALL & MEDIUM PHYSICIAN PRACTICE

Small Physician Practices have one to five physicians and may provide single specialty or multispecialty services.

Medium Physician Practices are standalone clinics not affiliated with a larger health care organization and may consist of multiple physician medical practices. The practice may have six to twenty physicians organized to provide single specialty or multispecialty patient care services and may provide both clinical and ancillary services (diagnostic, therapeutic, and custodial services).

LARGE PHYSICIAN PRACTICE

Large Physician Practices may have more than 25 physicians and may have an independent administrative infrastructure to support billing and patient eligibility. A large physician practice may also exist as a medical clinic run by a government agency for health services or a private partnership of physicians.

PAYER

The term Payer applies to entities other than the patient that finance or reimburse the cost of health services. In most cases, this term refers to insurance carriers, third-party administrators, and other third-party payers—for example, health plan sponsors (employers or unions) that also self-administer their plans.

SMALL HOSPITAL

Small Hospitals are health care institutions with fewer than 100 hospital beds providing patient treatment by specialized staff and equipment and often, but not always, providing for longer-term patient stays. For the purposes of this document hospital claims refer to both outpatient and/or inpatient medical care submitted on an institutional claim (837p). Professional claims (837p) may be submitted through hospital owned physician practices.
### ICD-10 Resources

**ICD-10 Website**

**Implementation Guides**
- [https://implementicd10.noblis.org](https://implementicd10.noblis.org)

**Mapping (GEMs)**
- **GEMs Crosswalk documents**
- **GEMs 2013 General Equivalence Mappings** (Technical Document (zip file))
ICD-10 Resources (cont’d)

Medicare Learning Network Articles

ICD-10 National Provider Calls

National Coverage Determinations (NCDs)

Medicare Learning Network
- Materials and associated CRs available free on CMS web site for selected NCDs
State Medicaid Agencies

ICD-10 Implementation
Working With the State Medicaid Agencies

- **Quarterly Online ICD-10 Self-Assessments**
  - High level reports and graphics to help guide technical assistance
- **ICD-10 Implementation Handbook**
  - Online tool providing SMA specific information to assist in ICD-10 Implementation
- **State ICD-10 Collaboration Site**
  - Online community and repository for State Medicaid Agencies to communicate, collaborate, and innovate in the successful implementation of ICD-10
- **ICD-10 Bi-Weekly State Forum**
  - Conference call that allows CMS and States to discuss current issues related to ICD-10, and provides a vehicle for State-to-State collaboration on best practices and lessons learned in ICD-10 implementation
- **ICD-10 Site Visit Training**
  - General and specific training geared to assist the SMA’s ICD-10 implementation efforts
- **ICD-10 Policy Briefs**
  - Demonstrations of how ICD-10 supports the Triple Aim through state programs for 9 different policies
- **Health Condition Categories**
  - A foundation for SMAs to define health conditions in alignment with the needs of their specific agency
Health Condition Categories

- Affective Disorders
- Anxiety Disorders
- Attention Deficit Disorders
- Autism Spectrum Disorders
- Schizophrenia
- Substance Abuse
- Coronary Heart Disease
- Heart Failure
- Hypertension
- Myocardial Infection
- Cleft Lip/Palate
- Cerebral Palsy
- Diabetes Mellitus
- Hemophilia
- Leukemia

- AIDS/HIV
- Hepatitis
- Lung Cancer
- Brain Injury
- Chronic Dementia
- CVA
- Epilepsy
- Fetal Maturity/Development
- High Risk Pregnancy
- Asthma
- COPD
- End-Stage Renal Disease
- Male related Conditions
- Female related Conditions
- Hip Fracture

- Defines 30 health conditions and code sets universally important to State Medicaid Agencies
- Informs ICD-10 transition business and operational requirements
- End users: Medical staff, policy personnel, coding professionals, coding auditors, reporting and business analysts
State Medicaid Agencies ICD-10 Collaboration Site

- Provides an online community and repository for State Medicaid Agencies
- Provides SMA related ICD-10 resources from CMCS and SMAs
- Includes calendar of events for Medicaid ICD-10
SMA ICD-10 Technical Assistance & Training

- Site Visits are customized to each state’s needs and progress
  - 8 Training Modules available for the states to choose from
- Conducted Regional Office visits
- Conducted 29 State Site visits (6 additional scheduled)
- Conducted 5 Policy Remediation Site visits (5 additional scheduled)
ICD-10 SMA Site Visit Training Content

• Illustrates some of the key business reasons that executives, directors, managers and all aspects of the organization should care about the implementation of ICD-10.

• Identifies the SMA core business functions and the ICD-10 impact.

Why Should I Care?
“Top Ten Reasons”
1. It’s the law
2. Budget uncertainty
3. Provider relations
4. Program integrity
5. Analytic uncertainty
6. Major policy and rule rewrite
7. Unpredictable DRG Assignment
8. Changes to quality measures
9. Potential mandate changes
10. Unpredictable contract changes

Some of the reasons are:
• No payment for claims with ICD-9 codes with dates of service or discharge dates after Oct 1 2014
• Lack of historical experience in projecting trends
• Provider education
• Categories of services and conditions will be completely redefined
• Redefinition of quality measure numerator and denominator criteria

Impact to SMA
• Claims Processing
• Product Development
• Enrollment Management
• Reimbursement / Network Management
• Customer Service
• Care Management
• Quality Management
• Vendor Management
• Impact to Production

Some impacts are:
• Accuracy of payments (i.e. DRG, provider contracts, policy remediation)
• Significant modification to SMA MMIS systems, infrastructure and IVR equipment
• Impact to HEDIS measures
• Tools/criteria used to determine Vendor and business partner readiness
• Defining vendor/business readiness
ICD-10 State Medicaid Agency Implementation Handbook

- Contains information on the following core topics:
  - Limitations of the current ICD-9-CM code set
  - Benefits of implementing ICD-10
  - ICD-10 milestones
  - Key activities
  - Strategies and activities required to implement ICD-10 during the five implementation phases.
Nine Policy Briefs Show How ICD-10 Supports Healthcare Transformation for:

- CHIP
- Pregnancy
- Breast & Cervical Cancer Prevention
- HIV/AIDS
- Alzheimer’s Disease
- Autism Spectrum Disorders
- Traumatic Brain and Spinal Cord Injuries
- Intellectual Disability
- Coordination of Care

...in State Medicaid Programs
For More Information

CMS Point of Contact

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Questions?

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