ICD-10-CM Compliance

• Federal Mandate
  – Compliance date of 10/1/2013
  – Compliance with 5010 Standard Transactions is Major Dependency
  – Adopts ICD-10-CM and ICD-10-PCS as a new code set under HIPAA replacing ICD-9-CM (Volumes 1, 2 and 3)
  – ICD-10-CM for diagnosis coding – all covered entities must transition to this
  – ICD-10-PCS for inpatient hospital procedure coding – based on initial assessment, DPH will not use

No impact on CPT or HCPCS
ICD-10-CM Compliance

- Will Mandate be Delayed??
  - Don’t Count on it!
  - 5010 compliance date is 1/1/12
  - ICD-10-CM compliance date is 10/1/13
  - If 5010 is delayed, should not impact ICD-10-CM

- ICD-9-CM codes will not be accepted for services provided on or after 10/1/13
- ICD-10-CM codes will not be accepted for services provided prior to 10/1/13
- System must accommodate both ICD-9-CM and ICD-10-CM
# What’s Changing With ICD-10-CM

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-CM</th>
</tr>
</thead>
<tbody>
<tr>
<td>3~5 characters</td>
<td>3~7 characters</td>
</tr>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; digit numeric or alpha</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; digit alpha</td>
</tr>
<tr>
<td>Digits 2~5 are numeric</td>
<td>Digits 2~3 are numeric; Digits 4,5,6,7 can be alphanumeric</td>
</tr>
<tr>
<td>13,000 codes</td>
<td>68,000 codes</td>
</tr>
<tr>
<td>401.9 – Hypertension</td>
<td>I10 – Essential Hypertension</td>
</tr>
<tr>
<td>249.5 &amp; 362.07-Diabetic Retinopathy with Macular Edema</td>
<td>E11.311 – Type II Diabetes Mellitus with unspecified Diabetic Retinopathy with Macular Edema</td>
</tr>
</tbody>
</table>
Transition to ICD-10-CM Impacts

• Diagnosis codes permeate almost every business process
  – Treatment Decisions
  – Encounter Reporting and Billing
  – Forms, Reporting and Data Analysis

• System and Database Impacts
  – Locally developed and/or vendor systems/databases/reports must be modified to accommodate both ICD-9-CM and ICD-10-CM
  – Must work with vendors to ensure their systems will comply

• Productivity will decrease

• Clinical documentation must support specificity of ICD-10 Diagnosis Codes
Transition to ICD-10-CM Impacts

• Budgetary Impacts
  – What is the cost to train staff and physicians?
  – What is the cost to modify processes and forms?
  – What is the cost for necessary software changes?
  – Costs for Code Books or Coding Assistance Software
    • Budget $120 for each ICD-10-CM code book
    • Do not purchase until after 10/1/11 when code freeze takes affect
  – What if a significant number of claims are denied post 10/1/13 because the agency is not well prepared?
  – 3-physician practice cost estimated at $83,000
    • Per Medical Group Management Association
Benefits of ICD-10-CM

• Higher Quality Data Resulting in
  – Improved ability to measure quality, efficacy, and safety of patient care
  – Enhanced ability to conduct public health surveillance
  – Greater achievement of the anticipated benefits from EHR adoption
  – Decreased claims submission and claims adjudication costs
  – Decreased need for manual review of health records to meet needs of payers, researchers, etc.
DPH ICD-10 Transition Project

• Project Charter drafted but not yet approved so current scope and plans may change

• Business Goal (draft)
  – The goal of this project is to ensure that the staff and information systems that currently utilize ICD-9-CM for classification of disease and morbidity information within the Section/Branches of the Division of Public Health and local health departments seamlessly transition to the federally mandated ICD-10 effective October 1, 2013.
DPH ICD-10 Transition Project

- Project Objectives (draft)
  - Identify all information systems, forms and reports that must accommodate the expanded ICD-10 code sets no later than August 31, 2011.
  - Develop business/functional requirements for all impacted information systems no later than December 31, 2011.
  - Identify budgetary requirements for ICD-10 implementation in DPH and identify funding sources for any unfunded implementation activities no later than July 31, 2012.
  - Complete the design, development and testing for all impacted information systems with user acceptance no later than December 31, 2012.
  - Evaluate the impact of ICD-10 implementation on current business processes and identify opportunities for implementation of process improvements no later than March 31, 2013.
  - Complete ICD-10 training for DPH and local health department staff no later than September 30, 2013.
DPH ICD-10 Implementation Project Timeline (Draft)

ICD-10 Compliance

DPH ICD-10 Implementation Project Management (Began 4-19-11) and Integral Phase

Pre-Development Phase

8/31/2011 – DPH Impact Assessment, GAP Analysis, Client Record Documentation Requirements

10/1/2011 – Code Freeze ICD9 & 10

12/31/2011 – Detailed Interface and Software Customization Requirements

12/31/2011 – 5010 Level 1 Compliance (internal testing)

6/15/2011 – CMS 5010 Testing Day

Sept 2011 – BCBS Ready to Test

Development Phase

10/1/2011 – 5010 Level 2 Compliance Testing (external testing with trading partners)

7/31/2012 – Funding to meet budgetary requirements

12/31/2012 – Development and Testing of software and interfaces; Changes to Data Models and Metadata

1/1/2012 – 5010 Compliance for all covered entities

Post-Development Phase

3/31/2013 – Evaluation of impact on current business processes

9/30/2013 – All DPH and CDSA stakeholders are trained

10/01/2013 – ICD-10-CM Implemented in DPH, LHDs, CDSAs

12/31/2011 – Project Closeout

5010 Standard Transaction Compliance (ICD-10 Dependency)

5-18-11
ICD-10 Project Execution
Work Breakdown Structure

1.0 Project Mgmt Phase
• 1.1 Project Schedule
• 1.2 Budget Tracking Materials
• 1.3 Resource Plan
• 1.4 Communications Plan
• 1.5 Risk Management Plan & Risk Matrix
• 1.6 Issues Management Plan & Issues Log
• 1.7 Change Management Plan & Change Log
• 1.8 Implementation Plan
• 1.9 Lessons Learned

2.0 Pre-Development Phase
• 2.1 Impact Assessment
• 2.2 Detailed Gap Analysis
• 2.3 Client Record Documentation Assessment

3.0 Development Phase
• 3.1 Detailed System Interface Requirements
• 3.2 Detailed Software (input and output) Customization Requirements
• 3.3 Changes to Data Models and Metadata

4.0 Post-Development Phase
• 4.1 Implementation of System Changes (input and output)
• 4.2 Implementation of Interface Changes
• 4.3 Implementation of ICD-10 Related Business Process Changes

5.0 Integral Phase
• 5.1 Implementation Team Meetings, Agendas & Minutes
• 5.2 Requirements Traceability Matrix
• 5.3 Business Process Improvement Plan
• 5.4 Test Plan
• 5.5 Test Cases & Expected Results
• 5.6 Expected Test Cases & Actual Results
• 5.7 Training Plan
• 5.8 Training Materials
• 5.9 Training Classes & User Registration
• 5.10 Summary Report of Training Evaluations
Next Steps

• Identify ICD-10 Primary and Back-Up Contacts

• Impact Assessment
  – Must identify all system, reports and forms that are impacted
  – Tool to be used for DPH systems is under review
  – Will test tool in DPH before sharing with local agencies

• Organize DPH ICD-10 Implementation Team
  – DPH staff with ICD-10 impacts
    • Administrative and Nurse Consultants
    • SCHS (already using ICD-10)
    • IT Branch
    • POMCS
    • WCH, Epidemiology, Chronic Disease & Injury, Oral Health
  – CDSA staff (2)
  – LHD staff – Administrative (2), Billing (2) and Clinical (2)
Resources

- http://www.cms.hhs.gov/ICD10
- http://www.cdc.gov/nchs/icd/icd10cm.htm#10update
- http://my.ncahec.net/education.php?d=a

- Sarah.Brooks@dhhs.nc.gov
  - 919-707-5067
Questions

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