

ICD-10 Overview

December 2011

What is ICD-10?

- ICD-10 is the updated version of the sets of codes used for claims coding of:
 - Diagnosis; for all types of providers (ICD-10 CM)
 - Inpatient hospital procedures (ICD-10 PCS)
- Effective - for outpatient and professional dates of service, and inpatient dates of discharge 10/1/2013 and after. The law mandates that ICD-9 procedures and diagnosis codes be replaced with ICD-10 procedure and diagnosis codes.

Why is ICD-10 a major change from ICD-9?

- Not just the usual annual update of codes
- ICD-10 is very different from ICD-9 both structurally and conceptually
- Requires changes to most clinical and administrative systems and processes
- Impacts reimbursement and coverage
- Impacts key reporting functions

What is gained by the implementation of ICD-10?

- “Other than compliance with the law”
- Potential for significant penalties for non-compliance are avoided
- Will enable improvements in care management, public health reporting, research, and quality measurement

Specifics of ICD-10

- Diagnosis Codes
 - Change from 5 positions (1st character alpha/numeric, all others numeric) to 7 positions (all alpha/numeric)
 - Change from 13,000 codes currently to over 68,000 codes
 - Much greater specificity
- Inpatient Procedure Codes
 - New code set; US creation not used anywhere else
 - Change from 5 positions (no specific meaning) to 7 position (each position has a specific meaning)
 - Increased from 4,000 to 72,000 plus codes

Specifics of ICD-10, cont.

- More occurrences and some differences in rules within claims/encounter submissions.
- Use of modern terminology
- Creates combined diagnosis/symptom codes to allow for greater ability to fully describe a condition
- Enable right vs. left designations
- Increased information for public health, bio-surveillance and quality measures

Challenges with moving from ICD-9 to ICD-10

- No clear mapping from ICD-9 to ICD-10
 - May be 1 ICD-9 to many ICD-10's; Many to many; no good equivalent, etc...
 - Information in ICD-9 is not as specific so crosswalks are difficult
- We need to understand concepts and intent behind policies, processes, etc... to ensure appropriate and timely decision making from ICD-9 to ICD-10

AHCCCS Example (keep in mind this is one small policy impacted and a very simplified step by step)

- Situation - currently qualification for the Maternity Tier under AHCCCS Inpatient Hospital Reimbursement is based on a set of ICD-9 Diagnosis codes.
- In order to move to ICD-10 we must do the following:
 - Determine which ICD-10 diagnosis codes should be considered as qualifiers for the Maternity Tier under this policy
 - Operational staff who must make these determinations must first be trained on the new ICD-10 coding structures, etc....
 - Once determinations are made, identify all related system impacts
 - Make identified system changes to Claims and Encounters to include the ICD-10 code qualifiers for the Maternity Tier

AHCCCS Example, cont.

- Make identified system changes to the related Reference table for tier qualifiers, to ensure it can accommodate the inclusion of and recognize ICD-10 Diagnosis qualifiers
- Update Reference tables with ICD-10 values
- Make identified system changes to the health plan twice monthly Reference extract to accommodate and identify ICD-10 Diagnosis qualifiers
- Make any changes to related reporting
- Review and update all related documentation including Provider Billing Manuals; Claims processing policies; Rule; etc...
- Ensure all updated materials are posted to the AHCCCS Website

AHCCCS Example, cont.

- Ensure that the Health Plans are informed of all necessary changes, and track to ensure that like changes are made in their systems, documentation and processes
- Ensure that all impacted and/or interested staff receive training regarding changes
- Ensure that all impacted providers/trading partners receive communications related to and training regarding the changes

ICD-10 Impacts to Consider

- Provider Documentation –
 - Codes must be supported by medical documentation and since ICD-10 codes are more specific, more documentation will be necessary
 - Revenues may be impacted by specificity
- Coverage and Payment –
 - New coding may result new coverage policies, new medical review edits and new reimbursement schedules

ICD-10 Impacts to Consider, cont.

- Billing Related Transactions –
 - Updates to include/support ICD-10 where appropriate
 - Expect increase in rejects, denials and pends during transition and initial implementation periods
 - Laboratory and Pharmacy orders will need to be supported
- Quality Measures/Pay for Performance –
 - Updates to measures
 - New measures
 - Will be difficult to measure impacts of change from ICD9 to ICD10 and during overlap reporting periods

Impacted Areas

- Important to recognize that this is not just an IT project (60% Operational and 40% Systems)
- ICD10 impacts a wide range of Business areas
 - Benefits/Coverage
 - Payment policies
 - Provider relations
 - Claims/Encounters processing
 - Statistical trending
 - Fraud and Abuse
 - Budgeting
 - Quality Measures and Quality Management
 - Etc...

Must Do's

- Complete an assessment of business and system impacts first and revisit as needed
- Involve the entire agency
- Realize that this is a business and a technical project (60/40)
- Identify, involve and train experts early on
- Ensure strong project management/tracking tools
- Spread-out the resources and budget commitments appropriately
- Plan for and execute testing of business process as well as systems

Timing

- Need to begin now.....
- Assess schedule and readiness of Trading Partners
- Assess impacts to and from other priorities
- Determine if other items need to be put aside and/or have priorities reassessed
- Establish timeframes for completion of key tasks, milestones, etc...

ICD-10 Training

- Wide range of information to convey
- Most staff need some level of training
- Training will be ongoing throughout the project
- There will need to be various training modules tailored to the needs of each audience
- Need a Training Plan and associated tracking mechanisms
- CMS on a site 12/12 and 12/13 for a day and ½ of ICD10 training

AHCCCS Timelines and Status - ICD10

- Planning APD in place in combination with 5010; and appropriate tracking ongoing.
- High Level Project Planning is progressing.
- Approach finalized - AHCCCS plans to implement “Native” processing and will not generally employ the use of cross-walks or maps.
- Initial assessments of systems impacts have been completed and review and update is in progress.
- An inventory of impacted policies, documentation, etc... is in progress.

AHCCCS Timelines and Status - ICD10, cont.

- Identification of training opportunities and inventory of available materials in progress.
- Next 1/4ly CMS survey due 1/1/2012.
- Participating in bi-weekly CMS calls with all States.
- Participated in a state specific call with CMS on 9/27/2011 and 10/13/2011.

ICD10 Discussion

- Risks to 10/1/2013 Implementation
- Considerations
- Management of scope

Next Steps

- Project kickoff
- Include identified key resources for all Divisions/Impact areas
- Complete draft of a project plan/RASCIL (project ownership matrix)
- Review and updates system impacts inventory
- Complete document impacts inventory
- Develop and submit an Implementation APD for CMS
- Begin to assess key trading partner readiness and approaches (Milestone Tracking)
- Develop a draft Communication Plan
- Finalize the draft project timelines
- Determine approach to participation with Hawaii