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 CPT coding for outpatient 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 date</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 have 3 to 5 digits. 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.

IOG2 Rheumatic aortic stenosis with insufficiency IOGA Other rheumatic aortic valve diseases IOG9 Rheumatic aortic valve disease, unspecified IO70 Rheumatic tricuspid stenosis

8. Why is the transition to ICD-10 happening?

The transition is occurring because ICD-9 codes have limited data about patients' medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, it has outdated and obsolete terms, and is inconsistent with current medical practices.

Also, the structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are full.

A successful transition to ICD-10 is vital to transforming our nation's health care system.

9. What should providers do to prepare for the transition to ICD-10?

Providers should plan to test their ICD-10 systems early, to help ensure compliance. Beginning steps in the testing phase include:

- Internal testing of ICD-10 systems
- · Coordination with payers to assess readiness
- Project plan launch by data management and IT teams

For providers who have not yet started to transition to ICD-10, below are actions steps to take now:

- Develop an implementation plan and communicate the new system changes to your organization, your business plan, and ensure that leadership and staff understand the extent of the effort the ICD-10 transition requires.
- Secure a budget that accounts for software upgrades/software license costs, hardware procurement, staff training costs, work flow changes during and after implementation, and contingency planning.
- Talk with your payers, billing and IT staff, and vendors to confirm their readiness status.
- Coordinate your ICD-10 transition plans among your partners and evaluate contracts with payers and vendors for policy revisions, testing timelines, and costs related to the ICD-10 transition.
- Create and maintain a timeline that identifies tasks to be completed and crucial milestones/relationships, task owners, resources needed, and estimated start and end dates.

To find out more, see the CMS implementation timelines and implementation handbooks tailored for specific audiences, which are available at <u>www.cms.gov/ICD10</u>.

10. What should payers do to prepare for the transition to ICD-10?

The transition to ICD-10 will involve new coding rules, so it will be important for payers to review payment policies. Payers should ask software vendors about their readiness plans and timelines for product development, testing, availability, and training. The ICD-10 Implementation Handbook for Payers on the CMS website provides detailed information for planning and executing the transition.

Visit the <u>payers</u> page at <u>www.cms.gov/ICD10</u> to view additional resources and access the new ICD-10 coding guidelines.

11. What should software vendors, clearinghouses, and third-party billing services be doing to prepare for the transition to ICD-10?

Software vendors, clearinghouses, and third-party billing services should be working with customers to install and test ICD-10 ready products. Take a proactive role in assisting with the transition so your customers can get their claims paid. Products and services will be obsolete if steps are not taken to prepare.

CMS has resources to help <u>vendors</u> and their customers prepare for a smooth transition to ICD-10. Visit <u>www.cms.gov/ICD10</u> to find out more.

IOL2 Rheumatic aortic stenosis with insufficiency
IOLA Other rheumatic aortic valve diseases
IOL9 Rheumatic aortic valve disease, unspecified
IO70 Rheumatic tricuspid stenosis
IO71 Rheumatic tricuspid insufficiency

12. Where can I find the ICD-10 code sets?

The <u>ICD-10-CM</u>, <u>ICD-10-PCS code sets</u> and the <u>ICD-10-CM official guidelines</u> are available free of charge at <u>www.cms.gov/ICD10</u>.

13. Why should I prepare now for the ICD-10 transition?

The transition to ICD-10 is a major undertaking for providers, payers, and vendors. It will drive business and systems changes throughout the health care industry, from large national health plans to small provider offices, laboratories, medical testing centers, hospitals, and more. You will need to devote staff time and financial resources to transition activities. The transition will go much more smoothly for organizations that plan ahead and prepare now.

14. What type of training will providers and staff need for the ICD-10 transition?

AHIMA recommends training should begin no more than six months before the <u>compliance deadline</u>. Training varies for different organizations, but it is projected to take 16 hours for coders and 50 hours for inpatient coders. For example, physician practice coders will need to learn ICD-10 diagnosis coding only, while hospital coders will need to learn both ICD-10 diagnosis and ICD-10 inpatient procedure coding.

Look for specialty-specific ICD-10 training offered by specialty societies and other professional organizations. Take into account that ICD-10 coding training will be integrated into the CEUs that certified coders must take to maintain their credentials.

ICD-10 resources and training materials will be available through CMS, professional associations and societies, and software/system vendors. Visit www.cms.gov/ICD10 regularly throughout the course of the transition to access the latest information on training opportunities.

This fact sheet was prepared as a service to the health care industry and is not intended to grant rights or impose obligations. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.



