Introduction to ICD-10: A Guide for Providers

Centers for Medicare & Medicaid Services
Table of Contents

» What is ICD-10?
» Why ICD-10 matters
» Why transition to ICD-10
» Getting ready for ICD-10
» CMS resources

Compliance Date: October 1, 2014

This guide is intended to provide health care professionals with an overview of ICD-10. Hyperlinks to the CMS website are included in the guide to direct you to more information and resources.
What is ICD-10?

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

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

Who

• All HIPAA-covered entities must use ICD-10
ICD-10 Overview

ICD-10 replaces the ICD-9 code sets and includes updated medical terminology and classification of diseases

ICD-10 CM/PCS consists of two parts:

» ICD-10-CM for **diagnosis coding** in all health care settings
» ICD-10-PCS for **inpatient procedure coding** in hospital settings

CPT coding for outpatient and office procedures is **not** affected by the ICD-10 transition
ICD-10 Overview

ICD-10-CM replaces ICD-9-CM for diagnosis coding:

» ICD-9-CM diagnosis codes = 3 to 5 digits
» ICD-10-CM codes = 3 to 7 digits
» Overall format of ICD-10 diagnosis codes similar to ICD-9
ICD-10 Overview

**ICD-10-PCS** replaces ICD-9-CM for *inpatient procedure coding*:

» ICD-9-CM procedure codes = 3 to 4 numeric digits

» ICD-10-PCS codes = 7 alphanumeric digits

» ICD-10-PCS code format substantially different from ICD-9

» Unlike ICD-9, ICD-10 expands details for many conditions
Why Transition to ICD-10
Why Transition to ICD-10

Better reflects current medical practice

Captures more specific data from clinical documentation than ICD-9

- ICD-10-CM: For fractures, for example, captures left vs. right side of body, initial vs. subsequent encounter, routine vs. delayed healing, and nonunion vs. malunion

- ICD-10-PCS: Provides detailed information on procedures and distinct codes for all types of devices
Why Transition to ICD-10

Detail captured by ICD-10 can:
» Facilitate patient care coordination across settings
» Improve public health reporting and tracking

ICD-10 structure accommodates new codes
» ICD-9 is running out of capacity and cannot continue to accommodate addition of codes to reflect new diagnoses and procedures
Getting Ready for ICD-10
Getting Ready for ICD-10: Compliance Date

By **October 1, 2014**, your practice must start using ICD-10 codes for services provided *on or after* October 1, 2014.
Getting Ready for ICD-10: Monitor Your Progress

Monitor your progress against your ICD-10 project plan, which should identify:

» Each task to be completed
» When tasks should begin and end
» Who is responsible for each task
Getting Ready for ICD-10: Check Your Plan

Check that your ICD-10 project plan:

» Ensures senior leadership understands breadth and significance of ICD-10 change
» Assigns overall responsibility and decision-making authority for managing the transition
» Includes a comprehensive, realistic budget
» Ensures involvement of all stakeholders, ranging from physicians to clearinghouses and software vendors
Getting Ready for ICD-10: Check Your Plan

Check that your **ICD-10 project plan** also covers:

» Software/hardware testing
» Staff training and sharing best practices
» Updating internal policies to support the transition
» Adhering to a well-defined timeline
Getting Ready for ICD-10: Key Steps

**Essential tasks** to cover in project plan:

- Identify commonly used ICD-9 codes and explore related ICD-10 codes
- Identify paper and electronic forms to accommodate the ICD-10 code structure
- Schedule ICD-10 training for clinicians, office managers, billers, coders, and other key staff
Getting Ready for ICD-10: Analyze How You Use Codes

Identify how ICD-10 will affect your practice, specifically use of codes for:

» Billing and submitting claims
» Other functions, like eligibility queries, registration, and referrals
Getting Ready for ICD-10: Questions for Your Analysis

Questions to inform your analysis:

» Will I be able to submit claims?
  – You will need a billing system that is compliant with HIPAA Version 5010 transaction standards
  – Verify that your existing billing system can submit and receive ICD-10 codes

» How does ICD-10 work with my EHR systems
  – Verify whether your EHR captures ICD-10 codes as needed for billing purposes
Getting Ready for ICD-10: Questions for Your Analysis

How do I become familiar with ICD-10 codes?
» Obtain ICD-10 code books if you use ICD-9 books for code look-up
» Compare ICD-9 codes commonly used in your office to corresponding ICD-10 codes
» Check your software for an ICD-10 look up function
» Acquire ICD-10 code training
» Obtain new ICD-10 forms if you use ICD-9 forms today
Getting Ready for ICD-10: Look for Efficiencies

Consider opportunities to make coding more efficient:

» List your most commonly used ICD-9 codes and look at the ICD-10 codes you will use in their place

» Then think about how front-office staff can help capture new information required under ICD-10 (e.g., trimester of pregnancy for obstetric coding)
Getting Ready for ICD-10: Look for Efficiencies

Other opportunities to **make coding more efficient**:

» Invest in a software program to help with coding

» Analyze aspects of your practice that frequently trigger review or denial of claims: resolve issues with ICD-9 and prepare for ICD-10 coding
Getting Ready for ICD-10: Potential Changes to Your Practice

Identify changes you might need to make.

Look at:

» Business processes
» Clinical documentation
» Practice management and clinical software
» Readiness of your vendors (e.g., practice management, billing, and clearinghouse products and services)
Getting Ready for ICD-10: Business Processes

*Business processes* to consider include:

» Referrals
» Authorization/precertification
» Patient registration and scheduling
» Physician orders
» Contracts with payers, clearinghouses, and other business partners
» Financial operations
» Public health reporting
Getting Ready for ICD-10: Documentation

Clinical documentation of **key medical concepts** is essential to selecting specific ICD-10 codes.

As part of patient care, **clinicians already document most concepts** needed for ICD-10 coding.
Getting Ready for ICD-10: Documentation

Does your practice’s documentation capture necessary detail?

» Use documentation from recent patient encounters to try selecting ICD-10 codes

» Note any changes needed to documentation for ICD-10 coding
Getting Ready for ICD-10: Communication

Confirm ICD-10 plans and readiness of your:

» Vendors
  – Software/systems
  – Clearinghouses
  – Billing services

» Payers
Getting Ready for ICD-10: Talk with Payers

» Ask payers if they are revising contracts or policies based on ICD-10; if so, negotiate new contracts

» Ask about testing plans
Getting Ready for ICD-10: Talk with Clearinghouses and Billing Services

If you work with a clearinghouse or billing service, check on their ICD-10 preparation and readiness.

Figure out how you can work together so your claims can be processed using ICD-10.

- *Note:* Clearinghouses *cannot* help identify which ICD-10 codes to use unless they offer coding services.
Getting Ready for ICD-10: Talk with Software/Systems Vendors

Talk to your EHR and/or practice management system vendors to see when they plan to upgrade your system for ICD-10

Vendors will need to have products ready as soon as possible so you can test them; if they don’t, you may need to find a new vendor who has ICD-10-ready products
Getting Ready for ICD-10: Vendor Evaluation

- Identify your current vendors
- Contact vendors to confirm they are ICD-10-ready and how they will help you get ready
- Assess whether you want or need to develop new vendor relationships
- Evaluate your current vendor or new vendor by asking key questions
Getting Ready for ICD-10: Key Vendor Questions

Ask your vendors:

» Will you install products well before the October 1, 2014, compliance date, so I can begin testing?
» Will you support my products after October 1, 2014?
» Will you update my products and applications for ICD-10?
» Will you keep my products updated? Will there be a charge?
» Will I need new hardware to accommodate ICD-10-related software changes?
Getting Ready for ICD-10: Key Vendor Questions

More questions for your vendors:
» What costs are involved with maintaining new products?
» Will you offer product support for the transition? If so, for how long?
» How do I report issues and how quickly will you respond?
» Will you provide training on your software?
» Will you offer support during internal ICD-10 testing?
» Will you help me test my system with payers and other trading partners?
Getting Ready for ICD-10: Testing

Once your system is ICD-10-ready, test it

» Try systems that send and receive codes to ensure they process ICD-10 codes correctly

» Test transactions that affect your practice most, such as:
  – Claims submission
  – Eligibility verification
  – Quality reporting
Getting Ready for ICD-10: Testing

Look at processes for collecting and reporting diagnosis codes (e.g., superbills and patient encounter forms)

Try handling processes with ICD-10:
» If I had to select an ICD-10 code for the last patient, what would it be?
» If I had to prepare a claim with an ICD-10 code, how would I do that?
Getting Ready for ICD-10: Testing

Test with payers and other business partners

» Work with your vendors and other business partners to develop a testing plan and schedule for ICD-10 transactions

» Test how well your systems work together to send and receive codes—focus on transactions that affect your practice most
Getting Ready for ICD-10: Implementation

Prepare and monitor for ICD-10’s potential impact on:
» Coding productivity
» Coding accuracy
» Reimbursement
» Vendor responsiveness
Getting Ready for ICD-10: Implementation

Sample steps to minimize ICD-10-related challenges:

» Eliminate coding backlogs before ICD-10 transition
» Prioritize medical records for coding
» Provide refresher training to address productivity and accuracy issues
» Develop a process for managing errors and resolving vendor issues
ICD-10 Resources
Resources

CMS website: www.cms.gov/icd10

Features fact sheets, FAQs, and implementation guides, timelines, and checklists
CMS ICD-10 Email Updates provide timely information

To sign up for updates:
1. Go to [cms.gov/icd10](http://cms.gov/icd10)
2. Select “CMS ICD-10 Industry Email Updates” from left navigation bar
3. Click on “Sign up for update messages”
Fact sheets on ICD-10 for providers, payers, and vendors

» Available on the Provider, Payer, and Vendor Resources pages of the CMS website
Resources

Timelines and checklists for:

» Small to medium practices
» Large practices
» Small hospitals
» Payers
Resources

ICD-10 Medscape Videos
» ICD-10: A Roadmap for Small Clinical Practices
» ICD-10: Small Practice Guide to a Smooth Transition

Free continuing medical education (CME) and continuing education (CE) credits available to physicians and nurses who complete a brief post-test. Accessible from CMS ICD-10 website: www.cms.gov/icd10
Online ICD-10 Guide: on Provider Resources page, cms.gov/ICD10

Step-by-step ICD-10 advice for clinical practices, small hospitals, and payers
Resources

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