Start Preparing NOW for ICD-10 Coding

International Classification of Diseases (10th Revision) Clinical Manifestation; to be utilized by all providers in every health care setting
ICD-10

- ICD-10 CM is the US “Clinical Manifestations” of the WHO ICD-10 Code Set (has been used to code/classify mortality data since 1999)
- ICD-10 PCS is a US creation to be used only for hospital claims
- These are “classification codes sets”
- Transaction version changes (X12 version 5010) will be in place to handle the new codes
Welcome

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- Select Data
- 714.524.2500 X 235 or
- 949.584.6296
OBJECTIVES

- Identify the differences in number of Codes
- List differences and similarities between ICD-9 and ICD-10
- List documentation requirements and changes necessary for higher level of specificity
- Describe complexities of ICD-10
October 1, 2013 was the deadline

- It has been delayed
- Providers will not be able to continue reporting ICD-9-CM codes after the date soon to be announced
- Note: The 5010 format process implementation continues
No Matter

• Whether CMS moves to ICD-10 in January, 2014 or
• Moves to ICD 11

CMS must move to a system of higher specificity. More complex algorithms are required to fight fraud and abuse and to respond to increased diagnostic technology and the need to better display care for patients.
CMS states each working day, Medicare:

- Pays over 4.4 million claims to 1.5 M providers with a value of $1.5 B
- Each Month, Medicare receives 19,000 provider enrollment applications
- Each Year, Medicare pays over $430 B for 45 million beneficiaries
- Each Year, Medicaid nationally pays 2.5 billion claims for 54 million beneficiaries in 56 states and territories
The State of HealthCare

- Administrative Simplification Act (transition to 5010) FY 2010-2014
- Meaningful Use EHRs 2011-2015
- Health reform Initiatives i.e.
  ACOs 1/2012,
  Value-based purchasing 2013
- Chronic Care Models: Guided Care
- Patient Centered Medical Home
- Transitions of Care
- Readmission payment penalties 2013
CMS

CMS states ICD-10 is markedly different from ICD-9.

“ICD-10 requires changes to almost all clinical and administrative systems. It requires changes to business processes.” CMS
ICD-10 CM

- The entire draft of the Tabular List of ICD-10 CM and Crosswalk were made available by the National Center for Health Statistics (NCHS) in 2/98
- AHA and AHIMA field tested in 2003
- 1/6/09 HHS published final rule adopting ICD-10 CM
Reasons for Change

WHY ICD-10 CM AND ICD-10-PCS
ICD-10

ICD-10 is the updated version of codes used for coding by all providers in every health care setting:

- Diagnoses for all providers (ICD-10 CM)
- Inpatient hospital procedures (ICD-10 PCS will be used)
Why ICD-10?

- ICD-9-CM is 30 years old
- No more room to add new codes or keep pace with current classification of Medical conditions or technological advances
- Not always precise or unambiguous
- US mortality data is being reported in ICD-10 thus making comparison of mortality and morbidity difficult
Decubitus Ulcers

ICD-10 CM has 60 codes to describe location, size, and depth
Uses of Clinically Coded Data

- Benchmarking and quality measurement: to improve quality and effectiveness of patient care
- Making clinical, financial, funding, expansion, and education decisions
- Healthcare policy
- Public health surveillance (increase ability to track and intervene if global health threats)
- Reimbursement
- Research - code analysis is crucial to research
Uses of Clinically Coded Data

- Increased specificity in data means more robust design of algorithms to predict outcomes and care.
- Increased coding detail offers capability to find previously unrecognized relationships of diseases and variables.
Why ICD-10-CM and ICD-10-PCS?

- Bring US in alignment with worldwide coding system
- Greater coding specificity and accuracy with “full code definitions”
- Increased capability to measure healthcare quality, safety, and efficiency
Why ICD-10-CM and ICD-10-PCS?

- Lower Costs through increased efficiencies
- Decreased reduction in additional information sent to payors
- Synergistic effects with the Electronic Health Record (EHR)
- Clearer recognition of medical advances
- Clearer recognition of technological advances
ICD-10

- It will eliminate proper names for diagnoses and procedures ie,
- Fowlers
- Marshall
- Marchetti Kranz suspension (correct stress incontinence in women)
Why ICD-10-CM

- Space to accommodate future advances and expansion
- Improved ability to track and monitor international public health threats
- Greater ability to meet HIPAA electronic transaction/code set requirements
ICD-10 and better data for QI

- Decrease in complications and improved patient safety
- Improved patient outcomes
- Improved ability to reassure outcome efficiency and costs
- Improve capability to determine disease severity for audit risk adjustment
Who will use ICD-10?

- ICD-10-CM (diagnoses) to be utilized by all health care providers.

- ICD-10-PCS (procedures) to be utilized only for hospital claims for procedures.

- ICD-10-PCS will not be used by physicians even for inpatient visits.
CPT and HCPCS


- CPT and HCPCS to be utilized for physician and ambulatory services including physician inpatient visits.
ICD-10 Implementation

- ICD-9-CM codes will not be accepted for services provided on or after ________
- ICD-10 codes will NOT be accepted for services prior to ________
Benefits of ICD-10 CM

Organizational Monitoring

• Administrative efficiencies
• Cost containment
• More accurate trend and cost analysis as well as analyze trend and cost data
• Improved coding accuracy and productivity
Benefits of ICD-10

Reimbursement
- Increased accuracy
- Fairer reimbursement
- Improved justification for medical necessity
- Fewer errors and rejected claims
- Reduced opportunities for fraud
ICD-10 Differences

ICD-10 Codes provide greater detail in diagnoses and procedural description

Increased number of ICD-10 codes

ICD-10 codes have up to 7 digits and more alpha characters. The first digit is alpha. A code will be considered invalid if not coded to full number of characters (3,4,6,7

Systems will be required to accommodate ICD-10 codes
Structure of ICD-10

- XXX . XXX . X
- Category etiology, extension, anatomical sites, severity
V codes and E codes

- Former V codes are assigned Z codes in ICD 10 CM Chapter 21
- E codes will be in Chapter 20 with the V-Y codes
ICD-10 codes are organized differently

- Sense organs have been separated from the nervous system disorders
- Injuries are grouped by anatomical site rather than injury category
- Post operative complications have been moved to procedure in the specific body system chapter
ICD-9-CM vs ICD-10

- **ICD-9-CM** 17 Chapters and V/E code chapters
- **ICD-10-CM** 21 Chapters- V/E codes in disease chapters
- **ICD-9-CM** 13,000 disease plus V and E codes
- **ICD-10-CM** 68,000 disease codes, including V and E codes
ICD-9-CM vs ICD-10

- **ICD-9-CM** 3,000 procedure codes in Vol 3
- **ICD-10-CM** 87,000 procedure codes in ICD-10-PCS

- **ICD-9-CM** 3-5 digits in disease codes
- **ICD-10-CM** 3-7 digits in disease codes

- **ICD-9-CM** First digit is numeric or alpha (V or E)
- **ICD-10-CM** First digit is alpha. All letters except “U”
ICD-9- vs ICD-10-CM

- **ICD-9-CM** Digits 2-5 are numeric.
- **ICD-10-CM** Digits 2 and 3 are numeric, digits 4-7 are alpha or numeric.

- **ICD-9-CM** Decimal point after 3\(^{rd}\) digit.
- **ICD-10-CM** Decimal point after 3\(^{rd}\) digit.

- **ICD-9-CM** Dummy placeholder? NO
- **ICD-10-CM** Dummy placeholder? YES
ICD-9-CM vs ICD-10-CM

- **ICD-9-CM** Codes usually do not indicate timing encounter
- **ICD-10-CM** Codes specify initial and subsequent encounters

- **ICD-9-CM** No differentiation between left/right
- **ICD-10-CM** Differentiates between right and left
ICD-9-CM vs ICD-10-CM

- **ICD-9-CM** Does not adequately define DX needed for medical research
- **ICD-10-CM** Detail improves accuracy of data used for research

- **ICD-9-CM** Does not support international interoperability
- **ICD-10-CM** Supports international interoperability and exchange of health data amongst nations
ICD-10

Requires expertise in anatomy, physiology, and diagnostics

The Coding specificity is far greater than ICD-9-CM and the need to better understand A&P and diagnostics is vital.
Complete Versions

- Annual updates on ICD-10 website: http://www.cms.gov/ICD10

ICD-9 Coordination and Maintenance Committee Meeting
http://www.cms.gov/ICD9ProviderDiagnosticCodes/03_meetings.asp
Tools to Convert Codes

- General Equivalence Mappings (GEMS) assist in converting data from ICD-9-CM to ICD-10
- Information on GEMs and their use- 
  http://www.cms.gov/ICD10
ICD-10-CM Development

- ICD-10 developed by the World Health Organization
- WHO authorized development of the adaptation of ICD-10 for use in the US for governmental reasons

All modifications must conform to WHO conventions for the ICD-10
Examples of ICD-10 CM Specificity

- Diabetes Mellitus (ICD-9-CM category 250) has been split into several category codes in ICD-10
  - E08 Diabetes Mellitus due to underlying condition
  - E09 Drug/chemical induced diabetes mellitus
  - E10 Type 1 diabetes mellitus
  - E11 Type 2 diabetes mellitus
  - E13 Other specified diabetes mellitus
Diabetes Mellitus codes are expanded to include the classification of the diabetes and the manifestation

- E08.22 Diabetes Mellitus due to an underlying condition with diabetic chronic kidney disease
- E09.52 Drug/chemically induced DM with diabetic peripheral angiopathy with gangrene
- E10.11 Type 1 DM with ketoacidosis with coma
- E11.41 Type 2 DM w diabetic mononeuropathy
Example of ICD-10-CM Specificity

- ICD-9-CM 599.7 Hematuria (blood in the urine)
- ICD-10-CM
  - R31.0 Gross hematuria
  - R31.1 Benign essential microscopic hematuria
  - R31.2 Other microscopic hematuria
  - R31.9 Hematuria, unspecified
ICD-10-CM Major Changes

- Besides moving from 13,000 codes to 68,000 available codes
- ICD-10 allows laterality and bilaterality
- ICD-10 specificity improves coding accuracy and richness of data for analysis
The Procedures

ICD-10-PCS
FOR REFERENCE
ICD-10-PCS Development

- CMS awarded the contract to 3M HIS
- It is based on a 7 character, alpha-numeric code:
  - Digits 0-9
  - Letters A-H, J-N, P-Z

There is a multi-axial structure with each code character having the same meaning within the specific procedure section and across other procedure sections.
ICD-9-CM vs ICD-10-PCS

- **ICD-9-CM** 3,000 procedural codes
- **ICD-10-CM** 87,000 available codes
- **ICD-9-CM** Based on outdated terminology
- **ICD-10-CM** Based on current terminology and procedures
ICD-9-CM vs ICD-10-CM/PCS

- **ICD-9-CM** Limited space to add codes
- **ICD-10-PCS** Space/flexibility for adding new codes

- **ICD-9-CM** Lacks detail and laterality
- **ICD-10-PCS** Increased specificity and has laterality

- **ICD-9-CM** Terms for body parts generic
- **ICD-10-PCS** Detailed body part descriptors
ICD-9-CM vs ICD-10-PCS

- **ICD-9-CM** Insufficient procedural methodology
- **ICD-10-PCS** Detailed methodology and approach/description for procedures

- **ICD-9-CM** Limits DRG assignment
- **ICD-10-PCS** DRGs can now recognize current technologies, procedures, and devices

- **ICD-9-CM** Insufficient procedural definition
- **ICD-10-PCS** Precise procedure definition
ICD-9-CM vs ICD-10-PCS

- **ICD-9-CM** 3-4 Digits
- **ICD-10-PCS** Each code must have 7 digits

- **ICD-9-CM** Decimal point: YES, after second digit
- **ICD-10-PCS** Decimal point: NO

- **ICD-9-CM** Codes have at least 3 characters
- **ICD-10-PCS** character is alpha or numeric:
  - numbers 0-9
  - letters A-H, J-N, P-Z
  - alpha characters NOT case-sensitive
Medical/Surgical Procedures Character Assignment

1. Section
2. Body System
3. Root Operation
4. Body part/Body Region
5. Approach
6. Device
7. Qualifier
Sample Differences

- **ICD-9-CM** 42.41 Partial Esophagectomy
- **ICD-10-CM 0D10ZZ** Open Resection of upper esophagus

Note the difference in the description and specificity:

Medical/Surgical Section
GI System
Resection (root operation)
Esophagus
Open (approach)
Without device and qualifier
Provider Impacts

- Coverage and Payment
  - New coding system will mean new coverage policies, new medical review edits, new reimbursement schedules
  - Changes will be made to accommodate increased specificity
Provider Impacts

Billing and Eligibility Transactions

- New codes mean greater specificity
- Means detailed documentation
- CMS states there will be increased rejections, denials, and pends as both plans and providers get accustomed to the new codes
Provider Impacts

- Laboratory and Pharmacy
  - Will need specific codes for lab orders
  - Expect coverage changes
  - Need to support the tests/drugs ordered
  - Transition issues for prior authorizations
Provider Impacts

Pay for Performance (P4P)

- New quality measures will need to be determined based on ICD-10 CM codes
- Must renegotiate with provider groups
- Difficult to anticipate all of the impact of the change
Medicaid Plan Impacts

- Coverage determinations
- Payment determinations
- Medical review policies
- Plan structures
- Statistical reporting
- Actuarial projections
- Fraud and abuse monitoring
- Quality Measurements
Preparing for the Additional Training  *

- The transition to ICD-10-CM is a major change for the industry
- New Version 5010 to handle electronic claims is already in the testing phase
Cardiovascular System

DEVELOP REVIEWS
ICD-9-CM Coordination and Maintenance Committee proposal

- Last regular updates to ICD-9-CM and ICD-10-CM were to be made 10/1/2011
- Limited updates to ICD-10-CM 10/1/2012
- Institute ICD-10-CM _______
- Full regular updates ICD-10-CM 2014
ICD-10-PCS Final Rule

- Final rule estimates experienced coders will need 50 hours training on ICD-10-CM and ICD-10-PCS systems.
- This estimate presumes the coders are already very current with latest diagnostics and very comfortable with higher specificity needed for A&P.
ICD-10

- Coders will need to have increasing comfort processing fundamental knowledge of the biomedical sciences
- Coders may need a formal anatomy and physiology course at a college level per AHIMA
- Far more specificity will be required
A Sample Coding Preparation Plan: Phase 1

2011-2012...Assess for coder gaps
as to body system anatomy 15 hrs
as to body system physiology 15 hrs
as to diagnostics/pathophysiology
20 hrs
as to diagnostics/pharmacology 20 hrs
as to medical terminology 10 hrs
A Sample Coding Preparation Plan: Phase 2

Assess

- Organizational readiness: forms, clinical software, documentation readiness
- Billing/Support system needs
- EHR system
- Support systems
- Case management processes
- Disease management
- Compliance software
A Sample Coding Preparation Plan: Phase 3

- Testing of Coding by parallel Coding ICD-9 and ICD-10 CM
- Testing of Billing System for smooth transition
- Look for misinterpretation by auditors/payors
- Be certain everyone has past training goals i.e. understands documentation of medical necessity to code
Sample Coding Preparation
Plan: Phase 4

- Go Live
- Evaluate processes
- Evaluate Coding
- Evaluate Billing
A Sample Coding Preparation Plan: A&P

- Choose 2-3 body systems for assessment of need such as:
  - Cardiovascular System
    Identify the Anatomy and Physiology of the heart. Prepare pre/post tests.
    Identify the Anatomy of the circulatory system and the role of each vessel type.
    Review categories 100-109 in ICD-10-CM Chapter 9, “Diseases of the Circulatory System.”
A Sample Coding Preparation Plan cont...

- Explain ICD-10-CM terminology related to diseases of the circulatory system
- Create scenarios and having coding team gatherings where learning can be fun
- These scenarios will allow you to assess gaps and needs
Prepare a Coding Learning Budget for ICD-10

- Consider use of webinars
- AHIMA or like courses
- Online self study may fit certain lifestyles better
- Have videos/PowerPoints of body systems available
- Look at workshops, seminars, lunch and/learn sessions
Cardiovascular System

The Heart

- Has three layers: endocardium, myocardium, and epicardium
  - Endocardium – membrane lining interior wall
  - Myocardium – thick, middle, muscular layer
  - Epicardium – thin outer layer
- Pericardium – 3 layer sac that surrounds and protects the heart
Cardiovascular System

The Heart

- Septum – muscular wall that divides the heart into right and left halves
- Interior of the heart is divided into 4 chambers
  - Right atria
  - Left atria
  - Right ventricle
  - Left ventricle
Cardiovascular Review

- Route of Blood Flow Through the Heart
  - Blood enters the right atrium from the inferior and superior vena cava (veins)
  - Blood leaves the right atrium to the right ventricle through the tricuspid valve
  - Blood leaves the right ventricle through the pulmonary semilunar valve to the pulmonary artery to the lungs
    - Unoxygenated blood
Cardiovascular Review

- Route of Blood Flow Through the Heart
  - Blood leaves the lungs via the pulmonary veins to the left atrium
    - Oxygenated blood
  - Blood leaves the left atrium through the mitral valve to the left ventricle
  - Blood leaves the left ventricle through the aortic semilunar valve out to the body
Cardiovascular Review

- A series of 20-30 slides could be developed to review the Cardiovascular System.
- These types of reviews could be excellent resources also for specific component answers such as Cardiac conduction.
Cardiovascular Review

Route of Blood Flow Through the Heart

- Blood leaves the lungs via the pulmonary veins to the left atrium
  - Oxygenated blood
- Blood leaves the left atrium through the mitral valve to the left ventricle
- Blood leaves the left ventricle through the aortic semilunar valve out to the body
Cardiovascular review

Cardiac Conduction

- Sinoatrial node (SA node, called the pacemaker of the heart) → Atrioventricular node (AV node) → Bundle of His → right and left bundle branches → Purkinje fibers
- SA node (pacemaker) is located in the upper part of the right atrium below opening of the superior vena cava
Cardiovascular review

- Discuss disease processes such as:
  - CAD
  - CHF
  - Heart Failure

Use specific terms and processes in the discussions
Preparation for ICD-10

Throughout 2011 and 2012:
- Identify Gaps in A&P learning
- Identify Gaps in learning in current diagnostics
- Prepare to code with the new ICD-10 systems
Preparing to Code with ICD-10

- Review the code structure and coding conventions for ICD-10
- Consider reading Faye Brown’s bonus chapter on ICD-10
- Learn the fundamentals of the ICD-10-CM and ICD-10-PCS systems
Establish a Monthly Schedule

- Have teams participate in establishing education plan after gaps have been identified
- Make certain some kind of training takes place each month, even if it is only a memo about a specific aspect of ICD-10
- Keep ICD-10 in front of everyone
Preparing to Code with ICD-10

- Practice applying ICD-10-CM coding guidelines to coding scenarios
- Identify key disease symptomatologies for each body system such as.....
Cardiovascular System

- Differentiate between diastolic and systolic CHF
- List common symptoms
- Recognize the characteristics of the codes
- Review the most common drugs associated with the disease process
- Create a scenario and apply ICD-10-CM coding guidelines for CHF
Education

- Once the rough education plan is in place, refine it quarterly
- Get many people to participate
- Webinars can be cost effective and there will be many available
- Be prudent with your dollars
- Can information be shared amongst members of regional and state associations
Implementation and Operational Steps

- Training for Coders, Program personnel, Administrative personnel, and Systems personnel
- Business Process Analysis
- Processes, Interfaces, and Database changes
- Prepare for ICD10 at http://www.cms.gov/icd10
Implementation and Operational Steps

- Budgeting
- Resource Allocations
- IT Discussions
- HIPAA discussions
- General Vendor discussions
- Workplan
- Impact on new initiatives
Budgeting: Identify transition expenses

- Software modifications/upgrades
- Education
- Personnel time
- Temporary personnel or consultants
- Testing/related costs
- Form and process updates
- Data conversion
- Maintenance of dual code sets
Consequences of poor preparation per CMS

- Increased claim rejections and denials
- Increased delays in processing authorizations
- Improper claims payment
- Coding backlogs
- Compliance issues
Determine Vendor Readiness

- What is their plan for updates?
- What costs are involved and will upgrades be covered by existing contracts?
- When will replacement systems be available for testing?
- How long will the system support both code sets?
Continue to complete the tasks in Phase 1

- Implement system/process changes
- Modify/replace policies/procedures
- Provide education to Coders
- Implement/monitor documentation improvement strategies w clinicians
- Reengineer workflows
- Complete internal testing
Anticipate

- Need to refine project plan/timeline/budget
- Assess impact of decreased coder productivity
- Develop contingency plans
- Provide stakeholders with updates
Continue with your plan

- Expect either ICD-10 or ICD-11 will be implemented
- Both have far greater specificity than ICD-9
- ICD-10 and ICD-11 are beautiful languages that provide far greater specificity
- Continue with your plan and be ready
Thank you

Contact Susan at
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