



# The Transition to ICD-10

Steps You Should Take **NOW**  
to Help Your Organization Prepare

May 22, 2013

## What is ICD-10?

- International Classification of Diseases, 10<sup>th</sup> Revision
- ICD-10 is a new code system that will replace ICD-9, which has been used in the U.S. since 1979
- All HIPAA covered entities will be required to transition to ICD-10

# Where will ICD-10 be used?

- As with ICD-9, there will be two forms of ICD-10:
  - ICD-10-CM (“Clinical Modification”) will be used for reporting diagnosis codes in all settings
  - ICD-10-PCS (“Procedure Coding System”) will be used for reporting procedures in the *inpatient setting only*

**Note:** The change to ICD-10 does *not* affect CPT coding, which will still be used to report procedures in the office/outpatient settings

# When will this happen?

- The ICD-10 implementation is scheduled for October 1, 2014
- With less than 2 years to go, health care providers should act **NOW** so that their organizations are prepared for the massive changes that this transition will bring

# When will this happen?

- ICD-9 will eventually phase out due to the following timelines announced by CMS:

## **October 1, 2011**

- The last regular, annual update to both ICD-9-CM and ICD-10 code sets

## **October 1, 2012 and October 1, 2013**

- There will be only limited code updates to both the ICD-9-CM and ICD-10 code sets to capture new technologies and diseases

## **October 1, 2014**

- There will be limited updates to ICD-10 code sets to capture new technology
- There will be no updates to ICD-9-CM, as it will no longer be used for reporting

## **October 1, 2015**

- Regular updates to ICD-10 will begin

## When will this happen?

- A key point to consider is that the requirement to start using ICD-10 will be date sensitive for claims submission (for professional services)
- There may be situations where both coding systems will be used for the same claim

## Why do we need it?

- ICD-10 was developed by the World Health Organization, beginning in the 1980s and has already been adopted by more than 25 countries
- The U.S. is the only industrialized nation that has not already transitioned to ICD-10

## Why do we need it?

- Proponents say ICD-9 is outdated and that ICD-10 will result in more accurate health care data and ultimately higher quality care
- Opponents cite the high costs of implementation and fears of decreased reimbursement as payers adjust their benefits to the new system
- **Regardless of the long-term impact, one thing is certain:** Organizations that are prepared for the transition will have a better outcome



## Who will be impacted by ICD-10?

- All health care organizations and providers will be impacted at some point because you will need to use ICD-10 to report your services
- If you don't, ***you won't get paid!***

## Who will be impacted by ICD-10?

- The impact is heightened by the fact that the transition to ICD-10 is not the same as an annual code update – there is no easy fix!
  - **ICD-9-CM** has approximately **16,000** diagnosis codes
  - **ICD-10-CM** has more than **4 times** that number

# Who will be impacted by ICD-10?

- Just to give a few examples
  - Physicians and other practitioners will need to document in the medical record with the specificity required by ICD-10
  - Lab personnel will need to know Medicare coverage policies for the new codes in order to properly inform patients
  - Nurses working with prior authorization for surgeries will need to be able to communicate to insurance companies using the correct diagnosis codes

## What will ICD-10 look like?

- There are many similarities between ICD-10-CM and ICD-9-CM
- Both systems have an Index and Tabular List, with codes looked up in a similar fashion
- Most of the symbols and other prompts - but not all - have been retained, although new ones have been added

## What will ICD-10 look like?

- Major differences are in the code structure, as well as some changes to the guidelines and coding conventions
- It will be important for coders to develop new tools, “cheat sheets” and other resources to help familiarize themselves with the changes

# What will ICD-10 look like?

## ICD-9-CM

- 3-5 digits
- 1<sup>st</sup> = alpha or numeric
- 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> - numeric
- Decimal after the first 3 digits
- Alpha characters not case sensitive

## ICD-10-CM

- 3-7 characters
- 1<sup>st</sup> = alpha
- 2<sup>nd</sup> = numeric
- 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> & 7<sup>th</sup> can be either
- Decimal after the first 3 characters
- Alpha characters not case sensitive

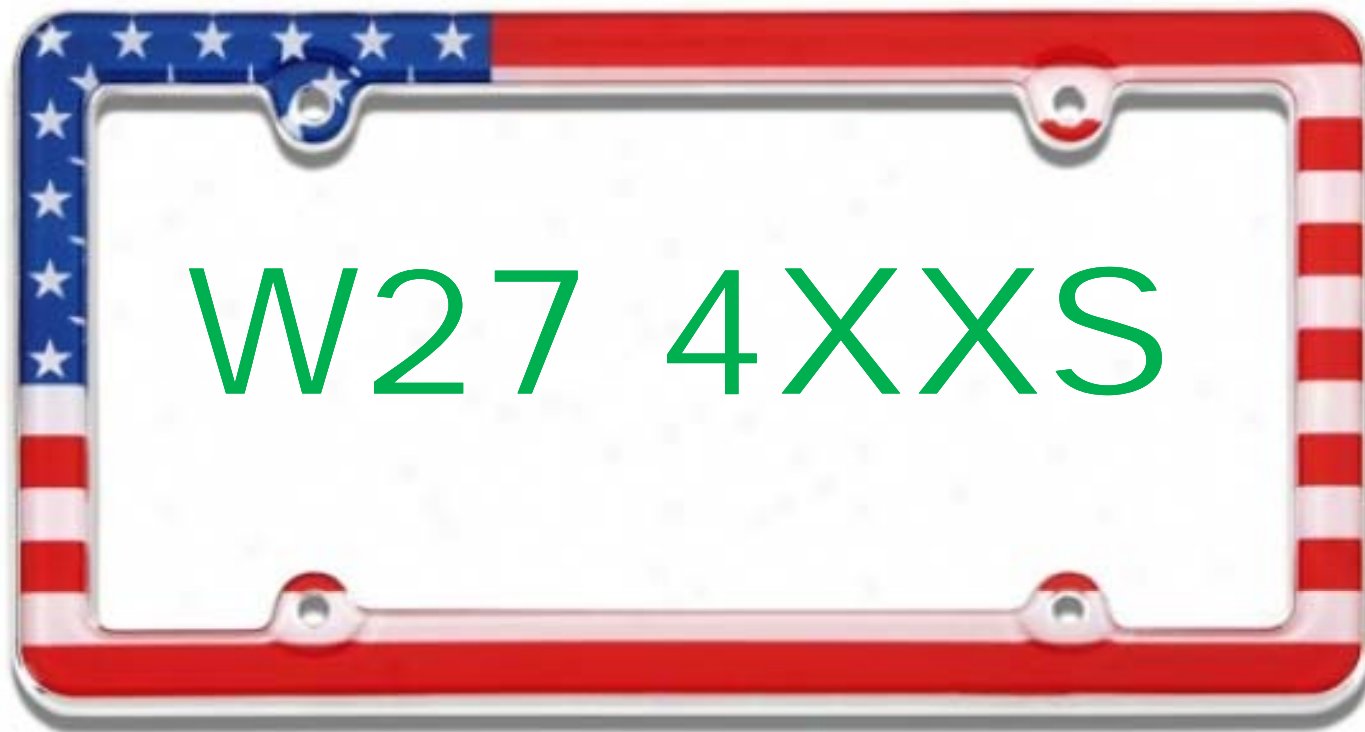
## What will ICD-10 look like?

- Coding for some diagnoses will actually be less complex than for ICD-9

*Example:*

**I10 Hypertension**

# What will ICD-10 look like?





## What will ICD-10 look like?

- Many more diagnoses will require more complex coding

### *Example:*

**SO1451A Open bite right cheek and temporomandibular area, initial encounter**

## What will ICD-10 look like?

- Not all codes have 7 characters, but in general:
  - The first 3 characters identify the category of disease/condition
  - The next 3 identify etiology, anatomic site, and/or severity
  - The 7<sup>th</sup> character is used as an “extension” when needed (e.g., type of encounter)

# What will ICD-10 look like?

*Another example:*

**W2202xA Walked into a lamppost, initial encounter**

# What will ICD-10 look like?

*Not to be confused with:*

**W2203xD Walked into furniture, subsequent encounter**

# What will ICD-10 look like?

*Oh, and that “license plate”?*

**W274xxS**

**Contact with kitchen utensil, sequela**

## What will ICD-10 look like?

- For some diagnoses, especially those related to injuries, the coding possibilities have really multiplied
- Besides the code for the injury itself, numerous additional codes are available to give detail regarding the circumstances surrounding the injury

## What will ICD-10 look like?

- The detail regarding injuries is especially notable when the injuries involve an animal
- There are 10 codes just for “chicken-related” injuries, plus the same for those related to turkeys, geese, ducks, birds, etc.
- *...and was the bite from a parrot or a macaw?*

# What will ICD-10 look like?

- Place of occurrence

## *Example:*

The injury occurred — not just in a “residential dwelling,” but was it the kitchen, dining room, driveway, garden, etc.?



# What will ICD-10 look like?

- Activity

## *Example:*

A multitude of codes are available to reflect what the patient was doing at the time of the injury, everything from riding a rollercoaster to playing the piano

# What will ICD-10 look like?

- Status

## *Example:*

These codes indicate the patient's status, such as a civilian working for pay, a volunteer, a member of the military, etc.

## What will ICD-10 look like?

- Just as for ICD-9-CM, there are official coding guidelines for ICD-10, developed by CMS and NCHS and approved by the AHA and AHIMA
- The layout and many of the basic concepts in the guidelines have stayed the same, but there are key differences for some coding scenarios

## What will ICD-10 look like?

- Besides injuries, some of the other areas where guidelines and coding conventions have changed include:
  - Laterality
  - Episodes of care
  - Trimesters of pregnancy
  - Clinical concepts (e.g., time frames for acute MI)
  - Wording/meanings (e.g., “and” means “and/or”)

# Common Myths about ICD-10

- **Myth:**

*“We’ve heard this before about ICD-10 and lots of other things and then at the last minute, they end up delayed. I don’t think it’s going to happen, so I’m not going to worry about it!”*

- **Reality:**

While it is impossible to know the future with 100% certainty, the U.S. Department of Health and Human Services has said there are no plans to extend the compliance date again – and CMS has said they will be ready for implementation on **10/1/14**

# Common Myths about ICD-10

- **Myth:**

*“Our doctors say this is just a systems ‘fix,’ and we can let our IT department worry about it”*

- **Reality:**

- There is indeed a systems change needed, but that is only the beginning in preparation for the transition to ICD-10
- Many other areas of your clinic/facility may be impacted by ICD-10 such as nursing and patient accounting

# Common Myths about ICD-10

- **Myth:**

*“My administrator says this is just a coding issue and to let the coders take care of it”*

- **Reality:**

- Your coders will face a huge challenge transitioning to ICD-10, but it is **much more** than a coding problem!
- It has the potential to severely disrupt the revenue cycle if the organization does not recognize the need to train staff across the board

# Common Myths about ICD-10

- **Myth:**

*“Ok, so we have to train lots of staff. How hard is it to learn a few new codes?”*

- **Reality:**

The transition to ICD-10 is not the same as an annual code change and can't be accomplished in a one-hour department meeting. Besides the sheer number of new codes, the increased complexity and specificity will require in-depth training for coders and at least a peripheral knowledge for many other staff.



# Common Myths about ICD-10

- **Myth:**

*“So can’t we just ‘crosswalk’ the old codes to the new ones?”*

- **Reality:**

There is not a complete crosswalk available due to multiple factors

## Common Myths about ICD-10

- There is “GEM” (General Equivalency Mapping), which does show ICD-9 codes mapped to ICD-10 codes
- It is primarily for data reporting and will be useful to payers and for monitoring morbidity/mortality and the like

## Common Myths about ICD-10

- GEM cannot be used as a complete crosswalk for coding purposes for a number of reasons, including:
  - There are new concepts and guidelines specific to ICD-10
  - There are many ICD-9 codes that could crosswalk to multiple ICD-10 codes
  - There are some cases where multiple ICD-9 codes are reported with just one ICD-10 code, but there may be a lack of the exact language needed to crosswalk appropriately

# Common Myths about ICD-10

- **Myth:**

*“We have an EHR, so all our providers have to do is pick from a dropdown box. It will be easier than ICD-9!”*

- **Reality:**

While assigning the code may be a quick click, it is the supporting documentation that is going to be a big challenge for providers, especially for certain conditions (e.g., asthma, pregnancy, fractures)

# Common Myths about ICD-10

- **Myth:**

*“Every code is so highly specific that we won’t even be able to code for some cases due to shortcomings in our providers’ documentation”*

- **Reality:**

There actually are unspecified codes available in ICD-10, but the question will be when payer policies will require specificity

# ICD-10 Procedural Coding (PCS)

- ICD-10-PCS is the new inpatient hospital coding system
- The new procedure coding system bears little resemblance to the current ICD-9 procedure coding system
- Physicians and hospitals will not only be changing to ICD-10-CM, but hospitals will also need to begin using ICD-10-PCS codes for facility coding of any inpatient procedure performed

## *Example*

Laparoscopic Appendectomy

ICD-9-CM Procedure Code: **47.01**

ICD-10-PCS Code: **0DTJ4ZZ**

# ICD-10-PCS: Structure

- **ICD-10-PCS has a completely different structure**
  - ICD-10-PCS codes are made up of 7 distinct characters. Each character is an axis of classification that is specific to the procedure performed:
    - Section
    - Body System
    - Root Operation
    - Body Part
    - Approach
    - Device
    - Qualifier

# ICD-10-PCS: Structure

All 7 characters must be specified to be a valid code

## *Example*

**ODTJ4ZZ**- Laparoscopic Appendectomy

- **O** - Section
- **D** - Body System
- **T** - Operation
- **J** - Body Part
- **4** - Approach
- **Z** - Device
- **Z** - Qualifier



## ICD-10-PCS: Structure

- Each character contains up to 34 possible values
- Each value represents a specific option for the general character definition
- The letters O and I are not used so as to avoid confusion with digits 0 and 1
- This new system is more of a process to find the code rather than a fixed set of codes
- **Currently, there are approximately 80,000 ICD-10-PCS codes (compared to just 4,000 for ICD-9!)**

# ICD-10-PCS: Structure

- There are sets of guidelines for each category of the procedure code

## *Example*

The root operation section contains guidelines for multiple procedures, discontinued procedures, bypass, control, diagnostic excision, excision vs. resection, inspection and several others

## ICD-10-PCS: Structure

- Each ICD-10-PCS code is seven characters as is the case with ICD-10-CM
- The first three characters of a procedure can be found in the index, which leads to the tables
- Coders are not required to consult the index before proceeding to the tables to complete a code
  - A valid code may be chosen directly from the tables

# ICD-10-PCS: Documentation

- All seven characters must contain valid codes to be a valid procedure code
  - Therefore, physicians must ensure their documentation is complete and clear
- Documentation that is incomplete for coding purposes will require a physician query to clarify and obtain the detailed information

# ICD-10-PCS: Documentation

## *Example:*

### Resection of appendix **0DTJ**

For resection of the appendix, the provider will need to be specific when documenting the approach and whether the procedure was open or endoscopic — this will allow the coder to code the procedure appropriately

**0DTJ4ZZ** - Resection of appendix, percutaneous endoscopic approach, no device, no qualifier

**0DTJ0ZZ** - Resection of appendix, open approach, no device, no qualifier

## So how can we prepare?

- Important first steps to consider:
  - Be sure your budget includes ICD-10 implementation
  - Get appropriate management and staff on board from the start
  - Establish a realistic timeline for your organization
  - Begin high-level training **NOW**, with more to follow on a regular basis up to implementation

## ICD-10 Timeline

- This will also vary by organization, but some key points include:
  - Implementation should be done in a phased approach
  - Include ICD-10 transition discussion into general staff meetings
  - Whether your practice is large or small, don't underestimate the scope of this transition

## Getting Management & Staff on Board

- It is imperative that your managers and staff understand the far-reaching implications of ICD-10 and take ownership in what they need to do in their respective areas
- For most organizations, a physician “champion” can also help immensely in the effort to make his/her peers realize they must be part of the process



# Budgeting for ICD-10

## *Some things to consider when budgeting for ICD-10:*

- Inventory systems that will require changes to support ICD-10
- Software vendors may charge additional fees for application upgrades and support services
- ICD-10 training for staff

# Training for ICD-10: Coders

- It is **NOT TOO EARLY** to start
- Initial training for coders as to ICD-10 structure and guidelines can start now
- In late **2013** and throughout **2014** coders should have intense training
- AAPC-certified coders will need to pass a “proficiency exam” between October 1, 2013 and October 1, 2015, to retain their credentials
- AHIMA will be requiring additional CEUs specific to ICD-10 for coders

# Training for ICD-10: Physicians

- Part of the training for physicians and other practitioners is ongoing monitoring and feedback on their coding and documentation
- Start now by looking at how their documentation stacks up with ICD-9
  - That will help ease the transition to ICD-10 because they will be aware of the need for better accuracy and more specificity in their documentation

## Training for ICD-10: Non-clinical Staff

- High level overviews should happen in **2013** so that staff are aware and can start to think about how they will be impacted and what they can do to help the organization make a smooth transition
- It is recommended that organizations identify every person and place where ICD-9 codes are used/needed/referred to, etc., in order to help plan the scope of training needed
- It is estimated the non-clinical administrative staff will need at least 8 hours of training

## In Summary

- ICD-10 is coming, “ready or not”
- Your organization will be best served by facing the challenges now, assessing the areas needing attention, and making arrangements for appropriate training
- CliftonLarsonAllen (CLA) and Fredrikson Healthcare Consulting (FHC) are ready to assist your organization with this important initiative

# Contact Information

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