ICD-10

Aurum Network
Learning Objectives

• Explain the key fundamentals of ICD-10
• Discuss the impact of ICD-10 for your organization
• Understand what the ICD-10 implementation priorities are now and some of the steps your organization needs to be taking to be ready

ICD-10 implementation date is 10/1/2015!
ICD-10 Introduction

• In January 2009, the federal government determined the U.S. would upgrade to the 10th revision of the ICD as of October 1, 2014.
  – ICD-10-CM (Clinical Modification)
    • Used to assign diagnosis codes
    • A clinical modification of ICD-10 developed by the National Center for Health Statistics (NCHS), a division of the Centers for Disease Control and Prevention (CDC)
  – ICD-10-PCS (Procedural Coding System)
    • Unique to the US and independent of ICD-10, but designed to complement the structure of ICD-10
    • Developed by the Centers for Medicare and Medicaid Services (CMS) with 3M’s health information systems division
    • Used to assign procedure codes for the inpatient setting
Who Does ICD-10 Impact?

• ICD-10-CM (diagnosis coding) impacts anyone who is covered under HIPAA
  ➔ Physicians
  ➔ Home Health
  ➔ SNF
  ➔ Rehab

• ICD-10-PCS (procedure coding) impacts anyone who submits claims for inpatient procedures on a UB04
  ☆ ICD-10-PCS does not impact outpatient procedure coding (CPT codes)
# Differences Between ICD-9-CM & ICD-10-CM

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-CM</th>
</tr>
</thead>
<tbody>
<tr>
<td>808.41</td>
<td>S32.311A</td>
</tr>
<tr>
<td>Closed fracture of Ilium</td>
<td>Displaced avulsion fracture of right Ilium, initial encounter for closed fracture</td>
</tr>
<tr>
<td>3-5 characters in length</td>
<td>3-7 characters in length</td>
</tr>
<tr>
<td>Approximately 13,000 codes</td>
<td>Approximately 70,000 codes</td>
</tr>
<tr>
<td>First digit may be alpha or numeric; digits 2-5 are numeric</td>
<td>First character is alpha; digits 2 and 3 are numeric; digits 4-7 are alpha or numeric</td>
</tr>
</tbody>
</table>
Differences Between ICD-9-CM & ICD-10-CM

- Structure of ICD-10 diagnosis codes:
  - Characters 1-3: Category
  - Characters 4-6: Etiology, anatomic site, severity, or other clinical detail
  - Character 7: Extension
- Example: Code S52.521A
Differences Between ICD-9-CM & ICD-10-PCS

• ICD-9-CM example:
  – 81.51 (total hip replacement)

• ICD-10-PCS example:
  – 0SR901A (Replacement of right hip joint with metal synthetic substitute, uncemented, open approach)

<table>
<thead>
<tr>
<th>Character</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td></td>
<td></td>
<td>Section</td>
<td>Body System</td>
<td>Root</td>
<td>Body Part</td>
<td>Approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Root Operation</td>
<td>Body Part</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ICD-10 Code Growth

<table>
<thead>
<tr>
<th></th>
<th>ICD-9</th>
<th>ICD-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICD-9-CM</td>
<td>10000</td>
<td></td>
</tr>
<tr>
<td>ICD-10-CM</td>
<td>70000</td>
<td></td>
</tr>
<tr>
<td>ICD-9-PCS</td>
<td>20000</td>
<td></td>
</tr>
<tr>
<td>ICD-10-PCS</td>
<td>60000</td>
<td></td>
</tr>
</tbody>
</table>
Why The Increase in Codes?

Greater specificity and detail:

– 34,250 (50%) of all ICD-10-CM codes are related to the musculoskeletal system.
– 17,045 (25%) of all ICD-10-CM codes are related to fractures.
– 10,582 (62%) of fracture codes distinguish right from left.
– 25,000 (36%) of all ICD-10-CM codes distinguish right from left.
Reasons for Change

- ICD-9 is 30 years old
  - Outdated terminology
  - No room for expansion
  - Inconsistent with current medical practices
  - Produces limited data about patient condition
- The need for a more specific coding system
  - Quality
  - Reimbursement
  - Better data
Reasons for Change

• Greater interest in more specific coding
  – Increased interest in using administrative data for quality reporting
  – Enhance reimbursement
  – Facilitate evaluation of medical processes and outcomes
  – Better data to support performance measurement, outcome analysis, cost analysis and monitor resource utilization
ICD-10 Benefits

• Reduce ambiguity
• Enhance system flexibility for new codes
• Better description of current medical terminology and technology
• Expanded detail
• Data transparency for reimbursement and compliance efforts
• Incorporate recommended revisions to ICD-9-CM that could not be accommodated
• Improve collection and tracking of new diseases and technologies
• Space to accommodate new codes in the future!
Risks of Failure to Implement

• Failure to properly implement ICD-10 could potentially:
  – Create coding and billing backlogs
  – Create cash flow issues
  – Cause an increase in rejected or denied claims
  – Shift payments
  – Create additional unnecessary work

• Inaccurate coding of medical services can lead to distorted or misinterpreted information regarding patient care which could lead to poor decisions to improve healthcare delivery

  *If you don’t transition to ICD-10, you will not get paid!*
Impact

Aurum Network
General Impacts

- The transition to ICD-10 impacts many departments within healthcare organizations, including but not limited to:
  - HIM
  - Physicians/Non-Physicians
  - Finance
  - Billing
  - Utilization review
  - IT
General Impacts

• System/software
  – Internal applications
  – Vendor readiness
  – Clearinghouses
  – Other external partners

• Reimbursement
  – General Equivalent Mapping (GEMs)
  – Reimbursement mapping
  – Case mix
General Impacts

• Cash flow
  – Delayed claims submission
  – Increased physician queries
  – Coding errors
  – Payment errors

• Medical documentation and coding
  – Forms (OASIS-C1)
  – Initial decrease in coding productivity
  – Increased specificity in documentation
  – Physician queries
Documentation

• ICD-10 codes are more specific therefore, medical documentation will need to be more specific. This could impact:
  – Physician chart notes
  – MDS forms
  – OASIS-C1 forms
  – Inpatient Rehab Patient Assessment Instrument
  – Nurse visits

• Increased specificity does not mean those documenting will need to completely change how they document

• Correct documentation will be critical for appropriate coding and correct payment
Documentation

- The importance of consistent and complete documentation by physicians and non-physicians cannot be overemphasized.
- Documentation from anyone involved in the treatment of a patient can be used to support services billed.
- Diagnosis and procedure code expansion is due to additions for laterality, site and cause.
Medical Coding

• Correct coding on claims or other forms is directly impacted by correct documentation

• Most ICD-9 codes do not have a 1 to 1 match to an ICD-10 code for either diagnosis or procedure codes
  – ICD-9 diagnosis code for closed fracture of the head of radius crosswalks to 6 new ICD-10 codes based on encounter (initial, subsequent, sequela) and type (displaced or non-displaced)

• ICD-10 contains new guidelines for sequencing diagnosis codes
Billing

• Tracking denials
• Ability to understand if a denial is correct or needs review
• Responsible for backlog (may have current ICD-9 issues to clear up as well as ICD-10)
• Responsible for working with patients and patient families on questions around how claims processed after 10/1/14
Information Technology

- Software will need to accommodate both ICD-9 and ICD-10
- Both ICD-9 and ICD-10 codes will need to be transmitted out on claims
- Code acceptance within internal applications
Finance/Accounting

• Impact may include:
  – Determining incorrect payments
  – Working with contracts that contain ICD-9 language
  – Working with payers to correct incorrectly paid claims
  – ICD-10 budgeting

• Important note: organizations will want to work with finance to ensure they have a financial cushion for the first few months of ICD-10!
Skilled Nursing Facilities

- MDS (Medicare Data Sets) forms do have a section for additional diagnosis codes
  - Diagnosis codes not required and do no directly affect payment on the MDS form
  - Diagnosis codes within this form are not required, but any codes listed must have appropriate supporting documentation
- UB forms and any physician forms will need to contain ICD-10 codes
Rehabilitation

- ICD-10 diagnosis codes will need to be used on the UB04 claim form for inpatient services
- ICD-10 codes will need to be used on the Inpatient Rehab Facility-Patient Assessment
- ICD-10 coding will require an understanding of etiology and manifestation coding conventions, and coding guidelines for late effects of illness and injury and chronic conditions.
- Increased documentation specificity
Hospice

- Physician services are impacted by ICD-10 codes
- Inpatient services provided will need to be coded with ICD-10
- Potential impact to quality reporting
- Coding and documentation compliance
- CMS will eventually not allow debility and failure to thrive as primary diagnosis codes for terminal illness
Additional Challenges for Post Acute Care

- Coding and sequencing will vary depending on circumstances of admit or continued stay
- Codes assigned at admission and different points throughout patient stay, so the primary diagnosis code and sequencing will depend on when coding is done
Organization

ICD-10

- IT Billing Revenue Cycle
- Physicians Non-physicians Coders
- Dept Managers Compliance Auditors
- Quality Review Senior Management Utilization Review
Overall Planning

- Perform an organizational assessment
  - Create an inventory of software impacted
  - Assess vendor readiness
  - Determine training needs for staff (time and budget)
  - Create an inventory of internal documents that contain ICD-9 codes
  - Determine if there are any contracts other than Medicare and Medicaid that will need updating
  - Determine if and when a documentation gap analysis needs to be done
Planning - Education

• Who needs education?
• Coders will need the most extensive education
• Budget for your educational needs
Planning- Documentation Enhancement

• Work with your staff
• Have a gap analysis done to see where your staff is today and what needs to change
  – Is there enough specific documentation today to allow coders to cross code to ICD-10?
• Have a report generated showing what diagnosis codes and what procedure codes have been billed in the past year
• Focus on top diagnosis or procedure codes billed
Planning- IT

• Systems
  – Allow sufficient time for testing
  – Find out when your external partners will be ready for testing
  – Perform internal and external testing
  – Track issues and resolve them
  – Allow time to test again after issues have been resolved
  – Systems will need to be able to split bill for services spanning September-October 2014
Post-Implementation

Aurum Network
Post-Implementation

- The final phase of ICD-10 implementation is monitoring progress after 10/1/2015
  - Monitor software upgrades
  - Review coded claims for quality
  - Perform additional training as needed
  - Assess impact to case mix data
  - Track claims payment
Questions
Resources

CMS


American Health Information Management Association (AHIMA)

- AHIMA Home - American Health Information Management Association

Centers for Disease Control

- ICD - ICD-10-CM - International Classification of Diseases, Tenth Revision, Clinical Modification

Updated CMS 1500 form

Thank you! Please contact me if there is anything I can help you with:

Karla VonEschen, CPC
AHIMA Approved ICD-10-CM/ICD-10-PCS Trainer
612-376-4603
karla.voneschen@CLAconnect.com