ICD-10 Transition
Provider Roadshow

October 2012
About ICD-10

- ICD-10 CM for diagnosis coding
  - For use in all US healthcare settings
  - Uses 3 to 7 digits instead of the 3 to 5 digits

- ICD-10-PCS for inpatient procedure coding
  - For use in US patient hospital settings only
  - Uses 7 alphanumeric digits instead of the 3 or 4 numeric digits
  - Much more specific and substantially different
ICD-10 Update

- HHS announced the final rule that delayed the ICD-10 compliance date from October 1, 2013 to October 1, 2014

- BCBSLA plans to implement ICD-10 by the compliance date

- BCBSLA will only accept ICD-10 codes as of the compliance date
Who needs to transition?

ICD-10 affects diagnosis and inpatient procedure coding for everyone covered by Health Insurance Portability Accountability Act (HIPAA), not just those who submit Medicare and Medicaid claims. The change does not affect CPT coding for outpatient procedures.

– Providers
– Payers
– Clearinghouses
– Billing Services
Transitioning to ICD-10

- Identify your current systems and work processes that use ICD-9 codes
- Discuss implementation plans with all of your clearinghouses, billing services, and payers to ensure a smooth transition
- Identify potential changes to work flow and business processes
- Assess staff training needs
- Budget for time and costs related to ICD-10 implementation, including expenses for system changes, resource materials, and training
- Conduct test transactions using ICD-10 codes with your payers and clearinghouses
BCBSLA Transition Plan

Completed Activities

– Identified ICD-10 Team
– Conducted Impact Assessment
– Completed Code Mapping
– Gathered Business Requirements

In Progress Activities

– Remediating Systems
– Developing Test Plans

Future Activities

– Conduct Internal Testing
– Conduct External Testing (Providers, Clearinghouses, Trading Partners, and Software Vendors)
– Develop/Deliver Training
– Implement Business Process and System Changes
– Process ICD-10 Claims on 10/1/14
CMS Resources

http://www.cms.gov/ICD10

Keep up to date...

- Sign up for CMS ICD-10 industry email updates
- Follow @CMSGov on Twitter
- Subscribe to Latest News Page Watch
CMS Provider Resources

http://www.cms.gov/Medicare/Coding/ICD10/ProviderResources.html

• Understanding the Basics
  – ICD-10 Introduction
  – ICD-10 FAQ’s
  – Basics for Medical Practices

• Implementation Guides and Templates
  – Small Hospitals
  – Small and Medium Provider Practices
  – Large Provider Practices
Provider Packet CD

1. Today’s presentation
2. CMS ICD-10 Introduction
3. CMS ICD-10 FAQ’s
4. CMS Basics for Medical Practices
5. CMS Small Hospital Implementation Guide and Templates
6. CMS Small and Medium Provider Practices Implementation Guide and Templates
7. CMS Large Provider Practices Implementation Guide and Templates
Appendix

1. CMS ICD-10 Introduction
2. CMS ICD-10 FAQ’s
3. CMS Basics for Medical Practices
The ICD-10 Transition: An Introduction

The ICD-9 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets. This fact sheet provides background on the ICD-10 transition, general guidance on how to prepare for it, and resources for more information.

About ICD-10

ICD-10-CM/PCS (International Classification of Diseases, 10th Edition, Clinical Modification /Procedure Coding System) consists of two parts:

1. ICD-10-CM for diagnosis coding
2. ICD-10-PCS for inpatient procedure coding

ICD-10-CM is for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar.

ICD-10-PCS is for use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding. Coding under ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.

The transition to ICD-10 is occurring because ICD-9 produces limited data about patients’ medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice. Also, the structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are full.

Who Needs to Transition

ICD-10 will affect diagnosis and inpatient procedure coding for everyone covered by Health Insurance Portability Accountability Act (HIPAA), not just those who submit Medicare or Medicaid claims. The change to ICD-10 does not affect CPT coding for outpatient procedures.
Health care providers, payers, clearinghouses, and billing services must be prepared to comply with the transition to ICD-10, which means:

- All electronic transactions must use Version 5010 standards, which have been required since January 1, 2012. Unlike the older Version 4010/4010A standards, Version 5010 accommodates ICD-10 codes.
- ICD-10 diagnosis codes must be used for all health care services provided in the U.S., and ICD-10 procedure codes must be used for all hospital inpatient procedures. Claims with ICD-9 codes for services provided on or after the compliance deadline cannot be paid.

**Transitioning to ICD-10**

It is important to prepare now for the ICD-10 transition. The following are steps you can take to get started:

- **Providers** – Develop an implementation strategy that includes an assessment of the impact on your organization, a detailed timeline, and budget. Check with your billing service, clearinghouse, or practice management software vendor about their compliance plans. Providers who handle billing and software development internally should plan for medical records/coding, clinical, IT, and finance staff to coordinate on ICD-10 transition efforts.

- **Payers** – Review payment policies since the transition to ICD-10 will involve new coding rules. Ask your software vendors about their readiness plans and timelines for product development, testing, availability, and training for ICD-10. You should have an implementation plan and transition budget in place.

- **Software vendors, clearinghouses, and third-party billing services** – Work 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.

*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.*
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 HIPAA is able to successfully conduct health care transactions using ICD-10 codes.

   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 HIPAA 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 compliance deadline 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 compliance date 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 compliance date. 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.
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 [www.cms.gov/ICD10](http://www.cms.gov/ICD10).

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 payers page at [www.cms.gov/ICD10](http://www.cms.gov/ICD10) 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 [vendors](http://www.cms.gov/ICD10) and their customers prepare for a smooth transition to ICD-10. Visit [www.cms.gov/ICD10](http://www.cms.gov/ICD10) to find out more.
12. Where can I find the ICD-10 code sets?

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

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 compliance deadline. 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.
ICD-10 Basics for Medical Practices

The ICD-10 transition takes planning, preparation, and time, so medical practices should continue working toward compliance. The following quick checklist will assist you with preliminary planning steps.

- **Identify your current systems and work processes that use ICD-9 codes.** This could include your clinical documentation, encounter forms/superbills, practice management system, electronic health record system, contracts, and public health and quality reporting protocols. It is likely that wherever ICD-9 codes now appear, ICD-10 codes will take their place.

- **Talk with your practice management system vendor about accommodations for ICD-10 codes.**
  - Confirm with your vendor that your system has been upgraded to Version 5010 standards, which have been required since January 1, 2012. Unlike the older Version 4010/4010A standards, Version 5010 accommodates ICD-10 codes.
  - Contact your vendor and ask what updates they are planning to make to your practice management system for ICD-10, and when they expect to have it ready to install.
  - Check your contract to see if upgrades are included as part of your agreement.
  - If you are in the process of making a practice management or related system purchase, ask if it is ICD-10 ready.

- **Discuss implementation plans with all your clearinghouses, billing services, and payers to ensure a smooth transition.** Be proactive, don’t wait. Contact organizations you conduct business with such as your payers, clearinghouse, or billing service. Ask about their plans for ICD-10 compliance and when they will be ready to test their systems for the transition.

- **Talk with your payers about how ICD-10 implementation might affect your contracts.** Because ICD-10 codes are much more specific than ICD-9 codes, payers may modify terms of contracts, payment schedules, or reimbursement.

- **Identify potential changes to work flow and business processes.** Consider changes to existing processes including clinical documentation, encounter forms, and quality and public health reporting.

---

**Background**

**NEW ICD-10 DEADLINE OCT 1, 2014**

**About ICD-10**

ICD-10 CM/PCS (International Classification of Diseases, 10th Edition, Clinical Modification/Procedure Coding System) consists of two parts:

- **ICD-10-CM** (diagnosis coding) was developed by the Centers for Disease Control and Prevention for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar.

- **ICD-10-PCS** (inpatient procedure coding) was developed by the Centers for Medicare & Medicaid Services (CMS) for use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding. Coding under ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.

The transition to ICD-10-CM/PCS does not affect Current Procedural Terminology (CPT) codes, which will continue to be used for outpatient services.

Visit [www.cms.gov/ICD10](http://www.cms.gov/ICD10) for ICD-10 and Version 5010 resources from CMS.
☐ **Assess staff training needs.** Identify the staff in your office who code, or have a need to know the new codes. There are a wide variety of training opportunities and materials available through professional associations, online courses, webinars, and onsite training. If you have a small practice, think about teaming up with other local providers. For example, you might be able to provide training for a staff person from one practice, who can in turn train staff members in other practices. Coding professionals recommend that training take place approximately six months prior to the ICD-10 compliance deadline.

☐ **Budget for time and costs related to ICD-10 implementation, including expenses for system changes, resource materials, and training.** Assess the costs of any necessary software updates, reprinting of superbills, trainings, and related expenses.

☐ **Conduct test transactions using ICD-10 codes with your payers and clearinghouses.** Testing is critical. You will need to test claims containing ICD-10 codes to make sure they are being successfully transmitted and received by your payers and billing service or clearinghouse. Check to see when they will begin testing, and the test days they have scheduled.

---

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.