ICD-10 Compliance Project
November 2013 update
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Countdown as of November 1, 2013

ICD-10 IMPLEMENTATION IS LESS THAN ONE YEAR AWAY!
ICD-10 news
ICD-10 implementation

- Per CMS, implementation is **October 1, 2014, with no exceptions.**
- **Only 11 months remain.**
- The countdown clock on the [ICD-10 Information page](#) is ticking away the days until ICD-10 implementation.
- Are you ready?
- Visit the [ICD-10 Information page](#) at indianamedicaid.com for ICD-10 news updates.
ICD-10 forms update
ICD-10 forms update
1500 Health Insurance Claim Form

On June 10, 2013, the White House Office of Management and Budget (OMB) approved the revised 1500 Health Insurance Claim Form (version 02/12) (CMS-1500 claim form). CMS announced that it would allow, but not require, providers to submit claims for Medicare beneficiaries beginning January 6, 2014. CMS would require that all CMS-1500 paper claims submitted on or after April 1, 2014, be submitted on the revised CMS-1500 claim form.

All payers should be modifying their paper claim processing to accommodate the revised form sometime between the dates of January 6 - March 31, 2014.
ICD-10 forms update
1500 Health Insurance Claim Form

Here is the Medicare and Medicaid timeline for the transition to the revised CMS-1500 claim form:

- **January 6, 2014**: Payers begin receiving and processing paper claims submitted on the revised CMS-1500 claim form (version 02/12).

- **January 6 through March 31, 2014**: Dual-use period during which payers continue to receive and process paper claims submitted on the old CMS-1500 claim form (version 08/05), as well as the revised CMS-1500 claim form (version 02/12).

- **April 1, 2014**: Payers receive and process paper claims submitted only on the revised CMS-1500 claim form (version 02/12).
ICD-10 forms update
1500 Health Insurance Claim Form

For more information about the revised CMS-1500 claim form, including instructions for completing and submitting the form, see IHCP Provider Bulletin BT201353.
ICD-10 forms update
Uniform Billing (UB-04) Claim Form

Although the Uniform Billing (UB-04) claim form is not being updated for ICD-10, you will be required to use ICD-9 or ICD-10 version indicators on the existing form.

For more information about UB-04 claim form, see IHCP Provider Bulletin BT201352.
ICD-10 APR-DRG update
What is the DRG?

The APR-DRG is the classification system used for reporting acute care/inpatient hospital services.

The development of APR-DRG expanded the AP-DRG to handle resource intensity, severity of illness, and mortality risk.

There are 314 base DRGs subdivided into 1,258 APR-DRGs.
Diagnosis-related group (DRG)

- DRGs are an inpatient classification scheme which provides a means of relating the type of patient a hospital treats to the cost incurred by the hospital\(^1\)
- DRGs are the basis for payments to hospitals under a prospective payment system
- DRG payment method uses diagnoses and procedures and certain patient demographics: age, gender, birth weight (as applicable)
- DRG follows established decision trees to determine the DRG assignment
  - Start with principal diagnosis
  - Considers secondary diagnoses
  - Considers major and minor operating room procedures

\(^1\) Source – 3M™ Health Information Systems
Diagnosis-related group (DRG) selection

All Patient Refined (APR) was selected as the grouper for ICD-10-based DRG assignment.

- Accurately captures Medicaid population and is used in other states
- Licensed by many hospitals in Indiana (60 of 99)
- Available first-quarter 2014
Diagnosis-related group (DRG) Selection

The 3M™ APR-DRG will be used for ICD-10, but will not replace the AP-DRG version 18 currently in use for dates of service (DOS) before the ICD-10 effective date, October 1, 2014.

It is our intent to move forward with APR-DRG methodology on the CMS ICD-10 effective date, October 1, 2014.

Vendor testing with the APR-DRG will begin in March 2014.

Additional information about testing will be provided in upcoming IHCP publications and on the ICD-10 Testing web pages.
APR-DRG grouping and the ICD-10 transition

The IHCP will implement the APR-DRG (grouper) version 30 for inpatient claim processing.

- Claims submitted with ICD-10 diagnosis and procedure codes on or after October 1, 2014, will group via the APR-DRG
- Claims submitted in ICD-10 will be crosswalked to ICD-9 for grouping
Level of care/DRG reimbursement methodology

The IHCP reimburses for hospital inpatient claims on a level of care (LOC)/diagnosis-related group (DRG) hybrid reimbursement system for hospitals. This hybrid system consists of two distinct reimbursement methodologies:

- The DRG system reimburses based on the following criteria: diagnoses, procedures, age, gender, and discharge status
- The LOC system reimburses psychiatric, burn, and rehabilitation cases on a *per diem* basis
Level of care/DRG reimbursement methodology

The IHCP will continue with the following for ICD-10:

- DRG system will reimburse a per-case rate according to diagnoses, procedures, age, gender, and discharge status
- Continue with level of care (LOC) system for select cases on a per diem basis
Claims processing and rates

Claims processing methods will remain the same; however, the actual rates may change.

- DRG rate per case or LOC
- Capital rate
- Medical Education rate
- Outlier payment, if applicable
- Transfers
Diagnosis-related group (DRG) medical policy

- The ICD-10 medical policy team identified all affected policies, policy enforcements, business rules, and communications that are affected by ICD-10.
- Policies were updated based on 2013 ICD-10 codes.
- The team continues to perform DRG analytics to make final recommendations on the viability of mapping for DRG assignments.
- ICD-10 medical policy changes will be published via IHCP bulletins beginning first-quarter 2014.
Diagnosis-related group (DRG) Vendor testing

- Testing is scheduled for March – July 2014
- Claims processing and end-to-end testing, including testing with the new APR-DRG
- Testing information will be provided in upcoming IHCP publications and on the ICD-10 Testing web pages at indianamedicaid.com
ICD-10 testing update
ICD-10 testing

Vendor testing

- The IHCP is testing ICD-10 system changes with vendors
- Focused ICD-10 vendor testing including the APR-DRG is scheduled for March – July 2014
- This testing is designated for claims processing and end-to-end testing, including testing with the new grouper, new and updated policies, and Myers and Stauffer reimbursement rate updates.
- Clearinghouses and software vendors may request the adjudication results of test claims submitted. These results can then be passed on to the providers.
ICD-10 testing
Vendor testing

For information about vendor testing, contact us at INXIXTradingPartner@HP.com

For information about submitting ICD-10 test claims, visit the following at indianamedicaid.com:

- ICD-10 Testing – MCEs and Extract Vendors page
- ICD-10 Testing – Software and Clearinghouse Vendors page

Watch your Inbox for the quarterly testing newsletter or visit the ICD-10 Testing web pages for a link to the newsletters (past and present).
Your ICD-10 questions
Your ICD-10 questions

Question 1: Regarding the DRG relative weights, will the state supply the weights, or should we use the DRG weights supplied by 3M™ the APR-DRG vendor?

Answer 1: Myers and Stauffer, the state’s rate contractor, will supply the weights for the DRG.

Question 2: What version of ICD-10 codes does the grouper include?

Answer 2: The APR-DRG will use the most recent version of the ICD-10 codes available. Testing with APR-DRG is scheduled to begin in January 2014.
Question 3: What grouper version is being used?

Answer 3: The 3M™ APR-DRG begins testing the first quarter of 2014, but will not go live until October 1, 2014. We will be using version 30 of the grouper at that time. The AP-DRG version 18 will remain the same for ICD-9 coded claims unless there is a change in implementation of ICD-10 by CMS. If that occurs, there may need to be consideration given to updating the AP-DRG. Any such decision would be included in IHCP publications.
Question 4: What standard fields are being used in the new grouper for ICD-10?

Answer 4: The IHCP will publish the standard fields that will be used for claims submission in future IHCP publications.
Your ICD-10 questions

Question 5: Will the state of Indiana allow the grouper to be updated to the current version of APR-DRG that is released every October?

Answer 5: As new versions of the APR-DRG are released, the IHCP will review the revision. Any update to the APR-DRG will be covered in future IHCP publication.
Question 6: Can you please advise if you will be processing claims by admission or discharge date as of October 1, 2013, under the APR-DRG?

Answer 6: As of October 1, 2013, claims processing will remain the same as it was before that date. We will continue to use the AP-DRG version 18 for ICD-9 diagnosis codes. This will continue based on date of service (DOS) on or before September 30, 2014. However, on implementation of ICD-10 on October 1, 2014 (claims with dates of service on or after October 1, 2014), the APR-DRG will use the discharge date to process inpatient claims.
We’re all in this together
We’re all in this together
Help us help you

- Stay current on postings and announcements to the [ICD-10 Information page](https://indianamedicaid.com) at indianamedicaid.com.
- Take part in IHCP outreach efforts including workshops and conferences.
- Attend professional association meetings—they all have an ICD-10 segment in their presentations.
- Respond to polls, whether issued by the IHCP or one of our association partners, such as ISMA and IHA.
- Be proactive—if you haven’t started your planning and assessment, begin now.
- If you haven’t been contacted by your vendors contact them.
We’re all in this together
Help us help you

- Become familiar with ICD-10 code sets now.
- If you are a coder, you will be required to know ICD-10 codes to renew your certification.
- Analyze the codes that are used most frequently in your office—that’s the best place to start.
- Code one claim a day from ICD-9 to ICD-10 to become familiar.
- If you code claims in your office, don’t put off purchasing the ICD-10 code books.
We’re all in this together
Help us help you

- If you belong to a user group or regularly attend professional association meetings, discuss ICD-10 with the other attendees; share ideas.
- Set aside a block of time each day, no matter how small, to work on ICD-10.
Communication is key
CMS communications

- CMS has a series of web pages dedicated to **ICD-10** located at [cms.gov](http://cms.gov).
- Subscribe to CMS notices about ICD-10 and other CMS topics by entering your email address in the Receive Email Updates option available on all CMS web pages.
- Visit the CMS **End-to-End Testing** page and review the checklists for task-by-task instructions for preparing for ICD-10 implementation.
- CMS offers ICD-10 training as part of the Medicare Learning Network through the [Medscape Education Modules](http://medscapeeducationmodules).
IHCP communications

- Subscribe to IHCP email notifications to receive emails linking you to the latest provider publications.
  - Look for the blue sign-up envelope at indianamedicaid.com.
- Visit the Newsletters, Bulletins, and Banner Pages sections at indianamedicaid.com and search the index for ICD-10 topics.
- Visit the ICD-10 Information pages at indianamedicaid.com.
- If you submit claims electronically, be sure to visit the Electronic Data Interchange (EDI) Solutions page at indianamedicaid.com.
IHCP communications

- **Caution** – The search feature at indianamedicaid.com may display results that include archived files. The word “archive” will display in the URL for the result. Access to archived information is allowed so topics can be researched as needed. Keep in mind, however, that archived files are not updated and therefore may include outdated and inaccurate information.
Communicate with us

- ICD-10 Questions Mailbox at INXIX.ICD10Questions@hp.com for ICD-10 questions
- ICD-10 vendor testing questions mailbox at INXIXTradingPartner@hp.com
- Provider Relations field consultants contact information is available at indianamedicaid.com
Questions?