A Series of Topics on ICD-10 for State Medicaid Agencies:

1. **What Is ICD-10?**
2. Regulatory Requirements
3. Benefits of Using ICD-10
4. Further Movement along the MITA Road Map - Use of Clinical Data and Interoperability
5. Effective Implementation of ICD-10
6. Potential Programmatic and Technical Problems
7. Impact on MITA Business Processes
8. Forming the Implementation Team
9. MMIS Funding Opportunities
10. Education and Training Processes
11. Partner and Vendor Considerations
12. Monitoring Progress and Post Compliance Date Actions

**ICD-10**

Planning and Assessment

An Informational Series on ICD-10 Planning and Assessment for State Medicaid Agencies

**Training Segment 1**

What Is ICD-10?
Segment 1 - What Is ICD-10?

Objectives of this Segment

- This segment provides an explanation of the ICD-10 Code Set and how it differs from ICD-9
Where Are We Now?

- ICD-9-CM required for use in administrative transactions
  - Diagnoses
  - Inpatient Hospital Procedures
- ICD-9-CM has been in use for many years; required since Oct 2003 by HIPAA
What Is ICD-10?

- ICD-10 is the updated version of codes used for coding:
  - Diagnoses for all providers (ICD-10-CM)
  - Inpatient hospital procedures (ICD-10-PCS)
- ICD-10-CM is the US “clinical modification” of the WHO ICD-10 code set
- ICD-10-PCS is a U.S. creation
- These are “classification” code sets
So, What Is the Big Deal with ICD-10?

- Codes change every year anyway
- Systems and business processes are updated to handle these code set changes
- Transaction version changes (X12 version 5010) will be in place to handle the codes
- Why not business as usual?
Major Changes from ICD-9 to ICD-10

- Not just the usual annual update
- ICD-10 markedly different from ICD-9
- Requires changes to almost all clinical and administrative systems
- Requires changes to business processes
- Changes to reimbursement and coverage
- Will enable significant improvements in care management, public health reporting, research, and quality measurement
- Why?
Specific Changes

- Diagnosis Codes (ICD-9 to ICD-10-CM)
  - From 5 positions (first one alphanumeric, others numeric) to 7 positions, all alphanumerics
  - From 13,000 existing codes to 68,000 codes
  - Much greater specificity
  - Full description and consistency within the code set
  - Uses modern terminology for descriptions
  - Creation of combination diagnosis/symptom codes to reduce the number of codes needed to fully describe a condition
Specific Changes

- Enables laterality (right vs. left designations)
  - It makes a difference whether the right or left limb is the subject of the problem
- Restructures reporting of obstetric diagnoses
  - In ICD-9-CM, the patient is classified by diagnosis in relation to the episode of care.
  - In ICD-10-CM, the patient is classified by diagnosis in relation to the patient’s stage of pregnancy
Difference in Organization

- The ICD-10 codes are organized differently than the ICD-9 codes
- Example:
  - Sense organs have been separated from nervous system disorders
  - Injuries are grouped by anatomical site rather than injury category
  - Postoperative complications have been moved to procedure-specific body system chapter
Structure of ICD-10

category

etiology, anatomic site, severity

extension
Examples of ICD-10-CM Specificity

- Diabetes mellitus (ICD-9-CM category 250) has been split into different category codes in ICD-10-CM
  - E08 Diabetes mellitus due to underlying condition
  - E09 Drug or 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 or chemical induced diabetes mellitus with diabetic peripheral angiopathy with gangrene
  - E10.11, Type 1 diabetes mellitus with ketoacidosis with coma
  - E11.41, Type 2 diabetes mellitus with diabetic mononeuropathy
Examples of ICD-10-CM Specificity

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

- Sports injuries now coded with sport and reason for injury
  - ICD-9 code - Striking against or struck accidentally in sports without subsequent fall (E917.0)
  - 24 ICD-10-CM Detail Codes
Examples of ICD-10-CM Specificity

- W21.00 Struck by hit or thrown ball, unspecified type
- W21.01 Struck by football
- W21.02 Struck by soccer ball
- W21.03 Struck by baseball
- W21.04 Struck by golf ball
- W21.05 Struck by basketball
- W21.06 Struck by volleyball
- W21.07 Struck by softball
- W21.09 Struck by other hit or thrown ball
- W21.31 Struck by shoe cleats
- Stepped on by shoe cleats
- W21.32 Struck by skate blades
- Skated over by skate blades
- W21.39 Struck by other sports foot wear
- W21.4 Striking against diving board

- W21.11 Struck by baseball bat
- W21.12 Struck by tennis racquet
- W21.13 Struck by golf club
- W21.19 Struck by other bat, racquet or club
- W21.210 Struck by ice hockey stick
- W21.211 Struck by field hockey stick
- W21.220 Struck by ice hockey puck
- W21.221 Struck by field hockey puck
- W21.81 Striking against or struck by football helmet
- W21.89 Striking against or struck by other sports equipment
- W21.9 Striking against or struck by unspecified sports equipment
Tonsillitis Example

- Acute tonsillitis expanded at the fourth character (to indicate organism) and fifth character (to indicate acute and recurrent) levels in ICD-10-CM

J03  Acute tonsillitis
    J03.0  Streptococcal tonsillitis
           J03.00  Acute streptococcal tonsillitis unspecified
           J03.01  Acute recurrent streptococcal tonsillitis
Issue – No Clear Mapping

- Not always one ICD-9 to many ICD-10s
- Need more specific information to go from ICD-9 to 10
- NCHS has published “GEMs,” general equivalence tables
  - Not a clear map
Specific Changes to Procedure Code Reporting (ICD-9-CM to ICD-10-PCS)

- New Code Set
- A US creation not used anywhere else
- Change from 5 to 7 positions
- Each position has a specific meaning
Structure of ICD-10 PCS

1. Section
2. Root Operation
3. Approach
4. Body System
5. Body Part
6. Device
7. Qualifier
Characteristics of ICD-10 PCS

- ICD-10-PCS has four basic characteristics
  - Allows for unique coding of procedures (easy to distinguish differences)
  - Room for expansion
  - Standardized terminology
  - Consistency in coding from chapter to chapter
Examples of PCS Code

- ICD-9-CM (sample code)
  - 47.01 Laparoscopic appendectomy
- ICD-10-PCS (sample code)
  - Laparoscopic appendectomy 0DTJ4ZZ
    - 0 - Medical and Surgical Section
    - D - Gastrointestinal system
    - T - Resection (root operation)
    - J - Appendix (body part)
    - 4 - Percutaneous endoscopic (approach)
    - Z - No device
    - Z - No qualifier
Why Make the Changes?

- Modernize terminology
- Increased information for public health, bio-surveillance, quality measurement
- ICD-9-CM running out of codes
Why Does this Matter?

- Diagnoses and procedure codes impact virtually every system and business process in plan and provider organizations, with significant impacts on reimbursements
Provider Impacts

- Documentation of diagnoses and procedures
  - Codes must be supported by medical documentation
  - ICD-10-CM codes are more specific
  - Requires more documentation to support codes
  - Expect a 15% increase in documentation time (per AAPC)
  - Revenue Impacts of specificity
    - Denials
    - Additional Documentation
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

● May need to discuss changes with patients
Provider Impacts

- Relationship with Plans
  - Coding more specific and includes severity
  - Changes will be based on new coding, coverage, and reimbursement
  - Difficult to measure what the changes will mean to overall reimbursement
Provider Impacts

Billing and Eligibility Transactions

- Updated transactions include support for ICD-10
- New codes mean more specificity
- How smooth is the transition?
- Expect increased reject, denials, and pends as both plans and providers get used to new codes
Provider Impacts

- Laboratory and Pharmacy
  - Will need specific ICD-10-CM codes for laboratory orders
  - Expect coverage changes
  - Need to support the tests/drugs ordered
  - Transition issues for prior authorizations
Provider Impacts

- Quality Measures / Pay for Performance (P4P)
  - New measures need to be determined based on ICD-10-CM codes
  - Must renegotiate with provider groups
  - Difficult to measure impact of change – Is it because of code set or because of changes in the underlying practice?
Medicaid Plan Impacts

- Coverage determinations
- Payment determinations
- Medical review policies
- Plan structures
- Statistical reporting
- Actuarial projections
- Fraud and abuse monitoring
- Quality measurements
Expected Implementation and Operational Steps

- Training – not just coders
  - Program staff
  - Administrative staff
  - Systems staff

- Business Process Analysis
  - Where do you use diagnoses/inpatient hospital procedures?
  - What are the interfaces that may need to be changed?
  - What databases need to be changed?
Expected Implementation and Operational Steps

- Budgeting
- Resource allocation
- Vendor discussions
- Work Plan
- Impact on other initiatives
Expected Timing

- When can this start?
- What other priorities are in line?
- What needs to be put aside?
- Remember that HIPAA transaction upgrade will also be occurring
- What 5010 changes can be done jointly with ICD-10 changes?
- How long will this take?
Basic Education Sites

- NCHS – Basic ICD-10-CM Information
  http://www.cdc.gov/nchs/about/otheract/icd9/abticd10.htm

- CMS – ICD-10-PCS Information
  http://www.cms.hhs.gov/ICD10/02_ICD-10-PCS.asp

- AHIMA - ICD-10 Education
  http://www.ahima.org/icd10/index.asp

- WEDI – ICD-10 Implementation
  www.wedi.org
The ICD-10 code set differs considerably from ICD-9
The ICD-10 code set conveys significantly more information than ICD-9
The change in code sets has significant impacts on health care providers and Medicaid plans