ICD-10 Overview

December 2011
What is ICD-10?

- ICD-10 is the updated version of the sets of codes used for claims coding of:
  - Diagnosis; for all types of providers (ICD-10 CM)
  - Inpatient hospital procedures (ICD-10 PCS)
- Effective - for outpatient and professional dates of service, and inpatient dates of discharge 10/1/2013 and after. The law mandates that ICD-9 procedures and diagnosis codes be replaced with ICD-10 procedure and diagnosis codes.
Why is ICD-10 a major change from ICD-9?

• Not just the usual annual update of codes
• ICD-10 is very different from ICD-9 both structurally and conceptually
• Requires changes to most clinical and administrative systems and processes
• Impacts reimbursement and coverage
• Impacts key reporting functions
What is gained by the implementation of ICD-10?

• “Other than compliance with the law”
• Potential for significant penalties for non-compliance are avoided
• Will enable improvements in care management, public health reporting, research, and quality measurement
Specifics of ICD-10

• Diagnosis Codes
  – Change from 5 positions (1st character alpha/numeric, all others numeric) to 7 positions (all alpha/numeric)
  – Change from 13,000 codes currently to over 68,000 codes
  – Much greater specificity

• Inpatient Procedure Codes
  – New code set; US creation not used anywhere else
  – Change from 5 positions (no specific meaning) to 7 position (each position has a specific meaning)
  - Increased from 4,000 to 72,000 plus codes
Specifics of ICD-10, cont.

• More occurrences and some differences in rules within claims/encounter submissions.
• Use of modern terminology
• Creates combined diagnosis/symptom codes to allow for greater ability to fully describe a condition
• Enable right vs. left designations
• Increased information for public health, bio-surveillance and quality measures
Challenges with moving from ICD-9 to ICD-10

• No clear mapping from ICD-9 to ICD-10
  – May be 1 ICD-9 to many ICD-10’s; Many to many; no good equivalent, etc…
  – Information in ICD-9 is not as specific so crosswalks are difficult

• We need to understand concepts and intent behind policies, processes, etc… to ensure appropriate and timely decision making from ICD-9 to ICD-10
AHCCCS Example  (keep in mind this is one small policy impacted and a very simplified step by step)

- Situation - currently qualification for the Maternity Tier under AHCCCS Inpatient Hospital Reimbursement is based on a set of ICD-9 Diagnosis codes.
- In order to move to ICD-10 we must do the following:
  - Determine which ICD-10 diagnosis codes should be considered as qualifiers for the Maternity Tier under this policy
  - Operational staff who must make these determinations must first be trained on the new ICD-10 coding structures, etc.…
  - Once determinations are made, identify all related system impacts
  - Make identified system changes to Claims and Encounters to include the ICD-10 code qualifiers for the Maternity Tier
AHCCCS Example, cont.

- Make identified system changes to the related Reference table for tier qualifiers, to ensure it can accommodate the inclusion of and recognize ICD-10 Diagnosis qualifiers
- Update Reference tables with ICD-10 values
- Make identified system changes to the health plan twice monthly Reference extract to accommodate and identify ICD-10 Diagnosis qualifiers
- Make any changes to related reporting
- Review and update all related documentation including Provider Billing Manuals; Claims processing policies; Rule; etc…
- Ensure all updated materials are posted to the AHCCCS Website
AHCCCS Example, cont.

- Ensure that the Health Plans are informed of all necessary changes, and track to ensure that like changes are made in their systems, documentation and processes
- Ensure that all impacted and/or interested staff receive training regarding changes
- Ensure that all impacted providers/trading partners receive communications related to and training regarding the changes
ICD-10 Impacts to Consider

• Provider Documentation –
  – Codes must be supported by medical documentation and since ICD-10 codes are more specific, more documentation will be necessary
  – Revenues may be impacted by specificity
• Coverage and Payment –
  – New coding may result in new coverage policies, new medical review edits and new reimbursement schedules
ICD-10 Impacts to Consider, cont.

• Billing Related Transactions –
  – Updates to include/support ICD-10 where appropriate
  – Expect increase in rejects, denials and pends during transition and initial implementation periods
  – Laboratory and Pharmacy orders will need to be supported

• Quality Measures/Pay for Performance –
  – Updates to measures
  – New measures
  – Will be difficult to measure impacts of change from ICD9 to ICD10 and during overlap reporting periods
Impact Areas

• Important to recognize that this is not just an IT project (60% Operational and 40% Systems)
• ICD10 impacts a wide range of Business areas
  – Benefits/Coverage
  – Payment policies
  – Provider relations
  – Claims/Encounters processing
  – Statistical trending
  – Fraud and Abuse
  – Budgeting
  – Quality Measures and Quality Management
  – Etc…
Must Do’s

• Complete an assessment of business and system impacts first and revisit as needed
• Involve the entire agency
• Realize that this is a business and a technical project (60/40)
• Identify, involve and train experts early on
• Ensure strong project management/tracking tools
• Spread-out the resources and budget commitments appropriately
• Plan for and execute testing of business process as well as systems
Timing

• Need to begin now…..
• Assess schedule and readiness of Trading Partners
• Assess impacts to and from other priorities
• Determine if other items need to be put aside and/or have priorities reassessed
• Establish timeframes for completion of key tasks, milestones, etc…
ICD-10 Training

- Wide range of information to convey
- Most staff need some level of training
- Training will be ongoing throughout the project
- There will need to be various training modules tailored to the needs of each audience
- Need a Training Plan and associated tracking mechanisms
- CMS on a site 12/12 and 12/13 for a day and ½ of ICD10 training
AHCCCS Timelines and Status - ICD10

• Planning APD in place in combination with 5010; and appropriate tracking ongoing.

• High Level Project Planning is progressing.

• Approach finalized - AHCCCS plans to implement “Native” processing and will not generally employ the use of cross-walks or maps.

• Initial assessments of systems impacts have been completed and review and update is in progress.

• An inventory of impacted policies, documentation, etc… is in progress.
AHCCCS Timelines and Status - ICD10, cont.

- Identification of training opportunities and inventory of available materials in progress.
- Next 1/4ly CMS survey due 1/1/2012.
- Participating in bi-weekly CMS calls with all States.
ICD10 Discussion

• Risks to 10/1/2013 Implementation
• Considerations
• Management of scope
Next Steps

• Project kickoff
• Include identified key resources for all Divisions/Impact areas
• Complete draft of a project plan/RASCIL (project ownership matrix)
• Review and updates system impacts inventory
• Complete document impacts inventory
• Develop and submit an Implementation APD for CMS
• Begin to assess key trading partner readiness and approaches (Milestone Tracking)
• Develop a draft Communication Plan
• Finalize the draft project timelines
• Determine approach to participation with Hawaii