The HIM DIRECTOR'S GUIDE TO ICD-10

Gloryanne Bryant, RHIA, RHIT, CCS, CCDS • Caroline Piselli, MBA, RN, FACHE • Jean S. Clark, RHIA, CSHA

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Caroline Piselli, Author
Jean S. Clark, Author
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About the Authors

Gloryanne Bryant, RHIA, RHIT, CCS, CCDS

Kaiser Foundation Health Plan, Inc., & Hospitals

With more than 28 years' experience in the HIM profession, Bryant is the regional managing HIM director for Kaiser Foundation and Hospitals (N. California). In her new role at Kaiser, she has responsibility for the hospital and professional fee coding, documentation improvement, and HIM operations for 21 acute care facilities.

Prior to joining Kaiser in May 2009, she was corporate director of coding HIM compliance for Catholic Healthcare West (CHW), located in San Francisco. At CHW she was the HIM coding compliance lead for the Recovery Audit Contractor demonstration project.

Bryant has given presentations on planning and implementing ICD-10 over the past four years and provided testimony in support of ICD-10 implementation for the House Ways and Means Committee in April 2006. In addition, during 2005 and 2006, she spoke to HIM professionals in the states of Oregon, Washington, Alaska, and Hawaii on the subjects of clinical documentation improvement, APCs, charging and meeting compliance in coding, billing, revenue cycle, reimbursement, and other related subjects.

Bryant serves as a volunteer leader on many levels, including for the California Health Information Association as a director to the state board, and has served several national positions for the American Health Information Management Association (AHIMA). Bryant has served as a director and past chair for the Society for Clinical Coding. She also served two years on the AHIMA Compliance Task Force.

Caroline Piselli, MBA, RN, FACHE

3M Health Information Systems

Piselli manages ICD-10 and pay-for-performance programs at 3M Health Information Systems. She builds on 30 years of experience in healthcare strategic planning, operational redesign, business development, and as a clinician. At 3M, she oversees business strategy and operations for new classification methodologies and solutions supporting ICD-10 and pay-for-performance/new regulations, in collaboration with clinical research, development, consulting, and marketing. Previously, she was director of enterprise-wide strategic planning/marketing/business development for a $1.5 billion academic health system from conception to

realization. She also owned a consulting firm specializing in healthcare reengineering. Piselli began her career as an intensive care nurse. Her clinical background includes serving as a nurse coordinator for an NIH research trial.

She is a fellow with the American College of Healthcare Executives, serving on the Connecticut chapter board of directors.

Jean S. Clark, RHIA, CSHA

Roper Saint Francis Healthcare
Clark is the service line director for health information services and accreditation coordinator at Roper Saint Francis Healthcare in Charleston, SC.

She has served on The Joint Commission Standards Review Task Force and the expert panel for the Information Management chapter, which resulted in sweeping changes for the accreditation process beginning in January 2004. A past president of the American Health Information Management Association (AHIMA), she received AHIMA's Distinguished Member Award and the Volunteer Award. She is the past president of the International Federation of Health Record Organizations.

She is the contributing editor to **Medical Records Briefing,** and author of seven editions of *Information Management,* five editions of *Ongoing Records Review, The HIM Director's Guide to Recovery Audit Contractors,* and the first edition of *The HIM Director's Handbook,* all from HCPro, Inc.

Foreword

The transition to ICD-10-CM/PCS, both diagnosis and procedure coding, is the biggest change in the United States healthcare system that most of us can ever remember. Even with Y2K and HIPAA regulations, we have not seen this wide and deep of an impact, and thus, a strategic management approach, along with specialized education, is vital to obtaining a smooth conversion. We are a data-driven healthcare system, and clinical "data," which are the clinical "codes," are at the center of our healthcare. Preparing for even greater use and dependence on the International Classification of Diseases coding system will take significant involvement of many leading stakeholders and notable technology alterations. Change management will need to occur, especially for the day-to-day users of coded data.

An implementation toolkit, handbook, or guide is essential for HIM directors and managers, who will be taking a lead position in the multiple aspects of implementation. Outlining the steps and key components is an essential first step. This book provides the critical talking points about ICD-10 to help drive your plans and implementation forward with strength and vigor.

The depth of information that my writing colleagues have brought together for this publication will be of great value to many others in addition to HIM professionals and those who work in the coding arena. The guidance and detail gathered within this publication from authors Jean Clark, Caroline Piselli, and myself can be far reaching for the hospital-based professional. Having a resource that provides you, your department, and your organization with the proper framework will aid in your success and the success of the execution. It is geared toward preparing you to answer affirmatively when asked the question, "Are you ICD-10 compliant?" I'm confident that you will find this publication a "must-have" for ICD-10-CM/PCS implementation.

It is now time to put your plan into action—review the contents of this publication to determine where to begin and where to lead your workforce and colleagues for the next several years, ultimately to successful implementation of this new coding system. It truly is an exciting and challenging time, but you can do it, so start now!

Sincerely,
Gloryanne Bryant, RHIA, RHIT, CCS, CCDS

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Readers of *The HIM Director's Guide to ICD-10* can download the checklists and assessment tools included in this book by visiting the HCPro Web address below. We hope you will find the downloads useful.

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CHAPTER 1

ICD-10 Introduction

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ICD-10 Introduction

Gloryanne Bryant, RHIA, RHIT, CCS, CCDS

The information and tools within this book are designed to aid the hospital health information management director and management team with planning and implementing ICD-10. There are many aspects and opinions on how and when to implement ICD-10. Not all are discussed within this book, but that does not discount the value and consideration of each approach.

Background

The U.S. Department of Health and Human Services (HHS) appropriates millions of dollars annually to support four of the most important public health efforts for combating chronic disease and promoting health: reducing obesity, increasing physical activity, improving nutrition, and decreasing smoking. In addition to funding, robust and accurate clinical data are needed to support these efforts.

On January 16, 2009, HHS released two final rules related to improved clinical data collection: one for the adoption of the next generation of diagnosis and procedure codes, or ICD-10, and another that updates standards for electronic healthcare and pharmacy transactions, commonly referred to as 5010/D.0. The ICD-10 code sets will replace the outdated ICD-9 code sets, per the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

In the most current version, called ICD-9-CM, two volumes are dedicated to diagnoses and one is dedicated to procedures that have been used in the United States since 1980. Yes, we've been using ICD-9-CM since 1980, which is sometimes hard to believe. There are approximately 24,000 three- to five-digit numeric codes available in this system.

Unfortunately, this system has made it challenging to adopt new codes that accurately describe contemporary diseases, groundbreaking medical procedures, new technology, and changes that medical research has identified. Industry experts indicate that this challenge is especially present for data extracted during insurance claims processing and research. In addition to limitations that exist within the available codes themselves, ICD-9-CM is, simply stated, unable to capture detailed clinical data. This limitation causes data recipients to request additional information from providers, which then generally requires that information be exchanged via the increasingly expensive process of paper transactions. In addition, there are healthcare coverage decisions that are limited because of the code set, and there are fraud and abuse issues within the current code set limitations. For all of these reasons and more, moving to the upgraded and revised coding classification system of ICD-10 is greatly needed and a welcome change.

History

ICD has a long history and has become the core of healthcare payment systems in the United States. The ICD-10 is copyrighted by the World Health Organization (WHO), which owns and publishes the classification.[1] It is the global standard for reporting and categorizing diseases, health-related conditions, and external causes of disease and injury in order to compile useful health information related to deaths, illness, and injury (i.e., mortality and morbidity). Several countries have taken the ICD-10 code set and modified it for use in their own medical systems. In addition, WHO has authorized development of an adaptation of ICD-10 for U.S. government purposes.

The following is a brief summary of ICD's history:

- **1893:** The first International List of Causes of Death (then called the Bertillon Classification of Causes of Death) was adopted by the International Statistical Institute at a meeting in Chicago.
- **1898:** At a meeting of the American Public Health Association in Ottawa, the International List of Causes of Death (Bertillon Classification) was recommended for use by registrars of Canada, Mexico, and the United States of America.
- **1900–1929:** The Government of France convened the first International Conference for the Revision of the Bertillon or International List of Causes of Death, in 1900.
- **1938:** The first International Conference for the Revision of the International List of Causes of Death. The intent and evolution of ICD was to code only for

diagnoses and external causes of injuries. It was also intended to provide a statistical tool for international exchange of mortality data and to bolster the ability to collect morbidity data while patients were still alive.

- **1948:** The International Conference for the Sixth Revision of the International Lists of Diseases and Causes of Death was convened in Paris.[2]
- **1955–1983:** Three successive decennial revision conferences (in 1955, 1965, and 1975) recognized the increasing use of ICD for the indexing of hospital medical records.
- **1977:** ICD 9th revision was published.
- **1983–84:** Diagnostic Related Groups (DRG) were implemented in the United States, thus increasing the importance of ICD-9-CM coding for the Inpatient Prospective Payment System (IPPS).
- **1983–84:** Work on ICD-10 begins.
- **1996–2006:** ICD-10 implementation starts outside the United States.
- **1999:** The United States begins to use ICD-10 for mortality statistics.
- **2007:** IPPS is changed to a Medicare Severity DRG system, once again highlighting the importance of and need for accurate coding and documentation.
- **2013:** ICD-10 will be implemented in the United States.

Keep in mind that ICD is the international standard diagnostic classification for all general epidemiological, health management purposes and, of course, for clinical use. ICD was designed to be updated regularly, but we have been using ICD-9-CM codes for more than 25 years without moving to an upgraded system.

Other countries around the world have already implemented ICD-10:

- United Kingdom (implemented 1995)
- France (implemented 1997)
- Australia (implemented 1998)
- Germany (implemented 2000)
- Canada (implemented 2001)

The transition from ICD-9-CM to ICD-10 has already spanned many years and milestones. The work on ICD-10 began in 1983 and was completed by 1992. Seven years later, in 1999, the United States implemented ICD-10—but only for mortality statistics. Understand that the clinical modifications (CM) made to ICD-10 were made for the United States only and the Procedural Coding System (PCS) was developed only for use in the United States and was not developed by WHO.

Historical ICD implementation in the United States followed this timeline:

- ICD-1 (1900-1909)
- ICD-2 (1910-1920)
- ICD-3 (1921-1929)
- ICD-4 (1930-1938)
- ICD-5 (1939-1948)
- ICD-6 (1949-1957)
- ICD-7 (1958-1967)
- ICD-8 (adapted* 1968-1978)
- ICD-9 (1979-1998)
- ICD-10 (1999 Mortality)
- ICD-10 (2013)

Since 1993, when the National Committee on Vital and Health Statistics (NCVHS) declared that our U.S. disease and procedure classification system, ICD-9-CM, was broken, health information management professionals have rallied in support of ICD-10. The American Health Information Management Association (AHIMA) and the American Hospital Association (AHA) have made significant efforts to get ICD-10 approved for use in the United States and to set an implementation date.

Benefits and Goals of ICD-10

ICD-10 will provide greater detail and a more accurate depiction of patient severity, which will provide more information about the relationship between a provider's performance and the patient's condition and enhance our ability to measure quality. Most agree that it's difficult to

measure quality of care, or to evaluate a provider's performance in addressing risk factors and effectively treating a patient's condition, if the relevant diagnostic or procedural code includes multiple conditions. For example, if two conditions with different treatment protocols are assigned to the same code, how can we evaluate the provider's performance in treating one of these two conditions?

Capturing "severity" can also be an issue. For example, if we know that a patient has a pressure ulcer but we don't know whether it involves only skin or goes all the way down to bone, we will not be able to measure the effectiveness of a wound management program. Likewise, we can't measure the cost of treating pressure ulcers without specific clinical data—and it is obviously much more difficult, and more expensive, to treat a deep ulcer than it is to treat a superficial one. Cases like this illustrate the benefits of moving to the more specific ICD-10.

ICD-10's goals include the following:

- Improve care management of beneficiaries
- Provide clinical data with greater specificity
- Obtain reliable and robust clinical data that can be used to make intelligent, data-driven decisions related to all aspects of healthcare
- Allow for more accurate payment for new procedures
- Reduce the number of miscoded, rejected, and improper reimbursement claims
- Provide better data for fraud and abuse monitoring
- Offer a better understanding of the value of new medical procedures
- Improve disease management
- Allows for a better understanding of healthcare outcomes
- Provide more ICD codes to address global disease emergencies

Specific diagnoses

Because the diagnoses will be more specific, ICD-10 will likely offer improved opportunities to identify potential patients for case management and utilization review. Also, state and federal agencies will be able to track the severity of conditions and to measure a patient's progress if his or her disease becomes less severe. Government agencies will have new opportunities to identify more specific disease clusters and to design both educational programs and new care management programs for beneficiaries/patients.

Fewer rejected claims

A significant benefit of implementation is improved healthcare claims adjudication. Because ICD-10-CM and ICD-10-PCS are less ambiguous coding systems and more logically organized than ICD-9-CM, we should see fewer erroneous, rejected, and exaggerated claims.

The biggest reason to move to ICD-10 is to obtain and use the better clinical information contained in the new code set. The modern terminology, enhanced severity, and more accurate description of conditions and procedures all provide more accurate and complete information based on which to make coverage, payment, and patient management decisions.

Transaction Standard Version—5010 and D.0. Electronic Claim

Before ICD-10 is implemented, the electronic 5010 claim must be adopted. Currently, we use the HIPAA 4010 transaction, which is approximately eight years old and will not support ICD-10. The American National Standards Institute (ANSI) Transaction Version 5010 and National Council for Prescription Drug Programs (NCPDP) Version D.0. and 3.0 was adopted by HHS and mandated by CMS (Centers for Medicare & Medicaid Services) by January 1, 2012.[3]

The change to 5010 will allow for ICD-10 codes that include up to eight digits, as well as alphanumerics. In addition, there are several other changes to the transaction standard. All of these changes will results in business modifications and documentation improvements in order to succeed.

According to the latest iteration of implementation guides for administrative transactions mandated by HIPAA and under a federal mandate, compliance must be achieved by January 2012. These electronic healthcare transactions include functions like claims, eligibility inquiries, and remittance advices. Note that 5010 replaces current version 004010, and dual use period is now allowed.

Version 5010 includes more than 850 structural, technical, and content changes that industry user groups have identified, as well as changes to reduce ambiguity and clarify transactions.

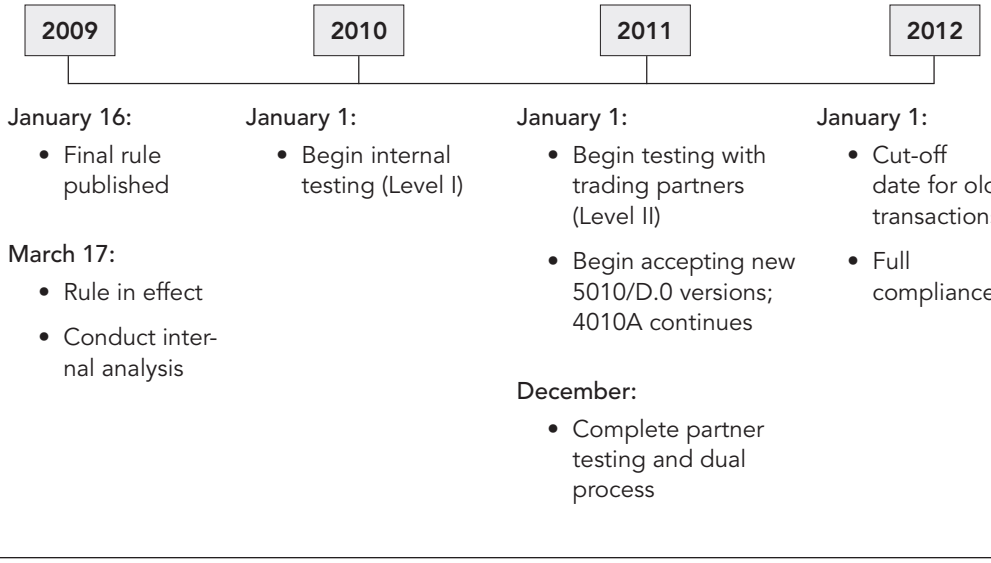
On January 1, 2012, HIPAA-compliant electronic transactions will be required to use version 5010 for claims submission, remittance advice, eligibility, claims status, referral authorizations, and others. Under HIPAA, the Secretary of HHS must adopt standards that covered entities (which include health plans, healthcare clearinghouses, and certain healthcare providers) are required to use when electronically conducting certain healthcare administrative transactions,

such as claims, remittance, eligibility, and claims status requests and responses.[4] The new 5010 includes structural, front matter, technical, and data content improvements, all of which require an implementation plan in order to be compliant by January 2012. Work on this implementation should already be underway in all healthcare organizations.

5010 timeline

Figure 1.1 shows a sample CMS 5010/D.0. timeline.

FIGURE 1.1 ✦ SAMPLE CMS 5010/D.0 TIMELINE



CMS has developed a 5010 summary document that is available at the CMS ICD-10 website. Note that more than 99% of Medicare Part A claims and more than 96% of Medicare Part B claims transactions are received electronically today.

HIPAA-covered entities affected by the transition to Versions 5010 and D.0 include the following:

- Providers, such as physicians, alternate site providers, rehabilitation clinics, and hospitals
- Health plans
- Healthcare clearinghouses
- Business associates that use the affected transactions, such as billing/service agents and vendors

ICD-10

ICD-10 represents both diagnosis and procedure codes, and the changes in diagnoses will affect nearly every business process and system in hospitals, as well as physician offices, health plans or payers, and all healthcare settings. Expect changes in documentation, reimbursements, coverage, insurance plan structures, quality measures, and audits needed. In addition, expect ICD-10 implementation to be bigger than any other effort undertaken in a long time—bigger even than Y2K and HIPAA.

ICD-10-CM

ICD-10-CM is the diagnosis code portion of the classification system, and it far exceeds its predecessors in the number of concepts and codes provided. See **Figure 1.2** for a rundown of important facts about ICD-10-CM.

FIGURE 1.2 ✦ ICD-10-CM FACTS

ICD-9-CM Diagnosis Codes	ICD-10-CM Diagnosis Codes
3-5 characters in length	3-7 characters in length
Approximately 13,500 codes	Approximately 69,000 available codes
First digit may be alpha (E or V) or numeric; Digits 2-5 are numeric	Digit 1 is alpha; Digits 2 and 3 are numeric; Digits 4-7 are alpha or numeric
Limited space for adding new code	Flexible for adding new codes
Lacks detail	Very specific
Lacks laterality	Has laterality
Difficult to analyze data due to non-specific codes	Specificity improves coding accuracy and richness of data for analysis
Codes are non-specific and do not adequately define diagnoses needed for medical research	Detail improves the accuracy of data used for medical research
Does not support interoperability because it is not used by other countries	Supports interoperability and the exchange of health data between other countries and the U.S.

Source: www.cms.gov/MLNProducts/downloads/ICD-10factsheet2009.pdf

ICD-10 diagnosis coding follows the same logic that the ICD-9-CM follows; however, all codes have been revised and expanded for greater granularity. Thus, it will take a good deal of time and attention to adjust to and become proficient in ICD-10 coding. For example in ICD-9-CM, there are only a few ways to capture present, past, or exposure to tobacco smoke. ICD-10 offers the following codes:

- 305.1 (tobacco use disorder)
- V15.82 (history of tobacco use)
- 649.0x (tobacco use disorder complicating pregnancy, childbirth, or the puerperium)
- E869.4 (accidental)

Because tobacco smoke can affect a patient's health status so heavily, the ICD-10-CM provides a more robust selection of codes. Consider ICD-10-CM code F17.2xxx (nicotine dependence). The expansion to the seventh digit increases the code specificity by identifying the type of tobacco product (e.g., cigarettes versus chewing tobacco), as well the nature of the dependence (e.g., uncomplicated, in remission, in withdrawal, or other nicotine-induced disorders).

ICD-10-CM codes related to tobacco use include the following:

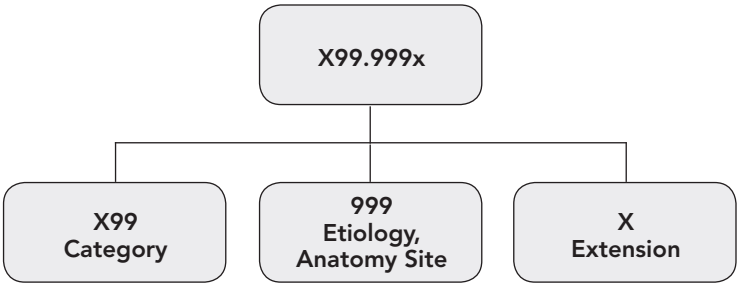
- Z72.0 (problems related to lifestyle, tobacco use NOS)
- Z58.7 (problems related to physical environment, exposure to environmental tobacco smoke [acute] [chronic])

Updates to ICD-10 have continued, and for 2010, there have been some changes to ICD-10-CM that have been made to update the codes:

- 2009 (68,102 diagnosis codes)
- 2010 (69,101 diagnosis codes)
- New codes added: 1,982
- Codes deleted: 983
- Revised codes: 1,029

The above facts will be useful for increasing awareness about ICD-10. Use them in your communication with other key stakeholders (see **Figure 1.3**).

FIGURE 1.3 ✦ USING ICD-10 FACTS TO COMMUNICATE WITH KEY STAKEHOLDERS



ICD-10-PCS and the Medical and Surgical Section

ICD-10-PCS is the procedural coding system, and it will only be used for the hospital inpatient setting. Current Procedural Terminology (CPT) codes will continue to be used for all outpatient encounters and visits. Development of the procedural coding system dates back many years. In 1996, there was some informal testing that involved a small sampling of volunteers in the hospital setting coordinated by AHIMA. The Health Care Finance Administration (HFMA) conducted a more formal test, which helped to determine whether the replacement of the procedural codes was viable. Also, the Clinical Data Abstraction Centers (CDAC) assisted with some testing, which involved comparing ICD-9-CM and the ICD-10-PCS codes.

ICD-10-PCS should clarify the value of new procedures by no longer lumping them in with old procedures, as they often are within ICD-9-CM. **Figure 1.4** provides an outline of some important facts about ICD-10-PCS. Again, ICD-10-PCS will be used only for hospital inpatient medical records and claims.[5]

There are four main components to the development of ICD-10-PCS:

1. Completeness
2. Expandability
3. Multiaxial
4. Standardized terminology

FIGURE 1.4 ✦ ICD-10-PCS FACTS

ICD-9-CM Procedure Codes	ICD-10-PCS Procedure Codes
3–4 numbers in length	7 alpha-numeric characters in length
Approximately 4,000 codes	Approximately 190,000 available codes
Based upon outdated technology	Reflects current usage of medical terminology and devices
Limited space for adding new codes	Flexible for adding new codes
Lacks detail	Very specific
Lacks laterality	Has laterality
Generic terms for body parts	Detailed descriptions for body parts
Lacks description of methodology and approach for procedures	Provides detailed descriptions of methodology and approach for procedures
Limits DRG assignment	Allows DRG definitions to better recognize new technologies and devices
Lacks precision to adequately define procedures	Precisely defines procedures with detail regarding body part, approach, any device used, and qualifying information

Within the ICD-10-PCS, the codes are seven-character alpha-numeric structures, with the following meanings:

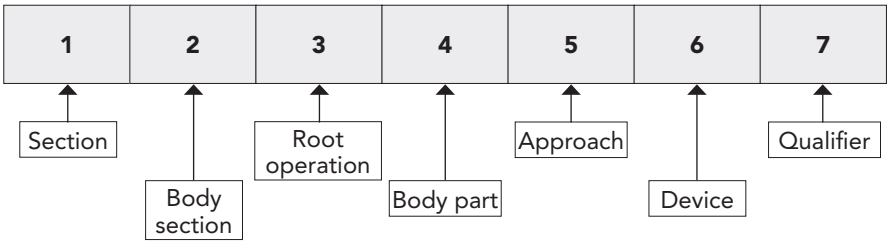
- Character 1 = Section
- Character 2 = Body system
- Character 3 = Root operation
- Character 4 = Body part
- Character 5 = Approach
- Character 6 = Device
- Character 7 = Qualifier

There are 31 root operations and seven approaches used within ICD-10-PCS. See **Figure 1.5**.

The overall effect of ICD-10

The overall effect of ICD-10 itself is larger than the specific code differences. It will affect many areas of the healthcare business, including systems and processes. As a major compliance initiative, ICD-10 is affecting many computer system applications in most healthcare organizations and medical centers. These systems have associated applications and implications for business processes and resources.

FIGURE 1.5 ✦ CODE CHARACTERISTICS



The ICD-10 transition will affect some specific "systems," such as the following:

- Abstracting systems
- Coding and grouping software
- Ordering systems
- Medical necessity and ABN software
- Utilization management
- Billing and claim systems/software and processing (Patient Accounting Systems)
- External clinical reporting
- Provider profiling and report cards
- Benefits administration
- Financial reporting
- Underwriting
- Quality management
- Disease and case management
- Contracting[6]

Note that ICD-10 will require modifications to the information system field lengths to accommodate expanded data element length, and it will require that the logic in programming be modified to accommodate the ICD-10-CM and ICD-10-PCS code sets. Many hours will be needed to reprogram hardware and software to achieve these goals.

Physician Engagement

To engage the physician community and medical staff, you will need to develop a benefits list, a statement of rationale, and a list of the advantages of moving to ICD-10. Physicians and other clinical providers will need to first receive some awareness training that presents the facts and the greater granularity of the new coding system.

Including physicians and other clinical stakeholders in your ICD-10 implementation plan will aid in the process and provide an opportunity for them to share their perspectives. In addition, the physician community can help to understand the challenges with the new coding system documentation requirements. Physicians will be interested in ICD-10-CM and its impact to their documentation processes, whether electronic or paper records are used.[7]

For example, clinical documentation will require some additional detail in order to support the higher level of specificity in the ICD-10 codes. Look at your documentation forms and templates as they currently stand, and conduct an assessment. Investigate electronic tools, and with your current systems, identify opportunities for adoption into the ICD-10 world. Then improve documentation easily and quickly. As the formal name indicates, this is a classification system and not a nomenclature. This may be an area where physicians feel that ICD-10 isn't meeting their needs, so thorough and complete information about the change will be critical. Also don't forget that there will be an impact to the physician business practices and that the change will have some expense tied to it.

HIM will serve as the leader for the physician community and help the physicians understand all the component parts of the implementation plan, as well as their role in making it happen. Hospital HIM directors in particular should be ready, willing, and able to assist the physician community with ICD-10 implementation and to serve as an ongoing resource.

Summary of ICD-10 Compliance Dates

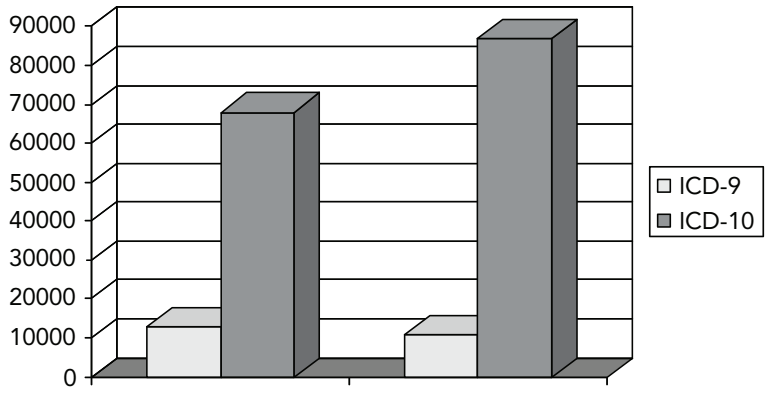
The implementation compliance date for ICD-10 to be used in the United States for services on and after October 1, 2013, is set. ICD-9-CM is used for services before that date. A general industry timeline for implementation might look as follows:

- **January–April 2010**: Finish organizing effort and developing the implementation plan
- **April–October 2010**: Conduct an impact assessment; contact vendors
- **October 2010–December 2011**: Confirm internal system design and begin development
- **December 2011 –November 2012**: Conduct internal system testing, vendor code deployment (note 1/1/2012 date for 5010 compliance)
- **November 2012–September 2013**: Conduct external (partner) testing
- **October 1, 2013**: Implementation

Note that there is no "transition period" that allows a choice between ICD-9 and ICD-10 codes for a transaction.

As you can see from the bar graph (**Figure 1.6**), the fact that the volume of codes is greatly increasing may be difficult to get your mind around. Whereas ICD-9-CM contains more than 17,000 codes, ICD-10 contains more than 155,000 codes, and it accommodates a host of new diagnoses and procedures. This includes new titles and terminology for both CM and PCS.[8]

FIGURE 1.6 ✦ CODE VOLUMES



To address these changes, develop a thorough list of resources and references as part of your ICD-10 toolkit. See **Appendix A** for a detailed list of resources, references, and websites. CMS has developed and provided several useful resources, tools, and fact sheets that are available to all within healthcare.

There are five major 5010 and ICD-10 compliance dates related to ICD-10, and two of those dates have already passed:

- **January 16, 2009**: Final rule published
- **January 2010**: Begin v5010 Level 1 testing (internal testing)
- **January 2011**: Begin v5010 Level 2 testing (external testing with trading partners)
- **January 1, 2012**: v5010 implementation mandated in U.S. for all health plans
- **October 1, 2013**: ICD-10 compliance mandated in U.S. for all health plans

Is implementation readiness apparent in the industry?

An HCPro ICD-10 Readiness Survey, conducted in June 2010, produced some interesting feedback. Here are three questions and some responses that you might find valuable (out of 371 responses):

1. How would you describe your organization's level of knowledge and current state of readiness related to ICD-10?
   No understanding of ICD-10 and its effects on the organization. (9%)
   Aware of the change in code sets, but we haven't taken any action. (70%)
   Aware of the change and actively engaged in implementation. (21%)

2. As the HIM Director, how would you describe your level of knowledge about ICD-10?
   Vague understanding. (19%)
   Understand the coding change but not the organizational impact. (22%)
   Understand the coding change and the organizational impact. (59%)

3. Does your facility have an ICD-10 implementation team/committee?
   Yes, we have a team in place. (18%)
   Yes, we are in the process of forming a team. (15%)
   No, but we intend to form a team soon. (31%)
   We have no plans to form a team at this time. (30%)
   I don't know. (6%)

You can review the full survey results in **Appendix B** of this book.

The responses appear to demonstrate a lack of movement to form a team and an implementation plan. Certainly, planning ahead of time is the best practice, and it has many advantages. Do not be left behind and scrambling to catch up—now is the time to get going and to start forming your team and plan. First, ask yourself these important questions:

- Where will HIM and my organization need to be at different stages of implementation?
- What do I need to execute over the next six to 12 months (within 2010-2011)?
- What implement tools do we have or can be created to help jumpstart my department and my organization's implementation progress?
- What is my role as the HIM director in ICD-10 implementation?
- As the HIM director, can I explain HIM strategies for coordination of ICD-10 implementation across departments?
- Can I identify key issues that may have been overlooked during initial gap analyses?

Preventing and detecting healthcare fraud and abuse

There is a lot of interest in ICD-10 in the area of healthcare fraud and abuse. Because it will capture more robust data, ICD-10 may help prevent and detect risk areas. In addition, there are some specific reimbursement benefits to be achieved with ICD-10:

- More accurate and fair reimbursement
- Better justification of medical necessity
- Fewer erroneous and rejected claims
- Reduced opportunities for fraud and improved fraud detection capabilities
- Increased sensitivity when making refinements in applications such as grouping and reimbursement methodologies

ICD-10 Coding Compliance Resources

Coding guidelines

Official ICD-10 Coding Guidelines have been published and made public. Review and study these guidelines. They will serve as a good introduction to ICD-10 for your coding staff. ICD-10-CM coding guidelines are available at *www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm*.

AHIMA implementation checklist

AHIMA has developed an extensive ICD-10 implementation checklist that walks you through the different phases of implementation and identifies the key stakeholders who should be involved.[9] It is available at *www.ahima.org/downloads/pdf/resources/checklist.pdf*.

ICD-10 frequently asked questions (FAQ) list

Another key tool to create is an ICD-10 FAQ list. Creating this will help raise awareness across your healthcare system and will help diminish rumors and prevent inaccurate information about ICD-10 from spreading. There appears to be some typical questions that are asked regularly by HIM coding, finance and revenue cycle leadership, physicians, patient financial services, and information technology staff. Here is a short list of some FAQs that might be helpful. (For a complete list of ICD-10 FAQs, see **Appendix C**.)

1. What is the official date for ICD-10 implementation?
   October 1, 2013, is the compliance date for implementation of ICD-10-CM/PCS.

2. Are there any plans to extend the 10/1/2013 date?
   Per HHS, there are no plans to extend the compliance date for implementation of ICD-10-CM/PCS; therefore, covered entities should plan to complete the steps required in order to implement ICD-10-CM/PCS by October 1, 2013.

3. I've heard that ICD-10 was developed without clinical input.
   The development of ICD-10-CM/PCS involved significant clinical input. A number of medical specialty societies helped develop the coding systems. WHO developed the basics of ICD-10 and ICD-10-CM.

4. Current Procedural Terminology (CPT) will be replaced by ICD-10-PCS.
   ICD-10-PCS will be used only for facility reporting of hospital inpatient procedures and will *not* affect the use of CPT.

5. What is the 1/1/2012 implementation date?
   HHS has released the final rule on HIPAA transaction standards: X12 Version 5010. The deadline for 5010 implementation is January 1, 2012.

6. ICD-10 will contain a significant number of diagnosis codes, increasing the number of codes to more than 40,000. Is this true?
   By the time ICD-10 is implemented, there will be more than 68,100 ICD-10-CM codes, as compared to the 13,677 ICD-9 codes we currently have.

HHS/CMS

This official CMS ICD-10 logo means that the materials were developed by CMS and are intended for general industry use. See **Figure 1.7** for important dates for ICD-10 implementation, as determined by CMS.

HHS and CMS have published several fact sheets and tools for the industry. Refer to the resource appendix for details on where to locate these tools.

FIGURE 1.7 ✦ IMPORTANT ICD-10 IMPLEMENTATION DATES

Date	Compliance Step
January 1, 2010	• Payers and providers should begin internal testing of Version 5010 standard for electronic claims
December 31, 2010	• Internal testing of Version 5010 must be complete to achieve Level I Version 5010 compliance
January 1, 2011	• Payers and providers should begin external testing of Version 5010 for electronic claims • CMS begins accepting Version 5010 claims • Version 4010 claims continue to be accepted
December 31, 2011	• External testing of Version 5010 for electronic claims must be complete to achieve Level II Version 5010 compliance
January 1, 2012	• All electronic claims must use Version 5010 • Version 4010 claims are no longer accepted
October 1, 2013	• Claims for services provided on or after this date must use ICD-10 codes for medical diagnosis and inpatient procedures • CPT codes will continue to be used for outpatient services

Source: Centers for Medicare & Medicaid Services, 2009. www.cms.hhs.gov/ICD10.

Medicaid ICD-10 Resources

CMS has developed a series of education/training presentations to help states with the readiness and implementation of ICD-10.

Medicaid agency

A completed educational package includes 12 training segments that address federal requirements and other aspects of ICD-10 implementation.[10] ICD-10 requires changes to almost all clinical and administrative systems. The implementation of ICD-10 will require changes to business processes, as well as changes to reimbursement and coverage. In addition, ICD-10 will enable significant improvements in care management, public health reporting, research, and quality measurement.

The 12 segments have the following titles:

1. What is ICD-10?
2. Regulatory Requirements
3. Benefits of Using ICD-10
4. Further Movement Along the MITA Roadmap—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. The Implementation Team that Gets It Right
10. Where Are You in This Process and Timeline?
11. Partner and Vendor Considerations
12. Post-Compliance Date Actions and Education and Training Processes

You can review the files at the following website: *www.cms.gov/MedicaidInfoTechArch/07_ICD-10TrainingSegments.asp*.

Workgroup for Electronic Data Interchange (WEDI) and the North Carolina Healthcare Information and Communications Alliance, Inc. (NCHICA) have created a joint work group to develop industry timelines for the implementation of major health IT projects. WEDI has created several work groups and listservs for payers, providers, and vendors to identify and resolve major issues in the work being done.

WEDI formed a subgroup and held a 5010 and ICD-10 forum in July 2009, and again in February 2010, to address a number of the potential challenges and issues regarding implementation of 5010 and ICD-10.[11]

Moving Forward

As you go through this book, think about what can you do in the next 90 days (three months). It is important to actually apply what you learn as soon as you get back to work and as often as you can for the next several months. Keeping a simple checklist that answers the following question might help you form your activity timeline:

What I am going to do in the next 90 days based on the information in this book?

1. _____
   _____
2. _____
   _____
3. _____
   _____
4. _____
   _____
5. _____
   _____

KEY TAKE-AWAY POINTS

- The WHO owns and publishes the classification system.
- ICD-10 will affect all healthcare settings, not just hospitals. In addition to hospitals, ICD-10 will affect providers, payers, health plans, clearinghouses, research, vendors, and information systems. The compliance date for ICD-10 implementation is 10/1/2013.
- The 5010 claims transaction change is a prerequisite to ICD-10 and will require a compliance date of 1/1/2012. Much information technology work will need to be completed in order to meet this compliance date.
- ICD-10-CM codes have 3-7 characters, and there are approximately 69,000 codes. The clinical modifications made to ICD-10 were made specifically for the United States.
- ICD-10-PCS is the procedural coding system. Each code has 7 alpha-numeric characters, and there are approximately 190,000 codes available. ICD-10-PCS was not developed by WHO and was developed for use in the United States.
- ICD-10 will provide several benefits, including but not limited to improved codes for healthcare research, improvements in the ability to rate providers, and an enhanced ability to detect emerging diseases.
- Preparing for ICD-10 and Version 5010—including potential updated software installation, staff training, changes to business operations and work flows, internal and external testing, and reprinting of manuals and other materials—will take time and effort, so plan in advance.

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