KY HFMA
Spring 2014 Annual Meeting
ICD-10-CM Transition

Heather Greene, MBA, RHIA, CPC, CPMA
Vice President, Compliance Services
AHIMA Approved ICD-10 CM/PCS Trainer
Myth # 1

Implementation planning should be undertaken with the assumption that the Department of Health and Human Services (HHS) will grant an extension beyond the October 1, 2013 compliance date.

Fact: HHS has 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 on October 1, 2014.
Myth # 2

Noncovered entities, which are not covered by HIPAA such as Workers’ Compensation and auto insurance companies, that use ICD-9-CM may choose not to implement ICD-10-CM/PCS.

Fact: Because ICD-9-CM will no longer be maintained after ICD-10-CM/PCS is implemented, it is in noncovered entities’ best interest to use the new coding system. The increased detail in ICD-10-CM/PCS is of significant value to noncovered entities. The Centers for Medicare & Medicaid Services (CMS) will work with noncovered entities to encourage their use of ICD-10-CM/PCS.
Myth # 3

State Medicaid Programs will not be required to update their systems in order to utilize ICD-10-CM/PCS codes.

Fact: HIPAA requires the development of one official list of national medical code sets. CMS will work with State Medicaid Programs to ensure that ICD-10-CM/PCS is implemented on time.
Myth # 4

The increased number of codes in ICD-10-CM/PCS will make the new coding system impossible to use.

Fact: Just as an increase in the number of words in a dictionary doesn’t make it more difficult to use, the greater number of codes in ICD-10-CM/PCS doesn’t necessarily make it more complex to use. In fact, the greater number of codes in ICD-10- CM/PCS make it easier to find the right code. In addition, just as it isn’t necessary to search the entire list of ICD-9-CM codes for the proper code, it is also not necessary to conduct searches of the entire list of ICD-10-CM/PCS codes. The Alphabetic Index and electronic coding tools will continue to facilitate proper code selection. It is anticipated that the improved structure and specificity of ICD-10-CM/PCS will facilitate the development of increasingly sophisticated electronic coding tools that will assist in faster code selection. Because ICD-10-CM/PCS is much more specific, is more clinically accurate, and uses a more logical structure, it is much easier to use than ICD 9-CM. Most physician practices use a relatively small number of diagnosis codes that are generally related to a specific type of specialty.
Myth # 5

There will be no hard copy ICD-10-CM and ICD-10-PCS code books. When ICD-10-CM/PCS is implemented, all coding will need to be performed electronically.

Fact: ICD-10-CM and ICD-10-PCS code books are already available and are a manageable size. The use of ICD-10-CM/PCS is not predicated on the use of electronic hardware and software. In fact – I have the books and prefer the books to the electronic software available.
Myth # 6

ICD-10-CM/PCS was developed a number of years ago, so it is probably already out of date.

Fact: ICD-10-CM/PCS codes have been updated annually since their original development in order to keep pace with advances in medicine and technology and changes in the health care environment. The coding systems will continue to be updated until such time that a decision is made to “freeze” the code sets prior to implementation. For instance, the health care community may request that ICD-9-CM and ICD-10-CM/PCS codes not be updated on October 1, 2012 and be frozen with the October 1, 2011 updates. If the freeze is approved through formal rulemaking, it would provide a year or more of stability and an opportunity to develop coding products and training materials. ICD-10-CM/PCS could then be updated again on October 1, 2014, after providers have had a year of experience under the new coding system.
Myth # 7

Unnecessarily detailed medical record documentation will be required when ICD-10-CM/PCS is implemented.

Fact: As with ICD-9-CM, ICD-10-CM/PCS codes should be based on medical record documentation. While documentation supporting accurate and specific codes will result in higher-quality data, nonspecific codes are still available for use when documentation doesn’t support a higher level of specificity. As demonstrated by the American Hospital Association/American Health Information Management Association field testing study, much of the detail contained in ICD-10-CM is already in medical record documentation but is not currently needed for ICD-9-CM coding.
Myth # 8

ICD-10-CM-based super bills will be too long or too complex to be of much use.

Fact: Practices may continue to create super bills that contain the most common diagnosis codes used in their practice. ICD-10-CM-based super bills will not necessarily be longer or more complex than ICD-9-CM-based super bills. Neither currently-used super bills nor ICD-10-CM-based super bills provide all possible code options for many conditions. The super bill conversion process includes:

Conducting a review that includes removing rarely used codes; and
Crosswalking common codes from ICD-9-CM to ICD-10-CM, which can be accomplished by looking up codes in the ICD-10-CM code book or using the General Equivalence Mappings (GEM).
Myth # 9

The GEMs are intended to facilitate the process of coding medical records.

Fact: Mapping is not the same as coding:
• Mapping links concepts in two code sets without consideration of patient medical record information
• Coding involves the assignment of the most appropriate code based on medical record documentation and applicable coding rules/guidelines.

Fact: The GEMs can be used to convert the following databases from ICD-9-CM to ICD-10-CM/PCS:
• Payment systems
• Payment and coverage edits
• Risk adjustment logic
• Quality measures
• A variety of research applications involving trend data.
Myth #10

Each payer will be required to develop their own mappings between ICD-9-CM and ICD-10-CM/PCS, as the GEMs that have been developed by CMS and the Centers for Disease Control and Prevention (CDC) are for Medicare use only.

Fact: The GEMs are a crosswalk tool developed by CMS and CDC for use by ALL providers, payers, and data users. The mappings are free of charge and are in the public domain.
Nervous?

- What if we are not ready for ICD-10?
- What if there is a lack of coding consistency?
- What about cash flow?
- What about the quality scores?
- What if the payers are wrong?
- Denials?
- Training?
- Who needs the training?
Denial?

Maybe they will give us another delay?

delay...
delay...
Aggravation?

Why in the world are we changing to ICD-10?
Why Change?

• ICD-9 had several problems
  – We have outgrown it
  – Vague codes
  – Inability to describe lateral issues such as fractures
  – We are the last industrialized country to change
  – Two decades behind
Why Change?

• Incorporates much greater specificity and clinical information, which results in:
  – Improved ability to measure health care services
  – Increased sensitivity when refining grouping and reimbursement methodologies
  – Enhanced ability to conduct public health surveillance
  – Decreased need to include supporting documentation with claims
Why Change?

• Includes updated medical terminology and classification of diseases
• Provides codes to allow comparison of mortality and morbidity data
Why Change?

• Measuring care furnished to patients
  – Designing payment systems
  – Processing claims
  – Making clinical decisions
  – Tracking public health
  – Identifying fraud and abuse
  – Conducting research
Overview

- ICD-10-CM – Diagnosis
- ICD-10-PCS – Procedures
- Canada had a 50% drop in productivity
  - Revenues
  - Denials
Overview

• ICD-9-CM/PCS – Is NOT going away
  – Audits
    • RAC, Z-PIC, CERT
    • FCA
  – Denials
  – Workman’s Comp and Car Insurance Claims
    • When you bill to the wrong payer
    • Payers dispute who is responsible
# ICD-9 and ICD-10 Differences

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-CM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 5 characters</td>
<td>Up to 7 characters, with required 7th place character extension</td>
</tr>
<tr>
<td>No place holders</td>
<td>Place holder ‘x’ used to fill empty 4th, 5th, or 6th character positions</td>
</tr>
<tr>
<td>First character is alpha (V, E) or numeric</td>
<td>First character is alpha, using all but the letter “U”</td>
</tr>
</tbody>
</table>
## ICD-9 and ICD-10 Differences

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<tbody>
<tr>
<td>15,000 Diagnosis Codes</td>
<td>Approximately 70,000 diagnosis codes</td>
</tr>
<tr>
<td>Lacks Detail</td>
<td>Very Specific</td>
</tr>
<tr>
<td>Lacks Laterality</td>
<td>Has Laterality</td>
</tr>
</tbody>
</table>
This is the Size of an Elephant!
Getting Ready – On the Ground

• Assess & Collaborate—
  – Know about ICD-10 transitions
  – Understand the gravity of the changes
  – Respect the need for accurate training
  – Planning committee
  – Champion
Coding
Getting Ready – Staff

• Anatomy and Physiology
• Query Process
• Clinical Documentation
  – Clinical providers - get it documented
  – Staff - understand what must be documented
Getting Ready – Staff

• Start reviewing charts/claims using ICD-10-CM codes.

• If you code it once, you will code it a thousand times
  – Know your ICD-9-CM codes
  – Learn your ICD-10-CM codes
  – Break it up - one code at a time
Vendors
Getting Ready – Vendor Relations

• Important questions:
  – When will you install the update and when can I begin testing?
  – Will any of my current services be changed, interrupted, or discontinued?
  – Will you provide periodic updates for new products?
    • Will there be a charge?
  – Will I need new hardware?
  – What are the costs associated with maintaining new products?
  – Will you offer product support?
    • How long?
Getting Ready – Vendor Relations

• Important questions:
  – Response time to issues/concerns?
  – Will you provide training on your software?
  – Will you help me test my system with payers and other trading partners?
  – Does your product give me the ability to search for codes by the ICD-10 alphabetic and tabular indexes? By clinical concept?
  – Will your product allow for coding in both ICD-9 and ICD-10 to accommodate transactions with dates of service before October 1, 2014, and transactions with dates of service after October 1, 2014?
Getting Ready – Vendor Relations

• Important questions:
  – Are your EHR products ICD-10 ready?
  – Can your products help me with the ICD-10 transition?
    • Suggest code for ICD-10
    • GEMs
  – Do your products map SNOMED-CT to ICD-10 codes to help connect clinical and administrative data?
Getting Ready – Vendor Relations

• Important questions:
  – When will you be ready for the ICD-10 upgrade?
    • Length of time?
    • Training costs?
Getting Ready – Vendor Relations

• Buyer Beware!!!
  – GEMS
  – Suggested documentation
  – Suggested codes
  – Cloning abilities
Budgeting
Budget

• Establish a plan
  – Preparation
• Assessment
  – Gap Analysis
    • Information Technology
    • Coding
    • Coding related positions
  – Where are you now?
  – Where should you be now?
  – Where do you need to be on September 30, 2014?
  – Troubleshooting
  – Associated costs
Budget

• Vendors
  – Current
  – Alternative options

• Training
Budget

• Baseline Budget
  – Starting point

• Approval
  – Ensure everything has been reviewed and accepted

• Constant review
  – Keep on track
Budget

• Rainy day fund
• Contingency plan
• Phased approach
• Keep your ICD-10 budget separate from your regular budget.
Questions?

Heather Greene, MBA, RHIA, CPC, CPMA
Vice President, Compliance Services
AHIMA Approved ICD-10 CM/PCS Trainer
heather@krafthealthcare.com
(859) 552-3980
References

• All information was obtained:
• www.cms.gov/ICD10
• The ICD-10-CM 2012 Draft editions