ICD-10 Implementation

Get Ready!

ICD-10 Regional Awareness & Training
Thursday, September 26, 2013
Virtual Training ~ Adobe Connect

ICD-10 Implementation

October 1, 2014

It's closer than it seems.

INTRODUCTIONS

MDCH Provider Outreach Awareness and Training Team

- Stephen Brimley
- Michelle Miles

HIPAA Implementation ICD-10

General Overview Agenda

- HISTORY of ICD-10
- SIMILARITIES in ICD-9 vs ICD-10
- CHANGES with Implementation
- MYTHS & FACTS about ICD-10
- BENEFITS of ICD-10 Implementation
- MDCH Testing
- Resources

ICD-10 General Overview

Michelle Miles, Provider Liaison
Michigan Dept. of Community Health
External Lead, Awareness & Training Team

General Overview Agenda

- HISTORY of ICD-10
  - Federal Mandate
  - Date of Implementation
- SIMILARITIES in ICD-9 vs ICD-10
- CHANGES with Implementation
  - Code Set
  - Structure
  - Volume

What is ICD?

- International Classification of Diseases
- Established by the World Health Organization (WHO)
- Medical Code Set Defining:
  - Morbidity and Mortality Data
    - Diseases
    - Signs & Symptoms
    - Abnormal Findings
    - Complaints
    - Social Circumstances
    - External Causes of Injury or Diseases

ICD Coding History

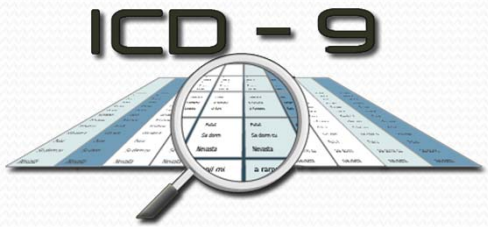
Year	Title	Codes
1839	Call for a uniform classification system	
1893	Classification for Causes of Death	< 200
1900	ILCD-1* Reported deaths only	< 200
1909	ILCD-2 * Reported deaths only	< 500
1919	ILCD-3 * Reported deaths only	< 500
1929	ILCD-4 * Reported deaths only	< 500
1935	ILCD-5 * Reported deaths only	< 500
1948	ISCSICD-6 ** Began disease and injury reporting	< 1000
1955	ICD-7 Name changed, other minor changes	< 1000
1965	ICD-8 Structural shortcomings apparent	1000 +
1974	ICD-9 Explosion of knowledge	13,000
1993	ICD-10 Major restructure	68,000

* International List of Causes of Death

** International Statistical Classification of Diseases, Injury and Causes of Death

What are we currently using?

- 9th Revision of the ICD Medical Code Sets
- Originally published by WHO in 1977
- Tracking of Diseases **ONLY**
- ICD-9 consists of 3 volumes
  - Volumes 1 & 2 Physician Reporting of Diagnosis in conjunction with HCPCS & CPT codes
  - Volume 3 Inpatient Hospital Procedure Codes
- Codes are added as a yearly update



Code Freeze Implementation

- The last regular, annual updates to both ICD-9-CM and ICD-10 code sets were made on **October 1, 2011**.
- On **October 1, 2013** there will be only limited code updates to both the ICD-9-CM and ICD-10 code sets to capture new technologies and diseases as required by section 503(a) of Pub. L. 108-173.

Code freeze implementation continued

- On **October 1, 2014**, there will be only limited code updates to ICD-10 code sets to capture new technologies and diagnoses as required by section 503(a) of Pub. L. 108-173. There will be no updates to ICD-9-CM, as it will no longer be used for reporting.
- On **October 1, 2015**, regular updates to ICD-10 will begin.

What is ICD-10?

- International Classification of Diseases 10th revision
- ICD-10-CM replaces ICD-9 Volumes 1 & 2
  - Diagnosis Codes for all Healthcare settings
- ICD-10-PCS replaces ICD-9 Volume 3
  - Procedure Codes for Hospital Inpatient Procedures
- 10th Edition was updated by World Health Organization in 1992

Why are we changing?

- Required by the Federal Government.
- The ICD-9-CM coding system no longer fits with the 21st century healthcare system.
  - Lacks sufficient specificity and detail.
  - No longer reflects current knowledge of disease processes, contemporary medical terminology, or the modern practice of medicine.
- ICD-9-CM code structure limits the amount of new codes that can be created.
- In many instances uses outdated and obsolete terms

ICD-10 Regulatory Requirements

- January 2009 United States Department of Health and Human Services(HHS) published final regulations setting initial compliance date of October 1, 2013. (45CFR162.1002)
- April 2012 HHS published a proposed rule to delay the compliance date.
- August 2012 HHS announced a final rule accepting a one-year delay for implementation.
- ICD-10 compliance date is officially **October 1, 2014**.

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ICD-10 Implementation Notes

- Single implementation date of October 1, 2014 for all users
- Date of Service Driven Implementation
  - Single Code Set per Claim
  - Dual acceptance of Codes for some time
    - Timely filing will apply
- Codes not submitted with correct codes based on date will be rejected
- No Impact on CPT® and HCPCS Level II Codes

HIPAA ICD-10 Implementation

ICD-10 Implementation

Single implementation date of October 1, 2014 for all users: Date of service Driven

- Date of service for ambulatory and physician reporting
  - Ambulatory and physician services provided on or after October 1, 2014 will use ICD-10-CM diagnosis codes
- Date of discharge for hospital claims for inpatient settings.
  - Inpatient discharges occurring on or after October 1, 2014 will use ICD-10-CM and ICD-10-PCS codes

What changes with ICD-10?

- **Volume**
  - Diagnosis codes increasing from 13,000 (ICD-9 Volumes 1 & 2) to 68,000 (ICD-10-CM) codes
  - Procedure codes increasing from 3,000 (ICD-9 Volume 3) to 72,000 (ICD-10-PCS) codes
- **Structure**
  - ICD-10-CM is 3 – 7 alpha numeric characters allowing for greater detail and later expansion
  - ICD-10-PCS is 7 alpha numeric characters all are required, includes systems and processes
- **New Features**
  - Examples - Laterality, left or right, & combination codes

What changes with ICD-10?

- Injuries grouped by anatomical site rather than type of injury
- Codes reflect modern medicine and updated medical terminology

Similarities to ICD-9-CM

- **Tabular List**
  - Chronological list of codes divided into chapters based on body system or condition
  - Same hierarchical structure
  - Chapters in Tabular structures similarly to ICD-9-CM, with minor exceptions
    - Example: Sense organs (eye and ear) are separated from Nervous System chapter and moved to their own chapters

Similarities to ICD-9-CM (continued)

- Index
  - Alphabetical list of terms and their corresponding codes
  - Indented subterms appear under main terms
  - Same structure as ICD-9-CM
    - Alphabetic Index of Diseases and Injuries
    - Alphabetic Index of External Causes
    - Table of Neoplasms
    - Table of Drugs and Chemicals

Similarities to ICD-9-CM (continued)

- Many conventions have the same meaning
  - Abbreviations, punctuation, symbols, notes such as "code first" and "use additional code"
- Nonspecific codes ("unspecified" or "not otherwise specified") are available to use when detailed documentation to support more specific code is not available
- Codes are looked up the same way
  - Look up diagnostic terms in Alphabetic Index, then
  - Verify code number in Tabular List

Similarities to ICD-9-CM (continued)

- Codes are invalid if they are missing an applicable character
- ICD-10-CM Official Guidelines for Coding and Reporting accompany and compliment ICD-10-CM conventions and instructions
- Adherence to the official coding guidelines in all healthcare settings is required under the Health Insurance Portability and Accountability Act (HIPAA)

What Changes with ICD-10-CM?

- **3-7 alpha numeric structure**
  - Allows for greater detail
  - Flexible: Allows for expansion
- **ICD-10 CM Codes Increase**
  - 13, 000 Codes -> 68,000 Codes
- **Very Logical and Specific**
  - Comorbidities
  - Manifestations
  - Etiology/Causation
  - Age Related
  - Joint Involvement
- **Includes Laterality**

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ICD-10-CM Structure

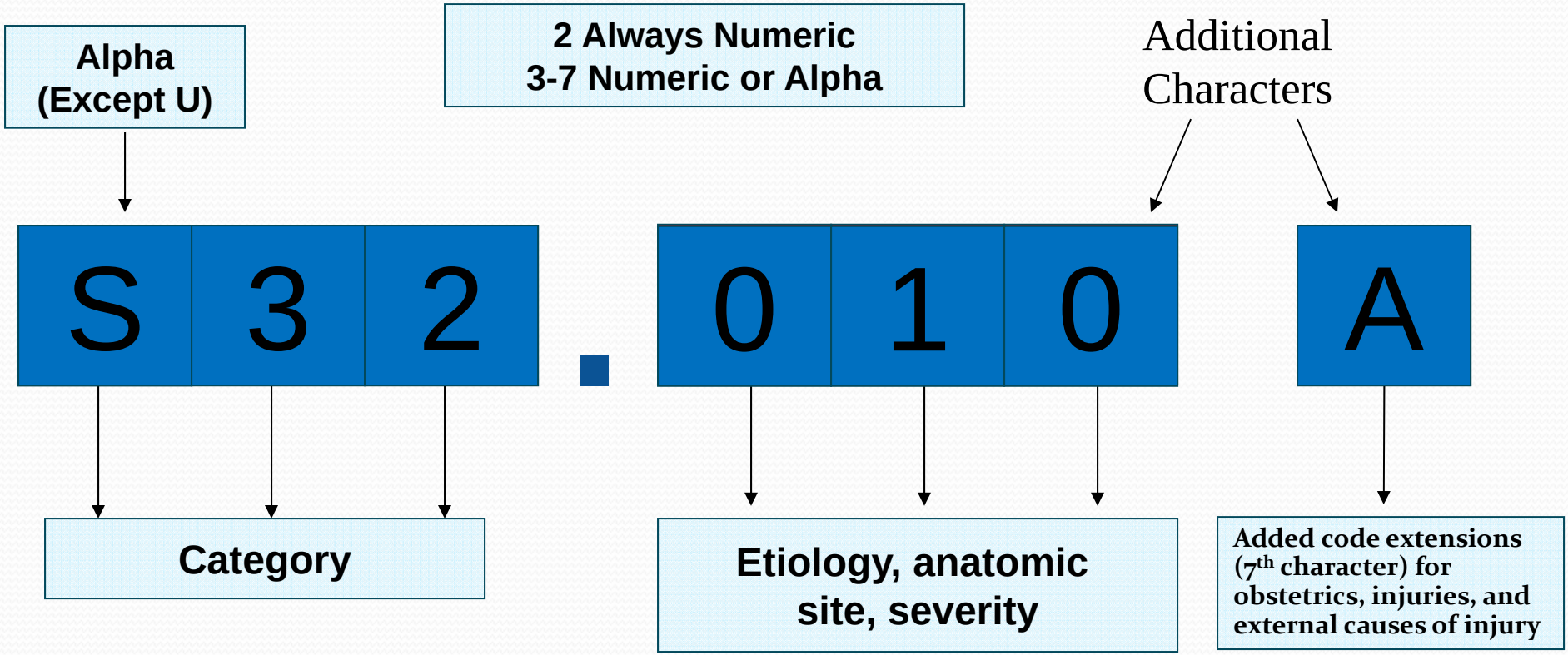
ICD-9-CM

- 3-5 characters
- First character is numeric or alpha (E or V)
- Characters 2-5 are numeric
- Always at least 3 characters
- Use of decimal after 3 characters

ICD-10-CM

- 3-7 characters
- 1st character is alpha (all letters except U are used)
- 2nd character is numeric
  •Characters 3-7 are alpha or numeric
- Use of decimal after 3 characters
- Alpha characters are not case-sensitive
  - (e.g., Right ankle sprain, initial encounter: S93.401A, S93.401a, s93.401A, s93.401a)

ICD-10-CM Code Structure



3 – 7 Characters

Addition of 7th Character

- 7th character is used in certain chapters (e.g., Obstetrics, Injury, Musculoskeletal, and External Cause chapters)
- Different meaning depending on section where it is being used
- Must always be used in the 7th position
- When 7th character applies, codes missing the 7th character are invalid

7th Character Describing Encounter

- **Initial encounter:** As long as patient is receiving active treatment for the condition.
  - Examples of active treatment are: surgical treatment, emergency department encounter, and evaluation and treatment by a new physician.
- **Subsequent encounter:** After patient has received active treatment of the condition and is receiving routine care for the condition during the healing or recovery phase.
  - Examples of subsequent care are: cast change or removal, removal of external or internal fixation device, medication adjustment, other aftercare and follow up visits following treatment of the injury or condition.
- **Sequela:** Complications or conditions that arise as a direct result of a condition (e.g., scar formation after a burn).
  - *Note:* For aftercare of injury, assign acute injury code with 7th character for subsequent encounter.

7th Character Example - Fractures

- A – Initial encounter for closed fracture
- B – Initial encounter for open fracture
- D – Subsequent encounter for fracture with routine healing
- G – Subsequent encounter for fracture with delayed healing
- K – Subsequent encounter for fracture with nonunion
- P – Subsequent encounter for fracture with malunion
- S - Sequela

Placeholder "X"

- Addition of dummy placeholder "X" (or "x") is used in certain codes to:
  - Allow for future expansion
  - Fill out empty characters when a code contains fewer than 6 characters and a 7th character applies
- When placeholder character applies, it must be used in order for the code to be valid
- Example: "X" is not case-sensitive
  - T15.02xD or T15.02XD – Foreign body in cornea, left eye, subsequent encounter

ICD-10-CM Volume Example

- ICD-9 Code – E917.0 – Striking against or struck accidentally in sports without subsequent fall
- ICD-10-CM – Sports injuries now include sport and reason for injury
- What does this mean?
  - 1 ICD-9 code becomes 72 ICD-10-CM codes

E917.0 → 72 Possibilities*

W21	Striking against or struck by sports equipment	W21.2	Struck by hockey stick or puck
W21.0	Struck by hit or thrown ball	W21.21	Struck by hockey stick
W21.00	* Struck by hit or thrown ball, unspecified type	W21.210	* Struck by ice hockey stick
W21.01	* Struck by football	W21.211	* Struck by field hockey stick
W21.02	* Struck by soccer ball	W21.22	Struck by hockey puck
W21.03	* Struck by baseball	W21.220	* Struck by ice hockey puck
W21.04	* Struck by golf ball	W21.221	* Struck by field hockey puck
W21.05	* Struck by basketball	W21.3	Struck by sports foot wear
W21.06	* Struck by volleyball	W21.31	* Struck by shoe cleats
W21.07	* Struck by softball	W21.32	* Struck by skate blades
W21.09	* Struck by other hit or thrown ball	W21.39	* Struck by other sports foot wear
W21.1	Struck by bat, racquet or club	W21.4	* Striking against diving board
W21.11	* Struck by baseball bat	W21.8	Striking against or struck by other sports equipment
W21.12	* Struck by tennis racquet	W21.81	* Striking against or struck by football helmet
W21.13	* Struck by golf club	W21.89	* Striking against or struck by other sports equipment
W21.19	* Struck by other bat, racquet or club	W21.9	* Striking against or struck by unspecified sports equipment

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Each of these codes also includes a possibility of 3 different extensions (7th digit) A=initial encounter, D=subsequent encounter, or S=Sequela.

ICD-10-CM Increased Specificity Examples

- S72.044G – Non-displaced fracture of base of neck of right femur, subsequent encounter for closed fracture with delayed healing
- I69.351 – Sequelae of cerebral infarction, Hemiplegia and hemiparesis following cerebral infarction affecting right dominant side
- Z47.81 – Encounter for orthopedic aftercare following surgical amputation
- Z48.21 – Encounter for aftercare following heart transplant

ICD-10-CM Laterality Examples

- C50.511 – Malignant neoplasm of lower-outer quadrant of right female breast
- H01.111 – Allergic dermatitis of right upper eyelid
- L89.223 – Pressure ulcer of left hip, stage 3
- S61.350A – Open bite of right index finger with damage to nail, initial encounter

Combination Codes - Examples

- I25.110 Atherosclerotic heart disease of native coronary artery with unstable angina pectoris
- E11.311 Type 2 diabetes mellitus with unspecified diabetic retinopathy with macular edema
- K71.51 Toxic liver disease with chronic active hepatitis with ascites
- K50.012 Crohn's disease of small intestine with intestinal obstruction

What Changes with ICD-10-PCS?

- **7 alpha numeric structure**
  - All characters required
  - systems and processes
- **ICD-10 PCS Codes Increase**
  - 3,000 Codes -> 72,081
- **Precise definition:**
  - Anatomic Site
  - Approach
  - Device Used
  - Qualifying Info
- **Includes Laterality**

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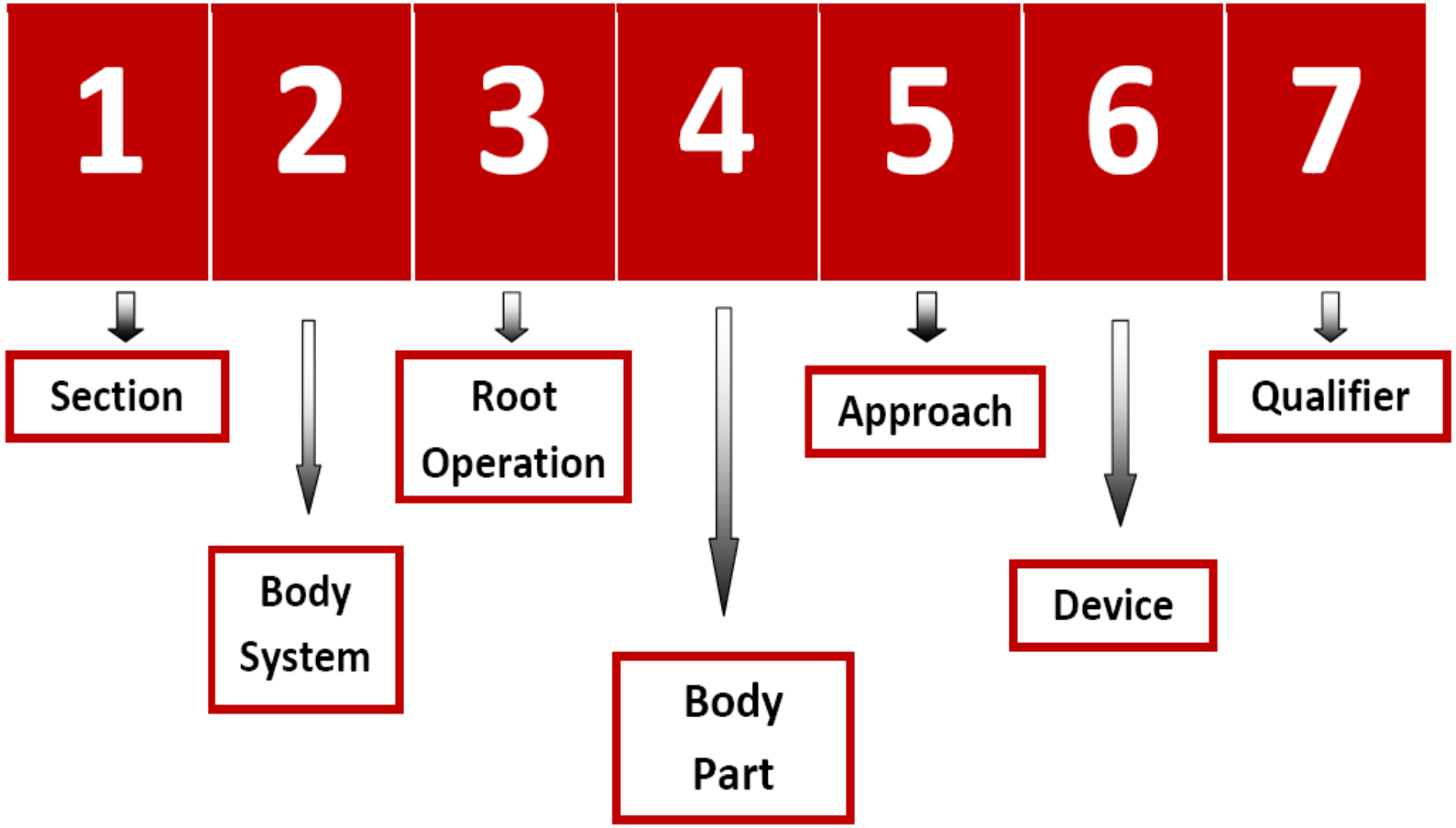
ICD-10-PCS Code Structure Overview

- **Codes are built one digit at a time**
  - each digit represents a different piece of information
- **Codes are each 7 characters long (no decimal points)**
  - Each character can be alpha or numeric except I and/or O so as not to be confused with 1 and 0
- **Each code is built specifically for the procedure performed**
  - so that the coding system is flexible and
  - allows for new procedures to be easily incorporated into the coding system.

ICD-10-PCS Code Structure



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Myths and Facts about ICD-10

- **Myth – 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 for you to find the right code.
  - In addition, just as you don't have to conduct searches of the entire list of ICD-9 codes for the proper code, you also don't have to conduct searches of the entire list of ICD-10-CM/PCS codes.

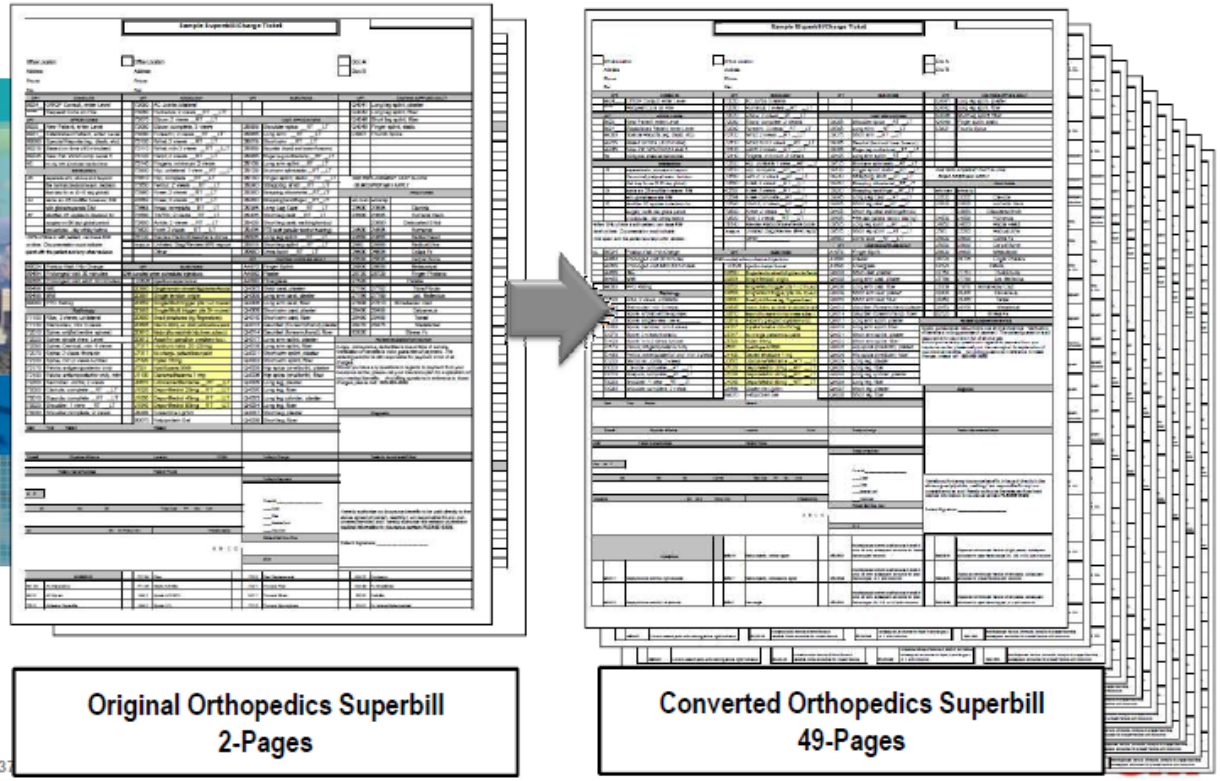
Myths and Facts about ICD-10

- **Myth – 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.

Myths and Facts about ICD-10

- **Myth – 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 and removing rarely used codes; and Crosswalking common codes from ICD-9-CM to ICD-10-CM, by either looking up codes in the ICD-10-CM code book or using the General Equivalence Mappings (GEMs).

Superbill Conversion Example



Original Orthopedics Superbill
2-Pages

Converted Orthopedics Superbill
49-Pages

ICD-10

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Michigan Dept. of Community Health
External Lead, Awareness & Training Team

Agenda

- Myths & Facts
- Benefits
- Impacts
- Clinical Documentation
- Getting Ready

Myths and Facts about ICD-10

- **Myth – Our HER system vendor will handle our ICD-10 implementation.**
- Fact – Vendors may only address technical and workflow aspects of their application
- Workflow integration with other applications will fall to the system users

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Benefits of ICD-10

- Updates terminology and disease classifications
  - ICD-9 contains obsolete groupings of disease families
- Enhances Coding
  - Increases accuracy and specificity
- Provides greater detail to analyze and track disease patterns
- Improves auditing process
  - Enhances investigation and detection of fraud and abuse
- Streamlines payment operations
  - Fewer payer-physician inquiries

Provider Impacts

- ICD-10 is more than just a code set update it is a business function change
- Impacted areas:
  - Policies & Procedures
  - Forms & Superbills
  - Health Plan & Payer Policies
  - Systems
  - Clinical Knowledge
  - Clinical Documentation
  - Training

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Post Implementation Claim Submission Scenarios

SCENARIO TYPE	MDCH CLAIM ACTION	MDCH CLAIM EXPLANATION
ICD-9 Code submitted on Claim for date of service after Implementation	***Claims will be rejected*** for all claims using incorrect codes.	All Claims submitted for Dates of service on or after October 1, 2014 must use ICD-10 Codes
ICD-9 Codes submitted for overlap of Inpatient Hospital Services ie) Pt. Stay = September 15, 2014 to October 15, 2014	***Claim will be rejected***	For Inpatient Hospital Services that includes service dates prior to implementation and discharge after implementation must use ICD-10 codes
Submitting ICD-9 and ICD-10 codes on One (1) Claim	***Claims will be rejected***	One Set of ICD codes per Claim must be submitted post implementation
Early submission of ICD-10 Codes	***Claims will be rejected***	Early Submissions of ICD-10 Codes prior to Compliance Deadline are not allowed.

Clinical Documentation

- Better clinical documentation promotes better patient care and more accurate capture of acuity and severity
  - Quality measures
  - Reimbursement
  - Severity-level profiles
  - Risk adjustment profiles
  - Present on admission reporting
  - Hospital-acquired conditions

Clinical Documentation (continued)

- High-quality documentation can help to:
  - Avoid misinterpretation by third parties (auditors, payers, attorneys, etc.)
  - Justify medical necessity

Clinical Documentation Improvement Strategies

- Identify documentation improvement opportunities that could impact multiple initiatives – don't focus solely on ICD-10
- Determine best solution for addressing each documentation gap – one size doesn't fit all
  - Examples:
    - Modifications to form or template
    - EHR documentation template
    - System prompts
    - Education
    - Workflow or operational process changes
- Prioritize – start with issues with greatest impact

Where can you start?

- **Find out who** is coordinating your ICD-10 implementation activities
- **Map top 20 – 30 diagnosis** codes from ICD-9 to ICD-10 using a GEM viewer and the draft ICD-10 code set to start understanding how the code set change will specifically impact you
- **Begin to review** clinical documentation to see if the needed detail is included to support ICD-10's increased specificity
- **Review our website**

What are we doing to help?

- MDCH Awareness & Training Team
  - Live and Virtual Training Sessions
  - Quarterly Messaging
  - Newly updated webpage
    - Webcasts
      - Currently have: ICD-10 Overview, and ICD-10 Provider Impacts
      - Coming soon: ICD-10 Provider Readiness, and Clinical Documentation
    - Educational Materials
    - Useful Links
    - GEMs Viewer

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MDCH Provider Outreach Strategies

- ICD-10 is a National Initiative not Payer specific.
- Collaborative efforts show the importance of the initiative as well the unity of the Payers.
- Payers (BCBS, Aetna, United, Medicaid) may change, however the ICD-10 message is the same!

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Key ICD-10 Messages

- ICD-10 is NOT just an IT Project.
- Lack of planning leads to delay/and or disruption of payments.
- Clinical Documentation is the foundation to successful implementation.
- For MDCH, rules that apply to ICD-9 incorrect coding and its impact on claim processing will be no different for ICD-10.

MDCH ICD-10 Implementation Goals

- Prevent impact on access to care
- Avoid any unexpected major financial impacts on MDCH, our partners, or our provider community
- Avoid unexpected major operational impacts, such as increases in suspended claims, help line calls, etc.
- Minimize post implementation surprises

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How do we plan to achieve those goals?

Awareness & Training

and

Testing

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Testing

- Testing between actual providers and payers will be the only way that you truly know what will happen once ICD-10 is implemented.

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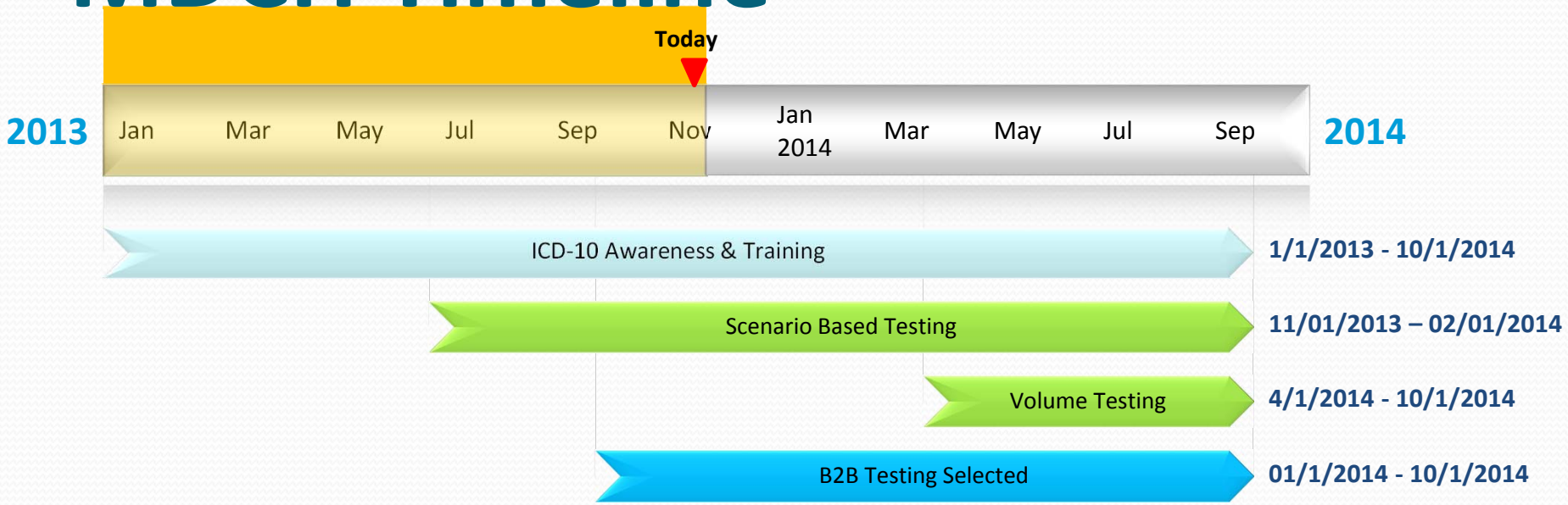
MDCH Timeline



LEGEND	PROJECT PHASES
	Internal & External ICD-10 Awareness & Training ▪ Commenced 01/01/2012
	Comparative Testing Phase ▪ Scenario Based Testing ▪ Volume Testing & Production Recoding
	Business to Business Testing ▪ 01/01/2014: ICD-10 Claim and Encounter Processing

MDCH Provider Testing

- **Comparative Testing**
  - **Scenario:** generic clinical scenarios will be prepared and sent to Providers for coding using ICD-10
  - **Production Recoding:** specific (ICD-9) claims of interest will be selected for re-coding by the originating Provider using ICD-10
  - **Volume:** Providers will be invited to code 1 week of claims in both ICD-9 and ICD-10

MDCH Provider Testing

- **Business to Business (B2B)**
  - Will verify Providers, Business Partners, and Trading Partners can communicate with the State, exchanging ICD-10 coded transactions via the Data Exchange Gateway (DEG), web portal and custom interfaces.

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How we can help?

- MDCH has created an ICD-10 Awareness & Training Team to assist in provider education and awareness

- Review our website

www.michigan.gov/5010icd10

- Contact the Awareness & Training Team

MDCH-ICD-10@michigan.gov

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Resources

- Centers for Medicare & Medicaid Services (CMS)
- American Health Information Management Association (AHIMA)
- American Academy of Professional Coders (AAPC)
- Blue Cross Blue Shield of Michigan(BCBSM)

Questions?