

INGENIX®

ICD-10 Frequently Asked Questions

Background

The Department of Health and Human Services (HHS) announced in August 2008 that it is transitioning the health care industry to the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) and the International Classification of Diseases, Tenth Revision, Procedural Classification System (ICD-10-PCS) for coding and billing. The implementation deadline is Oct. 1, 2011. Below are answers to frequently asked questions about ICD-10.

Q: Why is the industry transitioning to ICD-10 from ICD-9-CM?

A: ICD-9 Clinical Modification (ICD-9-CM) is nearly 30 years old and many of its diagnosis categories are full, preventing further expansion. In fact, it's estimated that the ICD-9-CM procedure code set will run out of codes in 2009. In addition, ICD-9-CM is not flexible enough to quickly incorporate emerging diagnoses and procedures, nor is it accurate enough to identify diagnoses and procedures precisely. In contrast, ICD-10-CM and PCS provides detailed information on procedures, allows ample space for capturing new technology and devices, and has a logical structure with clear, consistent definitions.

Q: When will the industry begin using ICD-10?

A: Currently, all covered entities (health plans, health care clearinghouses, and certain health care providers) that bill Medicare for services must begin using the ICD-10 code sets on Oct. 1, 2011. This is the deadline that HHS listed in its proposed rule. However, the public comment period on the proposed rule is open until Oct. 21, 2008, and many organizations are urging HHS to extend its deadline.

Q: Who developed ICD-10 and who uses it?

A: ICD-10 was developed by the World Health Organization and was released for use in 1994. Other countries using ICD-10 include the United Kingdom, Denmark, Finland, Iceland, Norway, Sweden, France, Belgium, Germany and Canada.

Q: How will the change to ICD-10 benefit the industry?

A: Besides expanding the list of available codes and increasing the flexibility of the code sets to accommodate emerging diagnoses and procedures, the transition to ICD-10 will benefit the industry in several ways, including:

- **Value-Based Purchasing, Quality Performance, Pay-**

- **for-Performance (P4P)** – These initiatives require greater specificity in diagnosis and procedure coding, which ICD-10 facilitates.

- **Reduced Costs** -- Administrative costs will be reduced with improved electronic transaction processes as well as improved data element specificity.
- **Improved Outcomes** – ICD-10 provides a higher degree of specificity in diagnosis codes, which can be used to identify improved practice standards, quality measurements, outcomes measurements and utilization review. This information can be used in disease management and research efforts to develop best practices.
- **Reimbursement Equity** – Improved data collection provides for better equity in reimbursement for services while maintaining budget neutrality.
- **Bio-Surveillance** – The increased diagnostic capabilities of ICD-10, and its ability to assign new codes for emergent diseases, provides the framework that the United States needs to effectively participate in world-wide bio-surveillance efforts by enabling health providers to adequately track and respond to impending epidemics and other potential health hazards.

Q: How will the implementation of the ICD-10 code sets impact electronic transactions?

A: HIPAA requires the Secretary of Health and Human Services (HHS) to adopt standards that covered entities are required to use in electronically conducting certain health care administrative transactions, such as claims, remittance, eligibility, and claims status requests and responses. The current transaction standard is version 4010 for health care transactions, and version 4010A1 for pharmacy transactions. HHS is proposing that the industry upgrade to version 5010 for health care transactions and version D.0. for pharmacy transactions, namely Medicare Part D claims. The 5010 transaction set deadline is April 1, 2010. HHS is proposing the upgrade to version 5010 because the 4010/4010A1 standard cannot accommodate the ICD-10 code sets.

Q: What information systems will be affected by the change to ICD-10?

A: The American Health Information Management Association (AHIMA) recently published a list containing many of the systems that will be affected by the change. The list includes the following systems that are used at physician practices, hospitals, payers and clearinghouses:

- Accounting systems
- Aggregate data reporting
- Billing systems
- Case management
- Case-mix systems
- Clearinghouse EDI systems
- Clinical protocols
- Clinical reminder systems
- Clinical systems
- Decision-support systems
- Disease management systems
- Encoding software
- Medical necessity software
- Medical record abstracting
- Payer claims adjudication systems
- Performance-measurement systems
- Physician practice management systems
- Provider profiling systems
- Quality management
- Registration and scheduling systems
- Test-ordering systems
- Utilization management

Q: How should the industry prepare for the change to ICD-10?

A: All covered entities should inventory their systems to determine which ones will be impacted by the change. Following that, these organizations will need to communicate with their information systems vendors to determine their upgrade plans. Also, these organizations should evaluate their business partners (clearinghouses, etc.) to determine their plans to meet the deadline.

Additionally, all covered entities need to make preparations for coder training. HHS estimates total training costs for full-time hospital coders at \$2,750 per coder (\$2,200 for lost work time, plus \$550 for training expenses), and \$550 for part-time coders (\$440 for lost work time, plus \$110 for training expenses). Besides in-service training at health care facilities, the AHIMA Education Strategy Committee is developing a transition and implementation strategy to pull ICD-10 coding, reimbursement and change-management knowledge clusters into associate and baccalaureate model curriculums. Master's level programs will be updated as well to reflect changes in managerial and organizational skills.

To help with coder training, the Centers for Medicare & Medicaid Services (CMS) ICD-10 Web site offers an ICD-10-PCS to ICD-9-CM mapping that can be downloaded from: http://www.cms.hhs.gov/ICD10/02_ICD-10-PCS.asp#TopOfPage.

Q: How is Ingenix preparing for the ICD-10 transition?

A: Some Ingenix solutions, such as the Web.Strat™ hospital encoding solution, are already ICD-10 compatible. In addition, Ingenix is currently evaluating the solutions that will be impacted by the change to the 5010 standard and ICD-10. Once all products are identified, Ingenix will develop a plan to have the solutions compliant in time for customers to implement/upgrade solutions before the deadlines.

Q: What are the primary differences between ICD-10 and ICD-9?

A: The differences are numerous, ranging from the number of coding categories to the structure of the codes. ICD-10-CM replaces ICD-9-CM, which is used by all types of providers. The ICD-10 Procedure Coding System (ICD-10-PCS) replaces ICD-9-CM volume 3, Procedures, which is used by inpatient hospitals. Primary differences between ICD-9 and ICD-10 include:

ICD-9-CM Diagnosis Codes	ICD-10-CM Diagnosis Codes
13,000 diagnosis codes	68,000 diagnosis codes
Uses 3 to 5 digit codes	Uses 3 to 7 digit codes
Chapters 1-17 uses all numeric characters, supplemental chapters use an alpha first digit (E or V)	<ul style="list-style-type: none"> • Digit 1 is alpha (A-Z, not case sensitive) • Digit 2 and 3 are numeric • Digits 4-7 are alpha or numeric

ICD-9-CM Procedure Codes	ICD-10-PCS Codes
11,000 procedure codes	87,000 procedure codes
Uses 3 to 4 digit codes	Uses 7 digit codes
All four digits are numeric	Any of the digits can be alpha or numeric. Letters O and I are not used to avoid confusion with number 0 and 1.

Other primary differences in the ICD-10 code sets include:

- Significant increases in the number of codes
- Use current medical terminology
- Includes increased clinical detail
- Includes additional information relevant to ambulatory and managed care encounters
- Is easily expandable to accommodate the need for new codes and medical advances

Q: How is the structure of ICD-10-CM different than ICD-9-CM?

A: ICD-10-CM has an index and tabular list similar to those of

ICD-9-CM. Some of the main differences with ICD-10-CM are as follows:

- ICD-10-CM consists of 21 chapters
- Expanded injury codes which are grouped by anatomical site rather than injury category
- Combination diagnosis/symptom codes are included, which reduce the number of codes needed to fully describe a condition
- Some chapters include the addition of a seventh character extension. Extensions are used to provide additional information about the patient or the episode of care
- ICD-10-CM includes a dummy place holder of X for codes that do not have a 4th, 5th or 6th digit, but do require a 6th or 7th digit expansion.
- ICD-10-CM includes full code titles for all codes (no references back to common fourth and fifth digits)
- In the Obstetrics chapter, the trimester in which the condition occurred is included in the code
- V and E codes are no longer supplemented classifications
- Added laterality
- In the majority of instances the full ICD-10-CM code is not listed in the Index
- An Excludes 2 note has been added to the Tabular

The AHIMA ICD-10-CM Web site contains a primer detailing the structure of the new code set. It can be accessed at: http://library.ahima.org/xpedio/groups/public/documents/ahima/bok1_038084.hcsp?dDocName=bok1_038084.

Q: How is the structure of ICD-10-PCS different than ICD-9-CM volume 3, Procedures?

A: ICD-10-PCS has no structural similarity to ICD-9-CM. The following identifies some of the differences:

- ICD-10-PCS includes 16 sections
- The first character of the code specifies the section, and includes:

0 – Medical and Surgical

1 – Obstetrics

2 – Placement

3 – Administration

4 – Measurement and Monitoring

5 – Extracorporeal Assistance and Performance

6 – Extracorporeal Therapies

7 – Osteopathic

8 – Other Procedures

9 – Chiropractic

B – Imaging

C – Nuclear Medicine

D – Radiation Oncology

F – Physical Rehabilitation and Diagnostic Audiology

G – Mental health

H – Substance Abuse Treatment

- Each of the seven digits within a chapter has a specific meaning

- ICD-10-PCS does not include a decimal point

- Unlike ICD-9-CM, the ICD-10-PCS index does not contain the entire code, instead, only the first 3 or 4 digits are listed

- Digits 4-7 are then built by making selections from tables or grids in the tabular listing

- Code titles are not included in the tabular listing but are included in a Codes List volume

- In ICD-10-CM no eponyms are used

The CMS Web site contains a PowerPoint presentation that discusses the structure of ICD-10-PCS. It can be accessed at: http://www.cms.hhs.gov/ICD10/02_ICD-10-PCS.asp#TopOfPage

Q: Will ICD-10 change before the implementation date?

A: Yes. The ICD-10-CM and PCS index and tabular list were released in July 2007, and are available at the CMS Web site: http://www.cms.hhs.gov/ICD10/01_Overview.asp#TopOfPage. Coding professionals will need to monitor the CMS Web site for any new versions of the guidelines, index, and tabular list before implementation. ICD-10-PCS has been updated on an annual basis since 1999 and is expected to be update again for 2009.

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