ICD-10 will Change Everything

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ICD-10 Implementation Guide, Make the Transition Manageable,”
AMA Press

Overview of ICD-10
ICD-10 Final Rule CMS-0013-F

- Published January 16, 2009
- October 1, 2013 – Compliance date for implementation of ICD-10-CM and ICD-10-PCS (no delays)
- No impact on Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) codes


ICD-10 Final Rule Issues

- Single implementation date for all users
  - Date of service for ambulatory and physician reporting
  - Date of discharge for inpatient settings
- ICD-9-CM codes will not be accepted for services provided on or after October 1, 2013
- ICD-9-CM claims for services prior to implementation date will continue to flow through systems for a period of time
- 4010 electronic transaction standard to 5010 – January 1, 2012
- THERE WILL BE NO DELAY!!!
Version 5010

- New version of the HIPAA standards - Version 5010 includes:
  - Technical
  - Data content improvements
  - The updated version is more specific in requiring the data that is needed, collected, and transmitted in a transaction; its adoption will reduce ambiguities
  - Version 5010 addresses currently unmet business needs, including, for example, providing on institutional claims an indicator for conditions that were “present on admission”

- Most important:
  - Version 5010 also accommodates the use of the ICD-10 code sets, which are not supported by Version 4010/4010A1

Use of Clinical Coding Data

- Benchmarking and quality management
- Decision-making
  (clinical, financial, funding, expansion, education)
- Healthcare policy and public health tracking
- Reimbursement
- Research
Countries using ICD-10

- United Kingdom - 1995
- Nordic countries (Denmark, Finland, Iceland, Norway, Sweden) - 1994-1997
- France - 1997
- Australia - 1998
- Belgium - 1999
- Germany - 2000
- Canada - 2001

ICD10 Quick Facts

Diagnosis

Procedure

<table>
<thead>
<tr>
<th>Code</th>
<th>Diagnosis</th>
<th>Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICD-9-CM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICD-10-CM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICD-10 (WHO)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICD-9-CM</td>
<td></td>
<td></td>
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<tr>
<td>ICD-10-PCS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICD-10 (WHO)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Why is it Such a Big Deal?

Just a version change?

1. A cornerstone of Health Information
   - ICD9/10 diagnosis codes define the health state of the patient
   - ICD9/10 procedure codes define the institutional procedures that patients may receive to maintain or improve their health state
2. Major change in the coding system
   - 14,400 ICD9 codes to 69,368+ ICD10 codes
   - 3,800 ICD9 procedure codes to 72,000 ICD10 procedure codes
   - Major changes in structure of the codes
   - Major changes in coding rules
   - Major changes in terminology
3. Pervasive use through most healthcare systems
   - Many business functions Impacted
   - Many IT systems impacted
   - Paper and electronic

Why Are There So Many Diagnosis Codes?

- 34,250 (50%) of all ICD-10-CM codes are related to the musculoskeletal system
- 17,045 (25%) of all ICD-10-CM codes are related to fractures
  - 10,582 (62%) of fracture codes to distinguish ‘right’ vs. ‘left’
- ~25,000 (36%) of all ICD-10-CM codes to distinguish ‘right’ vs. ‘left’
On October 1, 2013, the usual coding rule for inpatient services will apply. Providers and insurers will use ICD-9-CM edits and payment logic for claims relating to encounters and hospital discharges occurring prior to October 1, 2013. Beginning on October 1, 2013, ICD-10 will be used for all encounters and hospital discharges. For hospital inpatient claims, the code in use on the date of discharge and NOT the date of admission will be used. HCPCS and CPT codes will not be affected.
ICD-10: Potential Impact

Providers
- Medical Records Coding
- Retraining
- Revenue Cycle Redesign
- Medical Policy & Protocol
- Potential Modification of Provider Contracts
- Productivity reduction
- Pay for Performance Protocols
- Clinical Documentation

Payer/Business Operations
- Medical Policy Management
- Claim Administration
- Customer Support
- Provider Credentialing
- Legal and Regulatory Changes
- Utilization Review
- Compliance and Reporting

Medical Management
- Disease Management
- Utilization Review Processes
- Pre-certification/Referral
- Preventive Care Programs Restructuring
- Clinical Data Management

Payer/Claims
- Claims Adjudication
- Edits Restructuring and Usage
- Eligibility Validation
- State Mandates
- Reimbursement Rates
- Covered Services Determination
- Claim History Mapping

Other Impacts to Providers

- Patient/Provider/Plan Confusion
  - Increase in denials?
  - Patient misunderstanding of changes in coverage
  - Provider questions

- Older debt versus newer services
  - Using ICD-9 codes versus ICD-10 for rebilling

- Privacy concerns
  - New codes contain significantly more detail, how much can be shared?
The Code Freeze

- On October 1, 2012, 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
- On October 1, 2013, 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, 2014, regular updates to ICD-10 will begin

Advantage of Moving to ICD-10

- More consistent with the rest of the world
- Considerably more information per code
- Greater expandability in codes
- More logical tabular structure
- Better definition of co-morbidities, complications and disease manifestations
- Improved support for analysis related to:
  - Risk and severity
  - Predictive modeling
  - Quality and cost efficiency analysis
  - Population epidemiologic research
Exception and Challenges to ICD-10

- Workers Compensation carriers are only exclusion from conversion to ICD-10
  - How will workers compensation claims be submitted?
  - How will health plans handle in subrogation?
- Remember: ICD-9 manuals will not be updated after 10/1/12
  - ICD-9 codes will become obsolete

Potential Post Compliance Challenges

- Initial Productivity Loss
- Disruptions to Claims Flow
- Increase in Claims rejection rate
- Provider-Payer Relations
- Patient Experience with provider
- Preparation and a well-developed plan are key to addressing challenges
Let’s Look at ICD-10-CM

Format and Structure

- **Categories**: Alphanumeric, 3 characters
- **Subcategories**: 4 or 5 characters
- **Codes**: Up to 7 characters
ICD-10 CM Format

X  X  X  
\[ \downarrow \]
Category

X  X  X  
\[ \downarrow \]
Etiology, Anatomical site, Severity

X
\[ \downarrow \]
Extension

Hierarchy Structure

• Differences in ICD-10-CM
  – Alphanumeric Structure
  – Addition of 6 and 7 digit extensions to provide a higher level of specificity
  – More specificity
  – Reorganizing and adding chapters
  – Diagnostic codes will be more precise
  – Expanded to include health-related conditions
  – Creation of combination diagnosis/symptom codes to reduce the number of codes needed to fully describe a condition
  – The new structure will allow further expansion than was possible with ICD-9-CM
Organization

- The ICD-10 codes are organized differently than the ICD-9 codes
- Example:
  - Sense organs have been separated from nervous system disorder
  - Injuries are grouped by anatomical site rather than injury category
  - Postoperative complications have been moved to procedure-specific body system chapter

Chapters and Sub-Chapters

- Chapters further divided into subchapters or blocks ("Rubrics")
  - Rubrics
  - Identify conditions closely related
  - A summary of the subchapters is found in each chapter
  - Indicates overview of the classification structure
Organizational Changes

• **Some Significant Changes:**
  – Injuries
  – Combined codes
  – Reassignment of existing codes to new categories
  – Alpha extensions
  – Excludes note changes
  – Guidelines

Let’s Talk Differences

• Going from 14,400 codes to over 69,368
  – Requires greater specificity
  – Laterality
  – Stages of healing
  – Trimesters in pregnancy
Comparison

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>ICD-10-CM</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 931 Foreign body in ear</td>
<td>• T16.1xxa Foreign body in right ear, initial encounter</td>
</tr>
<tr>
<td></td>
<td>• T16.2xxd, Foreign body in left ear, subsequent encounter</td>
</tr>
<tr>
<td></td>
<td>• T16.3xxq, Foreign body in ear, unspecified ear, sequela</td>
</tr>
</tbody>
</table>

Laterality

- **Example:** A patient is treated for cholesteaoma of mastoid bilateral.
  - H71.2 Cholesteatoma of mastoid
    - H71.20 Cholesteatoma of mastoid, unspecified ear
    - H71.21 Cholesteatoma of mastoid, right ear
    - H71.22 Cholesteatoma of mastoid, left ear
    - H71.23 Cholesteatoma of mastoid, bilateral
  - Correct code: H71.23 for this patient encounter
Three Character Categories

- Following the “excludes” and “includes” notes, each chapter begins with a list of blocks—or subchapters—of three character categories
- A00–A09 Intestinal infectious diseases
- D10-D36 Benign neoplasms except benign neuroendocrine tumors
- E08-E13 Diabetes Mellitus
- G30-G32 Other degenerative diseases of the nervous system

Four-Five Character Subclassification

- The fourth and fifth character categories further define the site, etiology, and manifestation or state of the disease or condition:
  - D04.0 Carcinoma in situ of skin of lip
  - D04.10 Carcinoma in situ of skin of unspecified eyelid, including canthus
  - D04.11 Carcinoma in situ of skin of right eyelid, including canthus
  - D04.12 Carcinoma in situ of skin of left eyelid, including canthus
  - D04.20 Carcinoma in situ of skin of unspecified ear and external auricular canal
  - D04.21 Carcinoma in situ of skin of right ear and external auricular canal
  - D04.22 Carcinoma in situ of skin of left ear and external auricular canal
  - D04.30 Carcinoma in situ of skin of unspecified part of face
  - D04.39 Carcinoma in situ of skin of other parts of face
Sixth Character Subclassification

• A six character sub-classifications represents the most accurate level of specificity
  – L89.510 Pressure ulcer of right ankle, unstageable
  – L89.511 Pressure ulcer of right ankle, stage 1
  – L89.512 Pressure ulcer of right ankle, stage 2
  – L89.513 Pressure ulcer of right ankle, stage 3
  – L89.514 Pressure ulcer of right ankle, stage 4
  – L89.519 Pressure ulcer of right ankle, unspecified stage

Seventh Character Extension

• Certain ICD-10-CM categories have applicable 7 characters
  – The applicable 7th character is required for all codes within the category, or as the notes in the Tabular List instruct
  – If a code that requires a 7th character is not 6 characters, a placeholder X must be used to fill in the empty characters
Dummy Placeholders

• The ICD-10-CM utilizes a placeholder character “x”. The “x” is used as a 5th character placeholder at certain 6 character codes to allow for future expansion

• Example:
  – 032.1 Maternal care for breech presentation of fetus 1
  – Code requires 7th character
    • Code reportable: 032.1xx1

Note: 7th character 1-9 identifies multiple gestations to report the fetus which the code applies

Combination Codes

• ICD-10-CM consists of greater specificity.
  Sample
  • Examples
    – I25.110, Arteriosclerotic heart disease of native coronary artery with unstable angina pectoris
    – K50.013, Crohn’s disease of small intestine with fistula
    – K71.51, Toxic liver disease with chronic active hepatitis with ascites
Complications

- T81.535- Perforation due to foreign body accidently left in body following heart catheterization
- T81.530- Perforation due to foreign body accidently left in body following surgical operation
- T81.524- Obstruction due to foreign body accidently left in body following endoscopic examination
- T81.516- Adhesions due to foreign body accidently left in body following aspiration, puncture or other catheterization
  - 7th character required

Excludes1

H61.3 Acquired stenosis of external ear canal

Excludes1: postprocedural stenosis of external ear canal (H95.81-)
Excludes2 Example

J45 Asthma

Excludes2: asthma with chronic obstructive pulmonary disease
chronic asthmatic (obstructive) bronchitis
chronic obstructive asthma

Case Examples

PROBLEM: Foreign body in nose.

HISTORY OF PRESENT ILLNESS: The patient is a 3-year-4-month-old child who comes in today after having put a raisin in her left nostril. Grandmother was unable to remove this.

EMERGENCY DEPARTMENT COURSE: The raisin was grasped with bayonet forceps and removedatraumatically. Examination of the nostril fails to reveal any further foreign body or problems.

DIAGNOSIS: Foreign body removal, nostril.
Diabetes Mellitus Example

- The ICD-10-CM code range for diabetes mellitus is E08.00 – E13.9
- Over 210 codes for Diabetes mellitus
- In order to code diabetes mellitus in ICD-10-CM the following is necessary:
  - Type of diabetes
  - Body system affected
  - Use of insulin
  - Complication(s)
  - Manifestation(s)
  - Reason for secondary diabetes mellitus
# Diabetes Mellitus

<table>
<thead>
<tr>
<th>Condition</th>
<th>ICD Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diabetes mellitus due to underlying condition with diabetic nephropathy</td>
<td>E08.21</td>
</tr>
<tr>
<td>Diabetes mellitus due to underlying condition with diabetic chronic kidney disease</td>
<td>E08.22</td>
</tr>
<tr>
<td>Diabetes mellitus due to underlying condition with other diabetic kidney complication</td>
<td>E08.29</td>
</tr>
<tr>
<td>Diabetes mellitus due to underlying condition with moderate nonproliferative diabetic retinopathy with macular edema</td>
<td>E08.331</td>
</tr>
<tr>
<td>Diabetes mellitus due to underlying condition with severe nonproliferative diabetic retinopathy with macular edema</td>
<td>E08.341</td>
</tr>
<tr>
<td>Drug or chemical induced diabetes mellitus with diabetic peripheral angiopathy without gangrene</td>
<td>E09.51</td>
</tr>
<tr>
<td>Drug or chemical induced diabetes mellitus with diabetic peripheral angiopathy with gangrene</td>
<td>E09.52</td>
</tr>
<tr>
<td>Drug or chemical induced diabetes mellitus with other circulatory complications</td>
<td>E09.59</td>
</tr>
<tr>
<td>Type I diabetes mellitus with proliferative diabetic retinopathy with macular edema</td>
<td>E10.351</td>
</tr>
<tr>
<td>Type I diabetes mellitus with proliferative diabetic retinopathy without macular edema</td>
<td>E10.359</td>
</tr>
<tr>
<td>Type I diabetes mellitus with diabetic cataract</td>
<td>E10.36</td>
</tr>
<tr>
<td>Type I diabetes mellitus with other diabetic ophthalmic complication</td>
<td>E10.39</td>
</tr>
<tr>
<td>Type I diabetes mellitus with diabetic dermatitis</td>
<td>E10.620</td>
</tr>
<tr>
<td>Type I diabetes mellitus with foot ulcer</td>
<td>E10.621</td>
</tr>
<tr>
<td>Type I diabetes mellitus with other skin ulcer</td>
<td>E10.622</td>
</tr>
<tr>
<td>Type I diabetes mellitus with other skin complication</td>
<td>E10.628</td>
</tr>
<tr>
<td>Type II diabetes mellitus with diabetic nephropathy</td>
<td>E11.21</td>
</tr>
<tr>
<td>Type II diabetes mellitus with chronic kidney disease</td>
<td>E11.22</td>
</tr>
<tr>
<td>Type II diabetes mellitus with other diabetic kidney complication</td>
<td>E11.29</td>
</tr>
<tr>
<td>Type II diabetes mellitus with diabetic peripheral angiopathy with gangrene</td>
<td>E11.51</td>
</tr>
<tr>
<td>Type II diabetes mellitus with diabetic peripheral angiopathy without gangrene</td>
<td>E11.52</td>
</tr>
<tr>
<td>Type II diabetes mellitus with other circulatory complications</td>
<td>E11.59</td>
</tr>
<tr>
<td>Type II diabetes mellitus with hypoglycemia with coma</td>
<td>E11.641</td>
</tr>
<tr>
<td>Type II diabetes mellitus with hypoglycemia without coma</td>
<td>E11.649</td>
</tr>
</tbody>
</table>
## Code Mapping Example

### Maps 2:1

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>Description</th>
<th>ICD-10-CM</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>625.6</td>
<td>Stress Incontinence, Female</td>
<td>N39.3</td>
<td>Stress incontinence, female, male</td>
</tr>
<tr>
<td>788.32</td>
<td>Stress Incontinence, Male</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Code Mapping Example

### Maps 1:2

<table>
<thead>
<tr>
<th>ICD-9-CM</th>
<th>Description</th>
<th>ICD-10-CM</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>454.0</td>
<td>Varicose veins of lower extremity, with ulcer</td>
<td>I83.009</td>
<td>Varicose veins of unspecified lower extremity with ulcer of unspecified site</td>
</tr>
<tr>
<td>454.0</td>
<td></td>
<td>I83.019</td>
<td>Varicose veins of right lower extremity with ulcer of unspecified site</td>
</tr>
</tbody>
</table>
Complications of Labor and Delivery

• Documentation must include
  – Trimester
  – 7th digit extender to identify fetus
  – Example: 060.131 Preterm labor second trimester with preterm delivery third trimester fetus one

<table>
<thead>
<tr>
<th>7th character</th>
<th>0 not applicable or unspecified</th>
<th>1 fetus 1</th>
<th>2 fetus 2</th>
<th>3 fetus 3</th>
<th>4 fetus 4</th>
<th>5 fetus 5</th>
<th>9 other fetus</th>
</tr>
</thead>
</table>

Case Example

• A patient with gestational diabetes is seen by the OB/GYN for her routine visit during her seventh month of pregnancy. The patient is doing well and her gestational diabetes is well controlled with diet.
  • O24.4 Gestational diabetes mellitus
  • O24.41 Gestational diabetes mellitus in pregnancy
  • O24.410 Gestational diabetes mellitus in pregnancy diet controlled
  • O24.414 Gestational diabetes mellitus in pregnancy insulin controlled
  • O24.419 Gestational diabetes mellitus in pregnancy, unspecified control
    • Diagnosis Code: O24.410 gestational diabetes mellitus in pregnancy, diet-controlled
CHALLENGES AHEAD

GEMS

- GEM (General Equivalence Mapping) provides a first step in understanding the relationship of ICD-9 and ICD-10 codes. It is an important piece of work and is helpful in understanding mapping issues.
- It is not a complete solution in moving the industry to a definitive conversion to the use of ICD-10 codes as a normal part of business:
  - GEM is a mapping, not a crosswalk
  - One-to-many or many-to-many maps are common
  - It does not always get to a single preferred mapped code
  - It does not define what was assumed or lost in translation
  - There is no weighting of the importance of one concept over another
  - Errors have been found in the files
ICD-10-CM Myths

• Physicians will need to change how they practice medicine
  – They will need to document more, which will increase time spend on each patient
    • Every physician should currently document complete and accurate information to support specificity in his/her coding
• Physicians and coders need to start learning the new code set now
• They must implement an Electronic Medical Record with ICD-10-CM
• They must hire additional staff to handle the workload

Coding and Documentation

• Issues related to inconsistent, missing, conflicting, or unclear documentation must still be resolved by the provider—both today under ICD-9-CM, as well as in the future with ICD-10-CM
• If providers are not documenting concisely for reimbursement today
  – They are putting themselves at unnecessary risk for not supporting medical necessity
The Task is Not as Huge as It Appears

- Although the coding book is huge, most physician practice uses only a small subset
- Work with physicians to develop crosswalks between ICD-9 and ICD-10 codes they use
- Begin discussions now to reduce anxiety but train later
  - Actual training needs to be “just in time”
- Training should have both a general focus and then a practice-specific focus
- Begin the implementation process NOW!

Challenges

- Physicians may need to document more detail, but how:
  - By asking patient’s more questions
  - More face to face time not needed during exams
- Enhanced patient intake forms?
  - Addition of ‘physician extenders’ to accommodate additional detail needed from patients?
Clinical issues to Consider

- Documentation issues
- New code sets to learn
- Changes in health plan coverage's
- Orders
  - Lab; x-ray; other testing

Finance

- Reimbursement is tied to procedural and diagnosis coding
  - Even though claims are paid for professional services based on CPT/HCPCS code(s) the diagnosis supports medical necessity
    - this area will be greatly impacted
- Areas that may be impacted are reports that are tied to diagnosis codes such as:
  - Accounts receivable analysis
  - Pending claims reports
  - Analysis by provider type
  - Collection reports, etc
Documentation: Compliance and Quality

• How is ICD-9 currently used in the clinical setting?
  – In the clinical area, the largest impact to ICD-10-CM implementation is the documentation
• Random samples should be evaluated
• Take an in-depth look at the current level of documentation
• Running a frequency report of the most used procedures and diagnosis codes

Billing and Coding issues to Consider

• New code sets
• Dual systems
• Productivity issues
• Claim follow through and resubmissions
• Policies and procedures
• Contracting changes
• Denials management
Productivity Impact

• Productivity may be affected
  – Prior to and after implementation
  – Staff when training
  – More documentation may be required to support new coding system
    • It will take more time for the provider to document encounters
    – It may take longer to code claims until learning curve has been realized

Productivity Impact

• Key areas:
  – Queries to clarify documentation in the medical record
  – Increased billing inquiries from payers
  – Increased number of adjustments and pended or suspended claims
Productivity

- Losses due to slower productivity
  - Consider how a change in software may impact workflow
  - Will running of dual systems reduce work efforts
  - Will payer policy changes effect practice implementations
  - Consider how unpaid claims from prior to October 1, 2013 will be resubmitted

Potential Impact on Reimbursement

- How many claims do you submit in 1 week?
  - Example:
    - A General Surgery practice submits 160 claims per physician per week. The total dollar amount is $145,000 per week
      - During the implementation period you lose 10-25% productivity
      - How does this impact the practice financially?
ICD-10 Will Change Everything

The CEU code for this lecture is

AAPC0201111152A