

# The Transition to ICD-10 and Version 5010

An Overview



## Topics To Be Covered

- What exactly is changing?
- Why are the codes changing?
- Who is affected by the changes?
- Dates to know
- ICD-10: Key details
- Version 5010: Key details
- Resources to help you prepare





## What Is Changing?

- Medical diagnosis and inpatient procedure code sets: ICD-9 → ICD-10
- HIPAA standards for electronic transactions:
  Version 4010/4010A → Version 5010





## Why are the Codes Changing?

- ICD-9 produces limited data about patients' medical conditions and hospital inpatient procedures
- ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice
- The structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are full





## Who Is Affected?

### Anyone who is covered by HIPAA:

- Health care providers across continuum of care
- Payers including Medicaid and Medicare
- Clearinghouses
- Third-party billing services

## Some non-HIPAA covered entities that use ICD-9 codes:

- Worker's compensation programs
- Life insurance companies





## Dates to Know

- January 1, 2011: Providers, payers, others who work with electronic claims should begin external testing of Version 5010
- January 1, 2012: Full implementation of Version 5010
  - All electronic claims must use Version 5010 standards
- October 1, 2013: Full implementation of ICD-10
  - All claims for services provided after these dates must use ICD-10 codes





## Now Is the Time to Prepare

- Version 5010 and ICD-10 transitions require business and systems changes throughout health care industry
- Organizations need to have plans and budgets in place to avoid potentially rejected claims and delays in reimbursement





- ICD-10 CM/PCS consists of two parts:
  - ICD-10-CM for diagnosis coding in all health care settings
  - ICD-10-PCS for inpatient procedure coding in hospital settings
- CPT coding for outpatient procedures is <u>not</u> affected by the ICD-10 transition





ICD-10-CM replaces ICD-9-CM for diagnosis coding:

- ICD-9-CM diagnosis codes = 3 to 5 digits
- ICD-10-CM codes = 3 to 7 digits
- Overall format of ICD-10 diagnosis codes similar to ICD-9





ICD-10-PCS replaces ICD-9-CM inpatient procedure coding:

- ICD-9-CM procedure codes = 3 to 4 numeric digits
- ICD-10-CM codes = 7 alphanumeric digits
- ICD-10-PCS code format substantially different from ICD-9
- Unlike ICD-9, ICD-10 expands details for many conditions





- Provides more specific data than ICD-9
- Better reflects current medical practice
- Structure accommodates addition of new codes





### More on Version 5010

- Refers to new HIPAA standards for electronic health care transactions
- Replaces Version 4010/4010A1 standards
- Accommodates ICD-10 code sets





## More on Version 5010

### Implementation Timeline

- Allows for a year of external testing:
  - January 1 to December 31, 2011
  - CMS begins accepting Version 5010 claims on January 1, 2011, and continues to accept Version 4010 claims as well through December 31, 2011
- Occurs in advance of ICD-10 transition to ensure any Version 5010 issues resolved before ICD-10 implementation





## When Do I Need to Be Ready?

### Remember the Dates

January 1, 2011

January 1, 2012

October 1, 2013





## How to Prepare

- The following are steps you can take to prepare:
  - Identify your current systems and work processes that use ICD-9 codes
  - Talk with your practice management system vendor about accommodations for both Version 5010 and ICD-10 codes
  - Discuss implementation plans with all your clearinghouses, billing services, and payers to ensure a smooth transition
  - Talk with your payers about how ICD-10 implementation might affect your contracts





## How to Prepare

- The following are steps you can take to prepare:
  - Assess staff training needs
  - Budget for time and costs related to ICD-10 implementation, including expenses for system changes, resource materials, and training
  - Conduct test transactions using Version 5010/ICD-10 codes with your payers and clearinghouses
  - Stay up-to-date on ICD-10 resources and information from CMS





## Resources to Help You Prepare

- CMS ICD-10 Web site: cms.gov/ICD10
- CMS ICD-10 Listserv:

```
cms.gov/ICD10/02d_CMS_ICD-10_Industry_Email_Updates.asp
```

- CMS Materials
  - The ICD-10 Transition: An Introduction
  - ICD-10 Basics for Medical Practices
  - Talking to Your Vendors about ICD-10: Tips for Medical Practices
- Professional, clinical, trade associations





### **CMS ICD-10 Fact Sheets**



### ICD-10 Basics for Medical Practices

Begin preparing now for the ICD-10 transition to make sure you are ready by the October 1, 2013, compliance deadline. The following quick checklist will assist you with preliminary planning steps.

- Identify your current systems and work processes that use ICD-9 codes. This could include your clinical documentation, encounter forms/superbills, practice management system, electronic health record system, contracts, and public health and quality reporting protocols. It is likely that wherever ICD-9 codes now appear, ICD-10 codes will take their place.
- Talk with your practice management system vendor about accommodations for both Version 5010 and ICD-10 codes. Contact your vendor and ask what undates they are planning to your practice management system for both Version 5010 and ICD-10, and when they expect to have it ready to install. Check your contract to see if upgrades are included as part of your agreement. If you are in the process of making a practice management or related system purchase, ask if it is Version 5010 and ICD-10 ready.
- Discuss implementation plans with all your clearinghouses, billing services, and payers to ensure a smooth transition. Be proactive, don't wait. Contact organizations you conduct business with such as your payers, clearinghouse, or billing service. Ask about their plans for the Version 5010 and ICD-10 compliance and when they will be ready to test their systems for both transitions.
- ☐ Talk with your payers about how ICD-10 implementation might affect your contracts. Because ICD-10 codes are much more specific than ICD-9 codes, payers may modify terms of contracts, payment schedules, or reimbursement,
- Identify potential changes to work flow and business processes. Consider changes to existing processes including clinical documentation, encounter forms, and quality and public health reporting.
- Assess staff training needs. Identify the staff in your office who code, or have a need to know the new codes. There are a wide variety of training opportunities and materials available through professional associations, online courses, webinars, and onsite training. If you have a small practice, think about teaming up with other local providers. You might be able, for example, to provide

The ICD-10 transition is coming on October 1, 2013. A related change, the transition to Version 5010 standards for electronic transactions happens before then, on January 1, 2012. eryone covered by HIPAA is affected. Now is the time to prepare.

ICD-10 CM/PCS (International Classification of Diseases, 10th Edition, Clinical Modification/ Procedure Coding System) consists of two

1. ICD-10-CM for diagnosis coding

2. ICD-10-PCS for inpatient procedure coding

ICD-10-CM was developed by the Centers for Disease Control and Prevention for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar.

ICD-10-PCS was developed by the Centers for Medicare & Medicaid Services (CMS) for use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding, Coding under ICD-10-PCS is nuch more specific and substantially different from ICD-9-CM procedure coding.

The transition to ICD-10-CM/PCS does not affect Current Procedural Terminology (CPT) codes, which will continue to be used for outpatient services.

Visit www.cms.gov/ICD10 for ICD-10 and Version 5010 resources from CMS.





### Talking to Your V ICD-10 and Vers Tips for Medical

If you are covered by the Health Ins issued on Janua does not plan b Act (HIPAA), you need to prepare for

> January 1, 2012 - for full complis If you conduct electronic transac clearinghouse or billing service October 1, 2013 - for full implen These transition dates are definite.

your payers, clearinghouses, billing

An important step in preparing for t software vendors, clearinghouses,

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Start the Conversation with Your

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· Help you avoid potential reimburs

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by January 1, 2011.

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### The ICD-10 Transition: An Introduction

www.cms.gov/ICD10

On October 1, 2013, the ICD-9 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets. To accommodate the ICD-10 code structure, the transaction standards used for electronic health care claims, Version 4010/4010A, must be upgraded to Version 5010 by **January 1**, **2012**. This fact sheet provides background on the ICD-10 transition, general guidance on how to prepare for it, and resources for more information.

ICD-10 CM/PCS (international Classification of Diseases, 10th Edition, Clinical Modification/ Procedure Coding System) consists of two parts:

- 1. ICD-10-CM for diagnosis coding

ICD-10-CM is for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar.

ICD-10-PCS is for use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding. Coding under ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.

The transition to ICD-10 is occurring because ICD-9 produces limited data about patients' medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice. Also, the structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are full.

ICD-10 will affect diagnosis and inpatient procedure coding for everyone covered by the Health Insurance Portability and Accountability Act (HIPAA), not just those who submit Medicare or Medicaid claims. Everyone covered by HIPAA who transmits electronic claims must also switch to Version 5010. transaction standards. The change to ICD-10 does not affect CPT coding

Health care providers, payers, clearinghouses, and billing services must be prepared to comply with the Version 5010 and ICD-10 transitions,

### JANUARY 1, 2010

Payers and providers should begin int testing of Version 5010 standards for

### DECEMBER 21, 2010

Internal testing of Version 5010 must be complete to achieve Level I Version 5010

### JANUARY 1, 2011

- Payers and providers should begin external testing of Version 5010 for electronic claims
- CMS begins accepting Version 5010 claims
- . Varsion 4010 claims continue to be accepted

### DECEMBER 31, 2011

External testing of Version 5010 for electroni 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 outputient services.

Visit www.cms.gov/ICD10 for ICD-10 and Version 5010 resources from CMS







## ICD-10 Listserv Messages



### Version 5010/D.0 National Calls

Throughout the implementation of Version 5010/D.0, CMS will be hosting a variety of national education calls that will inform the Medicare Fee-for-Service provider community of the steps that they need to take in order to be ready for implementation. These calls will also give participants an opportunity to ask questions of Medicare subject matter experts.

Please bookmark this link <a href="http://www.cms.gov/Versions5010andD0/V50/list.asp">http://www.cms.gov/Versions5010andD0/V50/list.asp</a> to the new 5010/D.0 National Calls web page to stay current on upcoming calls and view materials from past calls.

### Keep Up to Date on Version 5010/D.0 and ICD-10.

For the latest news and resources, please visit <a href="https://www.cms.gov/Versions5010andD0">www.cms.gov/Versions5010andD0</a> for Version 5010 and <a href="https://www.cms.gov/ICD10/">https://www.cms.gov/ICD10/</a> for ICD-10 information.



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## Questions?



