Preparing for ICD-10

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Congratulations!

• You are a forward-thinker
• You are concerned for your future, and the future of your business
• The knowledge you receive today will provide you with the opportunity to become a leader and change agent at your workplace
• *What a great career move!*
Today’s goals

• Understand the motivations behind the change
  – *Why* do we need ICD-10-CM?
  – *Who* is making the changes?
  – *What* are the goals of the changes?

• Identify potential impacts of change
  – For documentation, coding and billing
  – For statistical analysis
  – For mapping and anti-fraud measures
  – For budgets and staffing

• Discuss preparations for implementation
ICD-10’s schedule

Final rule: October 2013 for 2014 codes
### Implications of ICD-10

#### Why is the move to ICD-10 different from the move to ICD-9?

<table>
<thead>
<tr>
<th>1979</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>No PPS</td>
<td>PPS used to determine reimbursement</td>
</tr>
<tr>
<td>Codes used only for governmental reporting and research</td>
<td>Codes used at every level of health care for:</td>
</tr>
<tr>
<td></td>
<td>- Reimbursement</td>
</tr>
<tr>
<td></td>
<td>- Research, reporting</td>
</tr>
<tr>
<td></td>
<td>- Strategic planning</td>
</tr>
<tr>
<td></td>
<td>- Health care funding</td>
</tr>
<tr>
<td>Code assignment - <em>manual</em></td>
<td>Code assignment - <em>electronic</em> (in most facilities)</td>
</tr>
</tbody>
</table>
What we know

• These are the logical replacements.
• See rule at

There are many actions we can take today to mitigate the far-reaching effects of migration to ICD-10 systems.
About the ICD

• Established by the World Health Organization in 1893 to categorize causes of death, this system adopts a standardized format to code diagnoses.

• In the United States, ICD-9 was expanded in 1977 to ICD-9-CM (Clinical Modification) to enable more precision in diagnostic codes, together with the addition of surgical intervention codes.
About the ICD

- The International Classification of Disease
  - Was created for mortality reporting
  - Is expanded with “CM,” (clinical modification) in the United States -- ICD-9-CM and ICD-10-CM
  - Operates on a hierarchical rubric system, so that all codes that begin with the same “rubric” -- three-digit category -- are all part of the same disease system
WHO

• The World Health Organization published ICD-9 in 1975 and ICD-10 in 1994. WHO owns the copyright to both systems, and governs the use for reporting morbidity and mortality worldwide.

• The U.S. uses ICD-10 codes for mortality reporting.

• ICD-10 is implemented everywhere except USA and Italy.

• Other countries create their own unique clinical modifications (ICD-10-AM: Australia).
Substandard code system’s legacy

• Missing or invalid codes
  – Reduced reimbursement under DRGs and APCs
  – Increased administrative expenses, including A/R
  – Diminished value of HIM systems
  – Insufficient data on quality and HACs

• Hindered modeling and contract negotiations

• Created or exacerbated problems with the OIG
ICD-10-CM

Diagnostic coding
ICD-10-CM attributes

- First character is alpha, followed by up to six characters
- Decimal point after third character
- Valid codes may have three, four, five, six, or seven characters
ICD-10-CM attributes

• Some codes and descriptions are identical, and in some cases even the code numbers are similar:
  – 021.2 Pulmonary tularemia
  – A21.2 Pulmonary tularemia
ICD-10-CM attributes

• In other cases, the codes and nomenclature are quite different:

• 233.0 Carcinoma in situ of breast
  – DØ5 Carcinoma in situ of breast
    Rubric contains 12 separate codes, with axes for: lobular, intraductal, other or unspecified, right or left breast

• DØ5.12 Intraductal carcinoma in situ of left female breast
Granularity can be simple...

714.32 Pauciarticular juvenile rheumatoid arthritis

23 codes, including:

- MØ8.411 ... right shoulder
- MØ8.422 ... left elbow
- MØ8.48 ... vertebrae
...or granularity can be difficult

- 758.1 Down’s syndrome
- Q9Ø.Ø Trisomy 21, nonmosaicism, meiotic nondisjunction
- Q9Ø.1 Trisomy 21, mosaicism, mitotic nondisjunction
- Q9Ø.2 Trisomy 21, translocation
- Q9Ø.9 Trisomy 21, unspecified
Granularity: Laterality

- 366.16  Nuclear sclerosis of senile cataract
- H25.1Ø Age-related nuclear cataract, unspecified eye
- H25.11 Age-related nuclear cataract, right eye
- H25.12 Age-related nuclear cataract, left eye
- H25.13 Age-related nuclear cataract, bilateral
Granularity: Trimesters

- O12.ØØ Gestational edema, unspecified trimester
- O12.Ø1 Gestational edema, first trimester
- O12.Ø2 Gestational edema, second trimester
- O12.Ø3 Gestational edema, third trimester
Iatrogenic Illness/ Sequelae

- System-specific postprocedural disorders now appear at the end of that system chapter:
  - H59. Ø33  Cystoid macular edema following cataract surgery, bilateral *(Eye and Adnexa)*
  - K91.Ø  Vomiting following gastrointestinal surgery
  - M96.2  Postradiation kyphosis
  - T82.31Ø  Breakdown (mechanical) of aortic (bifurcation) graft (replacement) *(Injury/External causes)*
Injuries: Change in axis

- Injuries to the head (SØ0-SØ9)
  - SØ0: Superficial injury of head
  - SØ1: Open wound of head
  - SØ2: Fracture of skull and facial bones
  - SØ3: Dislocation and sprain of joints and ligaments of head
  - SØ4: Injury of cranial nerve
  - SØ5: Injury of eye and orbit
  - SØ6: Intracranial injury
  - SØ7: Crushing injury of head
  - SØ8: Avulsion & traumatic amputation of part of head
  - SØ9: Other and unspecified injuries of head
Combined codes

• 135 Sarcoidosis
• D86.Ø  Sarcoidosis of lung
  D86.1  Sarcoidosis of lymph nodes
  D86.2  Sarcoidosis, lung w/ sarcoidosis, lymph nodes
  D86.3  Sarcoidosis of skin
  D86.81 Sarcoid meningitis
  D86.82 Multiple cranial nerve palsies in sarcoidosis
  D86.83 Sarcoid iridocyclitis
  D86.84 Sarcoid pyelonephritis
  D86.85 Sarcoid myocarditis
  D86.86 Sarcoid arthropathy
  D86.87 Sarcoid myositis
  D86.89 Sarcoidosis other sites
  D86.9  Sarcoidosis, unspecified
Alpha extensions: Injuries

- initial encounter
- subsequent encounter
- sequela

S64.491s Injury of digital nerve of left index finger, sequela
Alpha extensions: Injuries

- **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

**S62.524d** Nondisplaced fracture of distal phalanx of right thumb, subsequent encounter for fracture with routine healing
### Alpha extensions: Injuries

<table>
<thead>
<tr>
<th>Letter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>initial encounter for closed fracture</td>
</tr>
<tr>
<td>B</td>
<td>initial encounter for open fracture type I or II (or NOS)</td>
</tr>
<tr>
<td>C</td>
<td>initial encounter for open fracture type IIIA, IIIB or IIIC</td>
</tr>
<tr>
<td>D</td>
<td>subsequent encounter for closed fracture with routine healing</td>
</tr>
<tr>
<td>E</td>
<td>subsequent encounter for open fracture type I or II with routine healing</td>
</tr>
<tr>
<td>F</td>
<td>subsequent encounter or open fracture type IIIA, IIIB, or IIIC, with routine healing</td>
</tr>
<tr>
<td>G</td>
<td>subsequent encounter for closed fracture with delayed healing</td>
</tr>
<tr>
<td>H</td>
<td>subsequent encounter for open fracture type I or II with delayed healing</td>
</tr>
<tr>
<td>J</td>
<td>subsequent encounter for open fracture type IIIA, IIIB, or IIIC with delayed healing</td>
</tr>
<tr>
<td>K</td>
<td>subsequent encounter for closed fracture with nonunion</td>
</tr>
<tr>
<td>M</td>
<td>subsequent for open fracture type I or II with nonunion</td>
</tr>
<tr>
<td>N</td>
<td>subsequent for open fracture type IIIA, IIIB, or IIIC with nonunion</td>
</tr>
<tr>
<td>P</td>
<td>subsequent for closed fracture with malunion</td>
</tr>
<tr>
<td>Q</td>
<td>subsequent for open fracture type I or II with malunion</td>
</tr>
<tr>
<td>R</td>
<td>subsequent for open fracture type IIIA, IIIB, or IIIC with malunion</td>
</tr>
<tr>
<td>S</td>
<td>sequela</td>
</tr>
</tbody>
</table>

Gusilo open fracture classification for femurs
Alpha extensions: Coma

Ø unspecified time
1 in the field (EMT or ambulance)
2 at arrival to emergency department
3 at hospital admission
4 24 or more hours after hospital admission

R4Ø.2344 Coma scale, best motor response, flexion withdrawal, 24 or more hours after hospital admission

These codes are intended primarily for trauma registry and research
Alpha extensions: Fetus

- In multiple gestations, this extension identifies the fetus for which the code applies
  - Ø not applicable or unspecified
  - 1 fetus 1
  - 2 fetus 2
  - 3 fetus 3
  - 4 fetus 4
  - 5 fetus 5
  - 9 Other fetus

O41.1Ø22  Infection of amniotic sac and membranes, unspecified, second trimester, fetus 2
ICD-10-PCS

Procedural Coding System
ICD-10-PCS

• Essential characteristics

  – Completeness. Unique procedures have unique codes.
  – Expandability. Hundreds of thousands of potential codes.
  – Standardized terminology. Reduces confusion – at least within the coding system.
  – Multi-axial “smart codes.” Different from rubric system. Each code character has the same meaning within and across sections.

  – Under CMS contract, 3M developed ICD-10-PCS
Resulting attributes of PCS

- **Seven-character codes**
  - Alphabet and numbers are used (with the exception of the letters I and O)
  - Smart code system
  - Codes aligned in tables or encoders
ICD-10-PCS Surgical

- **ØUL7ØCZ**: Open occlusion of bilateral fallopian tubes using extraluminal device

<table>
<thead>
<tr>
<th>Body Part Character 4</th>
<th>Approach Character 5</th>
<th>Device Character 6</th>
<th>Qualifier Character 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Fallopian tube, right</td>
<td>0 Open</td>
<td>C Extraluminal device</td>
<td>Z None</td>
</tr>
<tr>
<td>6 Fallopian tube, left</td>
<td>2 Open endoscopic</td>
<td>D Intraluminal device</td>
<td>Z None</td>
</tr>
<tr>
<td>7 Fallopian tube, bilateral</td>
<td>3 Percutaneous</td>
<td>Z None</td>
<td></td>
</tr>
<tr>
<td>4 Percutaneous endoscopic</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Body Part Character 4</th>
<th>Approach Character 5</th>
<th>Device Character 6</th>
<th>Qualifier Character 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Fallopian tube, right</td>
<td>7 Via natural or artificial opening</td>
<td>D Intraluminal device</td>
<td>Z None</td>
</tr>
<tr>
<td>6 Fallopian tube, left</td>
<td>8 Via natural or artificial opening endoscopic</td>
<td>Z None</td>
<td></td>
</tr>
<tr>
<td>7 Fallopian tube, bilateral</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F Cul de sac</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G Vagina</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **0UL70CZ** Open occlusion of bilateral fallopian tubes using extraluminal device
- **66.39** Other bilateral destruction or occlusion of fallopian tubes
- **58615** Occlusion of fallopian tube(s) by device (eg, band, clip, Falope ring) vaginal or suprapubic approach
## ICD-10-PCS radiation oncology

### 701919Z  High dose brachytherapy of the brain stem using I125

<table>
<thead>
<tr>
<th>Body Part</th>
<th>Modality</th>
<th>Ports or Isotopes</th>
<th>Qualifier or Risk sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Brain</td>
<td>9 High dose rate (HDR)</td>
<td>7 Cesium 137 (Cs-137)</td>
<td>Z None</td>
</tr>
<tr>
<td>1 Brain stem</td>
<td>B Low dose rate (LDR)</td>
<td>8 Iridium 192 (Ir-192)</td>
<td></td>
</tr>
<tr>
<td>6 Spinal cord</td>
<td>9 Iodine 125 (I-125)</td>
<td>9 Iodine 125 (I-125)</td>
<td></td>
</tr>
<tr>
<td>7 Peripheral nerve</td>
<td></td>
<td>B Palladium 103 (Pd-103)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>C Californium 2252 (Cf-252)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Y Isotope NEC</td>
<td></td>
</tr>
</tbody>
</table>

701919Z  High dose brachytherapy of the brain stem using I125
Implementation Issues

ICD-10-CM
Repercussions of ICD-10

- Major benefits to consider
  - decrease in variable of coding
  - reduction in manual processing
  - better data
Repercussions of ICD-10

• Major costs to consider
  ✓ Training and education
  ✓ Information services
  ✓ Mapping issues (resources and accuracy)
  ✓ Fraud and abuse opportunities
  ✓ Resource requirements of vigilance
Coding with ICD-10

- Software must be loaded and functional, and computers must retain their efficiencies
- Edits in auto-adjudication systems must be accurate
- Mapping must be developed and vetted
- Contracts must be adjusted
- Trend analysis and quality assurance performed
- All systems thoroughly tested
Coding with ICD-10

- One payer commented that 8000 additional programming hours would be required to transition to ICD-10, not including specification changes or testing, while another plan estimated that it would cost between $3 and $5.80 per plan member to cover the cost of implementation.

- The government’s cost assessments did not include conversion to the 5010 electronic filing system costs that precede ICD-10. Nor did it include the cost of contract renegotiations.
  - Estimate (without 5010 or negotiations) is between $166 and $198 million.
Coding with ICD-10

- Renewals normally between 25 and 30 percent a year, but ALL contracts will need to be renegotiated for ICD-10
  • Will you have the resources?
  • Will you be able to perform pricing analyses beforehand?
  • Will new codes affect utilization patterns and how do you adjust?
Bi-directional mapping done by CDC

ICD-10-CM code tables and mapping
http://www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm

ICD-10-PCS code tables and mapping
http://www.cms.hhs.gov/ICD10/01m_2009_ICD10PCS.asp#TopOfPage

MS-DRGs (discussion under September 2008 minutes)
http://www.cms.hhs.gov/ICD9ProviderDiagnosticCodes/03_meetings.asp#TopOfPage
Information services

• **Every electronic transaction requiring an ICD-9-CM code would need to be changed.**
  – software applications for medical records abstraction
  – data reporting
  – utilization
  – billing
  – claims submission
  – groupers
  – clinical systems
  – Outcomes studies
Information services

• These changes include:
  – software interfaces
  – field length formats on screens
  – report formats and layouts
  – expansion of flat files
  – coding edits
  – in-house custom applications
Cost: Depends on who you ask

Costs of converting to ICD-10-CM and ICD-10-PCS could total $425 million to $1.15 billion in one-time costs, yet yield 10-year benefits of $700 million to $7.7 billion, according to a draft study from Rand. The preliminary cost estimates from Rand contrast significantly with a preliminary $5.5 billion to $13.6 billion conversion cost prediction from the Robert Nolan Company, Simsbury, Conn., which is conducting a study for the Blue Cross and Blue Shield Association.

- American Academy of Professional Coders believes the studies miss the real cost by more than 100 percent.
  - Says only 10 percent of physicians will seek training, and that training will take only 4 hours
  - Says physician coders code 350 claims an hour
  - Says physician coders can be trained for $550, including TAFW
  - Sets payer cost as between $0.5 and $1 billion
What can you do now?
ICD-10 Personal Tracker

• Must be an AAPC Member
  – Log into your member area
  – Choose the ICD-10 track that best fits you. This can be changed later, if needed, by clicking on the change link. Please be sure to save any changes.

1. After saving your ICD-10 track, you will see a list of steps for the track. By clicking on a step you will be taken to a check list of actions.
2. After completing one of the actions, select the checkbox and save your progress. You will be taken back to the list of steps for the track.
3. If one of the actions is not applicable, please select the checkbox and save. This tells the system that you have acknowledged the action and do not need to do any further action.
4. The yellow lines by the track steps will start turning to green as the actions are checked off.
5. Steps have end dates if one to two of these step end dates pass without all of the actions being checked off, then the progress light will turn amber warning you.
6. If more than two of the step end dates pass without all of the actions begin checked off, then the progress light will turn red warning you.
<table>
<thead>
<tr>
<th>Step</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1: Organize the Implementation Effort</td>
<td>9/30/09</td>
</tr>
<tr>
<td>Step 2: Develop Communication Plan</td>
<td>10/31/09</td>
</tr>
<tr>
<td>Step 3: Conduct Impact Analysis</td>
<td>5/31/10</td>
</tr>
<tr>
<td>Step 4: Organize Cross Functional Efforts</td>
<td>8/31/10</td>
</tr>
<tr>
<td>Step 5: Estimate Budget</td>
<td>8/31/10</td>
</tr>
<tr>
<td>Step 6: Internal System Design and Development</td>
<td>7/31/13</td>
</tr>
<tr>
<td>Step 7: Development of the Training Plan</td>
<td>9/30/10</td>
</tr>
<tr>
<td>Step 8: Contact System Vendors</td>
<td>12/31/10</td>
</tr>
<tr>
<td>Step 9: Implementation Planning</td>
<td>9/30/11</td>
</tr>
<tr>
<td>Step 10: Phase 1 Training</td>
<td>9/30/12</td>
</tr>
<tr>
<td>Step 11: Business Process Analysis</td>
<td>8/31/12</td>
</tr>
<tr>
<td>Step 12: Education and Training, Phase II</td>
<td>9/30/13</td>
</tr>
<tr>
<td>Step 13: Policy Change Development</td>
<td>7/31/13</td>
</tr>
<tr>
<td>Step 14: Outcomes Measurement</td>
<td>8/31/13</td>
</tr>
<tr>
<td>Step 15: Deployment of Code by Vendors to Customers</td>
<td>5/31/13</td>
</tr>
<tr>
<td>Step 16: Implementation Compliance</td>
<td>9/30/14</td>
</tr>
</tbody>
</table>
AAPC’s ICD-10 Resources

• Reasonable cost training currently under development
  – Provider Curriculum for medium to large group medical practices and universities-1st quarter 2010
  – Webinars for ICD-10 guidance- 1st quarter 2010
  – Fifteen minute webinar series for physicians and managers-1st quarter 2010
AAPC Webinar Series

- Some of the Topics Include:
  1. How to Start the Implementation Process
  2. How will ICD-10-CM affect the Medical Practice
  3. Documentation Compliance
  4. Developing an ICD-10 Budget
  5. What to Ask Vendors
  6. What about Reimbursement?
  7. Usage of Paper Superbills versus the Electronic Health/Medical Record
  8. Translations of the most common ICD-9-CM codes to ICD-10-CM codes
  9. What Methods Should the Medical Practice engage for Training and How Much Time Should Be Allotted for Training?
  10. Working with Health Plans-- What Do I Need To Know?
  11. What is 5010 and Why Do I Care?
  12. Internal polices... What Needs Reviewed
  13. What Happens After the Implementation Date?
  14. Conducting a Gap Analysis
  15. Should my Practice Implement an Electronic Medical Record along with ICD-10 Implementation?
AAPC’s ICD-10 Resources

• Webinars—general and specialty specific ICD-10-CM
• Distance learning modules general and specialty specific
• Half day workshop for ICD-10-CM and ICD-10-PCS training
• Education sessions will range from 5-10 sessions at the AAPC National Conference in 2010 and 2011
• Twenty education sessions at the National and Regional AAPC conference in 2012
• AAPC National Conference will have twenty education sessions available of various topics in 2013
• Eight Regional Conferences will be held throughout the country and all sessions will focus on ICD-10-CM and ICD-10-PCS in 2013
AAPC Plan for Certified Coders

- ICD-10-CM proficiency testing will begin October 1, 2012 and end September 30, 2014
  - Every certified coder must take and pass a proficiency examination on ICD-10-CM to maintain certification
  - Open book 75 question test.
  - Coder may use any resource available to complete examination
  - May take the examination twice for a cost of $60
  - Test is taken online and is a timed test
What can you do now?

• Keep calm!
• Gather information to assess risks to your organization
• Communicate!
• Rank risks and develop a plan
• Engage all departments
• Keep positive!
• Keep in touch with national office and local chapter of AAPC
Questions?

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