

## ICD-10-CMS

### OVERVIEW

The International Statistical Classification of Disease and Related Health Problems, ICD-10, is a medical classification system for coding of:

- Diseases
- Injuries
- Symptoms
- Procedures and more

This is the first major change in U.S. coding in more than 30 years.

Some call it healthcare's version of Y2K.

ICD-10 expands diagnosis code selections to 68,000+, compared to 14,000 ICD-9-CM selections.

### CURRENT REGULATION

Effective January 1, 2012, ICD-9 codes were required to be submitted on electronic ambulance claims to represent a patient's condition. The determination of what is submitted is based on the Medicare Administrative Contractors (MACs).

- **Option 1:** Suppliers may choose codes from the Medical Conditions List provided by the Centers for Medicare & Medicaid Services (CMS) that correspond to the condition of the beneficiary at the time of pickup, then report the codes in the

diagnosis field on the claim. The codes in the Medical Conditions List are taken from the ICD-9-CM diagnosis code set.

- **Option 2:** Suppliers may report the ICD-9-CM (or ICD-10-CM when appropriate) diagnosis code that is provided to them by the treating physician or other practitioner.
- **Option 3:** Suppliers may report the ICD-9-CM diagnosis code 799.9 *unspecified illness*.
- Some ambulance services submit ICD-9 codes based on their MACs local coverage determination policy (LCD).

## COMPLIANCE DATE

On August 24, 2012, the Department of Health and Human Services (HHS) issued a Final Rule that delayed the compliance date for the new ICD-10 diagnosis and procedure codes until October 1, 2014.

The previous compliance deadline of October 1, 2014 was delayed again when President Barack Obama signed a new law on April 1, 2014. This law ordered HHS to not set an ICD-10 deadline any sooner than October 1, 2015. In September 2014, the U.S. Department of Health and Human Services (HHS) issued a rule finalizing **Oct. 1, 2015** as the new compliance date for health care providers, health plans, and health care clearinghouses to transition to ICD-10.

Any provider covered by the Health Portability and Accountability Act (HIPAA) must make the transition to ICD-10s (MLN Matters Number SE1239).

**Claims for services provided on or after the compliance date should be submitted with ICD-10 diagnosis codes.**

**Claims for services provided prior to the compliance date should be submitted with ICD-9 diagnosis codes.**

DEPARTMENT OF HEALTH AND HUMAN SERVICES

MEDLEARN Matters-SE 1409

Effective October 1, 2015

ICD-10 Claims Submission Alternatives

- For from dates of services for professional and supplier claims, or discharge dates on institutional claims on or after October 1, 2015 entities covered under the Health Insurance Portability Act (HIPAA) are required to use the ICD-10 code sets adopted under HIPAA.
- If a provider or supplier is unable to complete the necessary system changes to submit claims with ICD-10 codes by October 1, 2015, or if it finds they are unable to submit claims on or after October 1, 2015, due to issues with its billing software, vendor, or clearing house, the following claims submission alternatives are available:

*NOTE: Claim submission alternatives still REQUIRE the use of ICD-10 code sets for FROM dates of service (on professional and supplier claims) or date of discharge (on institutional claims) on or after October 1, 2015.*

**Free Billing Software**

- Free billing software is offered by CMS via the Electronic Data Interchange (EDI) via each MACs website.
- This billing software only works for submitting Fee-for-Service claims to Medicare. It is intended to provide submitters with an ICD-10 compliant claims submission format; it does not provide coding assistance.

*NOTE: Submitting electronic claims to Medicare using the free billing software does not change the requirement for ICD-10 compliant claims to be submitted for FROM dates of service on or after October 1, 2015. Any claims containing ICD-9 codes for FROM dates of service on or after October 1, 2015, will be rejected by Medicare.*

## **Direct data entry**

- Providers that bill institutional claims are also permitted to submit claims electronically via direct data entry (DDE) screens. For more information about DDE, go to [http://medicare.fcso.com/Direct\\_data\\_entry/](http://medicare.fcso.com/Direct_data_entry/).
- A request to submit claims via DDE must be done by prior to October 1, 2015.

*Please note that claims submitted via DDE must contain ICD-10 codes for dates of discharge/through dates on or after October 1, 2015. Those submitted containing ICD-9 codes for dates of discharge/through dates on or after October 1, 2015, will be returned to provider (RTP).*

## **Paper claims**

- In limited situations, provider and suppliers may submit paper claims with ICD-10 codes to Medicare. To find more information on when you may submit paper claims, visit <http://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/ASCAWaiver.html>
- A waiver must be submitted before October 1, 2015.

*NOTE: Submitting paper claims to Medicare, even if approved for an Administrative Simplification Compliance Act (ASCA) waiver, does not change the requirement for ICD-10 compliant claims to be submitted for FROM dates of service (on professional and supplier claims) or dates of discharge/through dates (on institutional claims) on or after October 1, 2015.*

## **Letter from CMS**

On July 6, 2015, CMS provided a letter to providers and suppliers detailing that CMS will be:

- Flexible in claims auditing and quality reporting process.
- CMS will set up a communication and collaboration center for monitoring the implementation of ICD-10s.
- CMS will create an ICD-10 Ombudsman to help triage physician and provider issues.
- Further information can be found at [www.cms.gov/ICD10](http://www.cms.gov/ICD10).

## GEARING UP FOR CHANGE

- Change is not easy to embrace, even if the outcome is for the better.
- Reasons for change:
  - We have to change because the current process is broken; or
  - There is a better way to accomplish a task or goal.

## WHY THE CHANGE?

### Clinical

- Better outcomes resulting from better documentation.
- Paints a better picture due to specificity, laterality, and more detailed information about the disease process.
- Improvement of care due to the documentation on higher acuity patients.
- Help to design better protocols.
- Provides more precise information reporting to the State and other Public Health entities.
- Improved tracking of patient illnesses.
- Provides more data for research to develop better patient outcomes; current system (ICD-9) is archaic compared to other countries.

## **Operational**

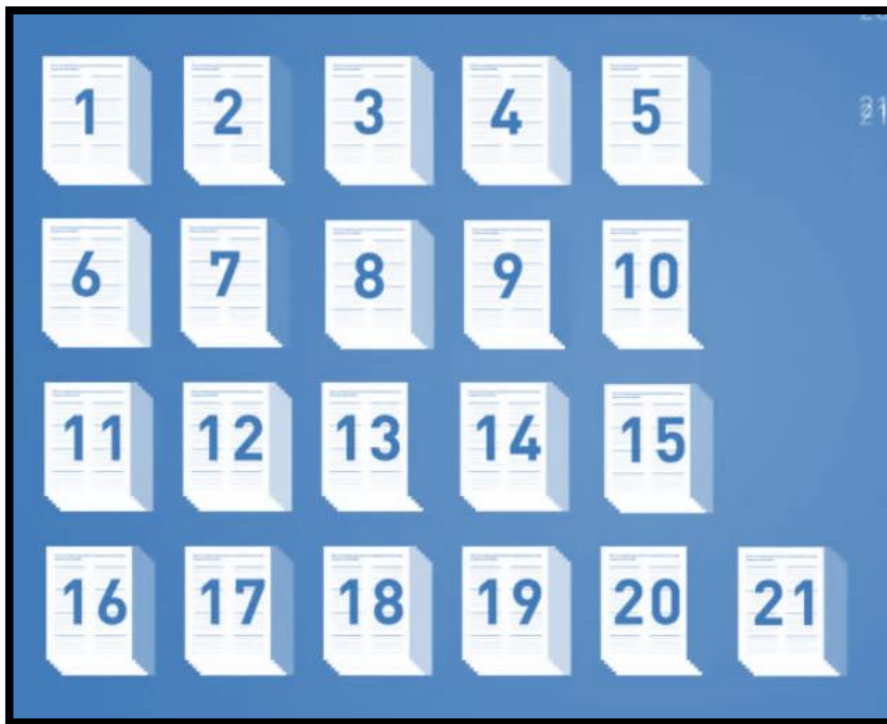
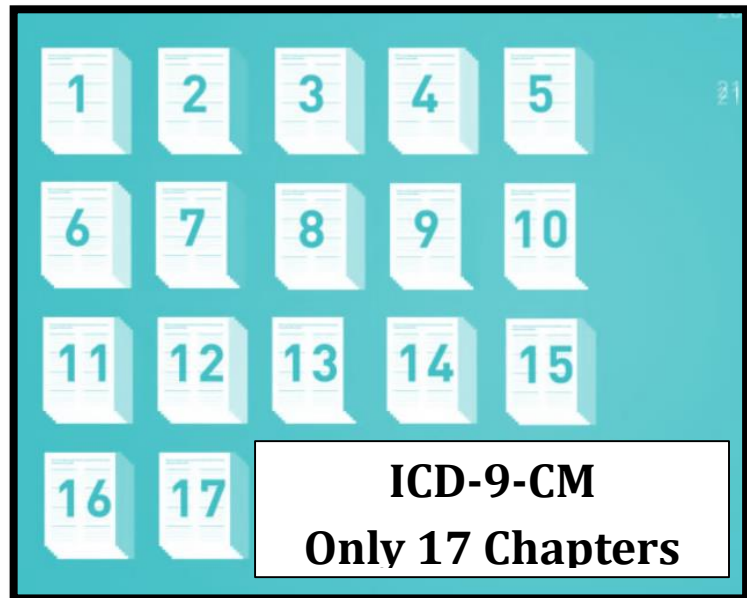
- Improved definitions of patient conditions.
- For institutional providers, helps with greater specificity to define co-morbidities and complications.
- The ability to share better data based on patient and population.

## **Financial**

- Better documentation increases our understanding of patient complexity and level of care, supporting reimbursement for the level of care provided.
- Allows for better comparison for benchmarking patient conditions.
- May aid in lowering audits due to more specific codes supported by greater documentation.

# ICD-10-CM CONCEPTS

## ICD-10-CM Concepts



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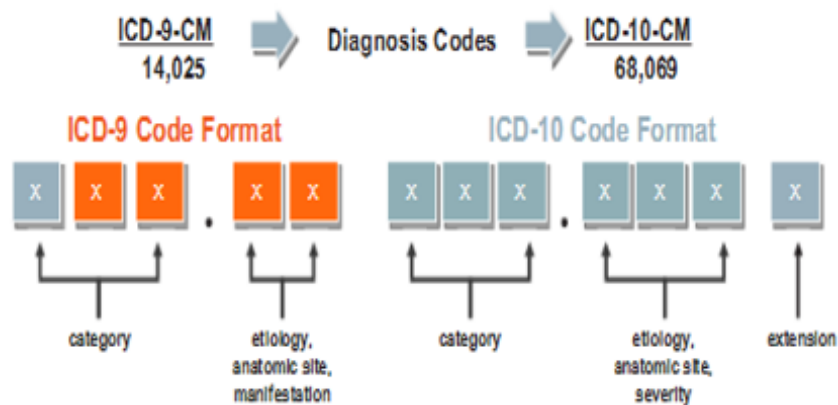
## DOCUMENTATION FOCUS AREAS

- Disease type
- Disease acuity
- Disease stage
- Site specific
- Laterality
- Combination codes
- Changes in timeframes with certain codes

## DIFFERENCES

### ICD 9 to ICD-10: Differences

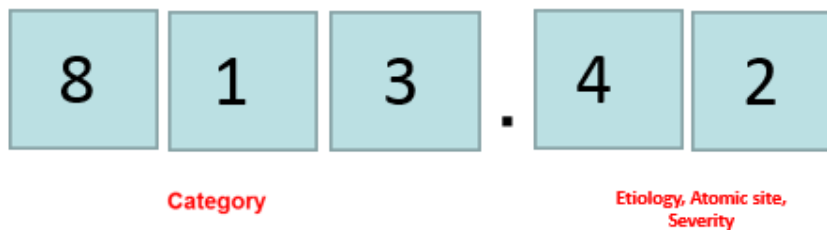
- A move from a 5 Digit Code to a 7 Digit Code with different logic.
- Approximately 8X's more ICD-10 codes than ICD-9 codes.
- No E or V codes, they are incorporated into the main classification system.





## ICD-9-CM

- 3-5 Digits
- The first digit is alpha or numeric
- Digits 2-5 are numeric; and
- A decimal is used after the third character.



- The first 3 digits are the category, and if there are a 4<sup>th</sup> or 5<sup>th</sup> digit they are the etiology, atomic site and severity of the patient.

## Code Structure: ICD-10-CM



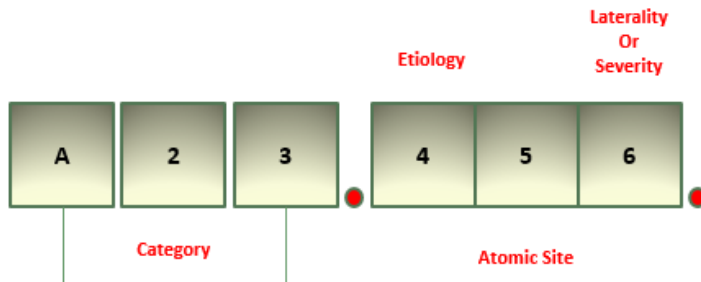
### Category

All diagnoses will have 3 digits:

- 1<sup>st</sup> Is always an alpha character.
  - **All letters of the alphabet has been utilized, except for "U".**
- 2<sup>nd</sup> Is always numeric.
- 3<sup>rd</sup> Can be either alpha or numeric.
- A decimal is always placed after the 3<sup>rd</sup> character.

All defining the disease, injury or problem.

## Code Structure: ICD-10-CM



**Etiology:** 4<sup>th</sup> digit is defining the origination of the disease/injury/problem.

**Anatomic Site:** 5<sup>th</sup> digit, defines the body part that is affected.

**Laterality or**

**Severity of Illness:** 6<sup>th</sup> digit, defines which side of the body is affected.

Then followed by a decimal, if a 7<sup>th</sup> digit is necessary.

## Laterality

- ICD-10-CM code descriptions include right or left designation.
  - Right side-Character 1
  - Left side-Character 2
  - Bilateral-Character 3
  - Unspecified side is either a character 0 or 9, depending on whether it is a fifth or sixth character.

### LATERALITY

Accounts for  
**46%**  
of Increased  
Number of Codes  
in ICD-10

