The Transition to ICD-10 and Version 5010

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April 6, 2011

Topics To Be Covered

• What is Changing?
• Why the Change?
• ICD-10: Key Dates and Deadlines
• CMS’ Dual Role Implementation
• CMS ICD-10 Program Management
  – Program management
  – Key outreach activities/findings and monitoring
• GEM Updates and Partial Code Freeze
• Resources to Help you Prepare
• Summary and Closing Remarks
What Is Changing?

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

Why the Change?

• ICD-10 provides more specific data than ICD-9
  – Better reflects current medical practice
  – Structure accommodates addition of new codes
    • The current coding system is running out of capacity and cannot accommodate future state of health care
  – Expanded data capture
    • Quality measurement
    • Reduce coding errors
    • Better analysis of disease patterns
    • Track and respond to public health outbreaks
    • Make claim submission more efficient
Why the Change?

• Version 5010
  – The current version of the standards (Version 4010/4010A1) are recognized as lacking certain functionality for health care needs
  – Accommodates the ICD-10 codes

More on ICD-10 Code Sets

• ICD-10 CM/PCS consists of two parts:
  – ICD-10-CM for **diagnosis coding** in all health care settings
    • Describes left vs. right, initial vs. subsequent encounter, routine vs. delayed healing, and nonunion vs. malunion
  – ICD-10-PCS for **inpatient procedure coding** in hospital settings
    • Provides detailed information on procedures and distinct codes for all types of devices

• **CPT coding for outpatient and office procedures** is **not affected by the ICD-10 transition**
More on Version 5010

• Upgrade to Version 5010 transaction standards by January 1, 2012
• Testing should be conducted both internally and with external business partners
  – Internal testing of Version 5010 should have been completed by December 31, 2010
  – Should have already started external testing
• Testing early will allow you to identify any potential issues, and address them in advance

Mark Your Calendars

- January 1, 2011
  Begin external testing of Version 5010 for electronic claims

- December 31, 2011
  External testing of Version 5010 for electronic 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

- April 1, 2013
  Train Staff on ICD-10 CM/PCS

- October 1, 2013
  Claims for services provided on or after this date must use ICD-10 codes for medical diagnosis and inpatient procedures
CMS’ Dual Role in ICD-10/5010 Implementation

Internal

• As HIPAA covered entity, CMS must ensure that its business processes, systems, policies and those of its contractors, providers, health plans, etc. are compliant with HIPAA

• Ensure that state Medicaid programs, as covered entities, are compliant with HIPAA

• Maintain and update the ICD-9 procedure codes, will do the same for ICD-10 (CDC is responsible for diagnosis codes)

External

• Establish and maintain liaison with all external industry segments

• Share “lessons learned” to inform industry efforts to achieve ICD-10/5010 compliance by respective deadlines

• Raise awareness, extend collaboration to achieve industry-wide compliance

• Provide audience appropriate educational materials/resources
CMS ICD-10 IMPLEMENTATION AND ROLE MANAGEMENT

CMS ICD-10 Implementation Program Management

- **Office of E-Health Standards and Services (OESS)**
  - Houses the Program Management Office (PMO) for ICD-10 CMS implementation, in partnership with other Centers/Offices
  - Convenes ICD-10 Steering Committee to address cross-cutting issues
  - Responsible for overseeing agency’s ICD-10 coordinated budget across components

- **ICD-10 Program Management Office (PMO)**
  - Develop a comprehensive ICD-10 project plan, including pertinent 5010 milestones
  - Formulation and management of CMS ICD-10 budget
  - Conduct external ICD-10 outreach and education
  - Monitor industry ICD-10 compliance
  - Ensure coordination between ICD-10 and 5010 implementation projects
CMS ICD-10 Implementation
Key Outreach Activities

Industry Awareness, Outreach and Education
• Goal: To ensure that every affected entity successfully transitions to Version 5010 and ICD-10 by deadlines
  - Create national awareness; targeted educational products; leverage existing partnerships; monitor and assess outreach results.
• OESS contractor (Ketchum) will develop and implement a communication plan for ICD-10 and 5010
  - Focus on small, hard-to-reach and rural providers
  - Build upon existing CMS resources and materials to ensure accuracy and consistency
• Outreach to Medicare FFS providers/contractors and States will continue to be conducted by the appropriate CMS component
• Identify “non-traditional” external industry partners (for example, worker’s compensation programs, actuaries, life insurance companies, etc.)

CMS ICD-10 Implementation
Key Outreach Findings

Initial informational interviews designed to assess:
• Familiarity with ICD-10/Version 5010
• Response to transition
• Messages, logos and tag lines
• Preferred ways of getting information
• 12 Focus groups
  - Physicians, medical practice managers, other local providers
  - Baltimore, Birmingham, Chicago, Sacramento
• 45 In-Depth interviews
  - Vendors (software developers, billing services)
  - Payers (HMOs, insurance companies, state BCBS)
  - Large providers (pharmacy chains, hospital and health care systems)
CMS ICD-10 Implementation
Key Outreach Findings

• Knowledge of ICD-10 is **low in small organizations**
  – Understanding of Version 5010 is **extremely low**
• Knowledge is **noticeably higher among larger provider, payer and vendor organizations**
  – Many have already begun to plan for the transition

CMS ICD-10 Implementation
Key Outreach Findings

• Small health plans initially took a “wait-and-see” approach
• Awareness is building, but they still face challenges
  – Budget, resources
• They **expect CMS and vendors** to inform them about the transition and what to do
CMS ICD-10 Implementation

Key Outreach Findings

All audiences want to know:
1. Key dates
2. What they need to do
3. Where they can find information
4. That information is coming from CMS as a trusted source

CMS ICD-10 Implementation

Key Monitoring Activities

Industry Compliance Monitoring
• Previous HIPAA experience demonstrated need to have compliance monitoring that is specific and consistent to gauge accurate picture of industry readiness and flag problems early on.
• OESS contractor established a baseline to monitor national health care industry segment readiness and work with CMS components to obtain readiness data for Medicare FFS, health plans, etc.
• Also paying attention to industry surveys (WEDI, HIMSS, etc.) for broader picture
Industry Monitoring Findings

- HIPAA Modifications is one among many competing priorities for the healthcare industry
- The Health Plan community is making progress on Version 5010, but efforts are still focused internally, and not yet being shared with trading partners
- Many organizations have achieved high to medium compliance through Level IV (tools installation/applications development) on Version 5010, D.0 and 3.0

Industry Readiness Findings

- Provider Community is currently less prepared for Version 5010
  - “We are dependent on vendors to provide the software.”
  - “Small to Medium providers are not actively preparing for HIPAA 5010.”
  - “Rural physicians do not have the IT/business staff to support HIPAA Modifications.”
Industry Readiness Findings

• Lack of testing with trading partners, readiness of business partners to accept or send transactions is top barrier to success
• Feedback indicates next top three barriers in order are
  – Costs of remediation
  – Timing of current deadlines
  – Current economy

State Medicaid Agency Readiness

Experience has taught us to be proactive – early and often – when assessing state Medicaid program readiness for major business process/systems transitions.

• Spring 2010 – 188-question survey sent by CMS to all state Medicaid programs on Version 5010/ICD-10 preparations, results showed states faced major challenges
• One-on-one state calls in November 2010
• CMS in-person meetings with states began this month
  – We continue to work closely with all state Medicaid programs to assess needs and deliver resources as needed
Tools and Resources

• ICD-9 and ICD-10 codes are quite different
• Tools are needed to convert large data bases
• General Equivalence Mappings (GEMs)
  – Designed to aid in converting applications and systems from ICD-9 to ICD-10
  – Bi-directional mappings
  – “Find and replace” codes or lists of codes
• Affordable Care Act requires those using GEMS use the version posted to the CMS website
• For small projects – quicker and easier to simply use ICD-10-CM/PCS code books
• Still need to learn to code with ICD-10
• GEMs are not a substitute for learning ICD-10-CM/PCS
2011 ICD-10 & GEM Updates

• Comments on the General Equivalence Mappings (GEMs) received through Nov 12, 2010
• 2011 GEMs updated based on stakeholder comments, and Affordable Care Act requirements met
• 2011 updates to ICD-10-CM, ICD-10 PCS, GEMs, and Reimbursement Mappings are now posted at: http://www.cms.gov/ICD10

GEM Update Example

• All changes recommended were reviewed, and all recommendations meeting GEMs inclusion criteria were incorporated in the FY2011 update

Public comment: ICD-9-CM to ICD-10-CM GEM entry for “Other chronic nonalcoholic liver disease”

<table>
<thead>
<tr>
<th>2010 Entry</th>
<th>Recommendation</th>
<th>Updated 2011 Entry</th>
<th>Comment</th>
</tr>
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<tbody>
<tr>
<td>Example 571.8 Other chronic nonalcoholic liver disease</td>
<td>571.8 to K76.0 is incorrect. A better map is to K76.8 with mapping attribute of 10000.</td>
<td>Example 571.8 Other chronic nonalcoholic liver disease To K76.0 Fatty (change of) liver, not elsewhere classified</td>
<td>The current entry meets GEMs inclusion criteria. ICD-9-CM index entry Fatty, liver is classified to 571.8, so K76.0 is a correct translation. However, based on this recommendation K76.8 was added as a translation alternative, for completeness.</td>
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Partial Code Freeze

- Annual updates to ICD-9 CM and ICD-10 make transition planning difficult
- Vendors, system maintainers, payers, and educators requested a code freeze
- **Last regular, annual updates to both ICD-9 CM and ICD-10 will be made on Oct 1, 2011**

Dates for the Freeze

- The last regular annual update to both ICD-9 and ICD-10 code sets will be made on **October 1, 2011**
- On **October 1, 2012** there will be only limited code updates to both ICD-9- CM and ICD-10 code sets to capture new technology and new diseases
- On **October 1, 2013** there will be only limited updates to the ICD-10 code sets
- On **October 1, 2014** regular updates to ICD-10 will begin
Help Providers Prepare for ICD-10

- Identify the current systems and work processes that use ICD-9 codes
- Identify potential changes to work flow and business processes
- Budget for time and money related to the implementation
- Allow enough time to test transactions
- Assess staff training needs
- Communicate implementation plans between providers, payers and vendors

Additional Resources

CMS ICD-10 website: www.cms.gov/icd10

Get Ready 5010 website: www.getready5010.org

Professional, clinical, trade associations
Additional Resources

The ICD-10 Transition: An Introduction

Community Tutorials

Prepare Now for the ICD-10 Transition

Advertisements
How to Stay Informed

- ICD-10 National Provider Teleconferences
  - CMS will be hosting ICD-10 national provider teleconferences on May 18 and August 3
- CMS ICD-10 Website
- CMS ICD-10 Industry E-mail Updates
- Latest News Page Watch

Key Takeaways

1. Deadlines are not changing
   - Should have already started Version 5010 external testing
2. Start taking the steps to prepare now
3. Utilize the resources available from CMS on ICD-10
   - Website
   - Trainings/Webinars
Summary

We Are Making Progress…

- Driving toward 5010, with Version 5010 testing for Medicare FFS claims underway in January 2011, expanding in April 2011
- ICD-10 PMO provides the structure needed for CMS transition
- CMS’ ICD-10 implementation activities now underway

...But We Still Have Far to Go – We need to…

- Consider necessary policy/procedural decisions to support our implementation
- Raise ICD-10 awareness at basic provider level (small practices)
- Continue to engage vendors and clearinghouses
- Continue to reinforce compliance date message
- Maximize industry resources, deliver practical materials, and find synergies where possible
- Integrate ICD-10, HITECH Act and health care reform efforts and messaging

Questions?

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