The Facts About ICD-10

The following information, which includes a brief history followed by FAQs, is provided on the American Medical Association website at http://www.ama-assn.org. Other useful information is available there as well.

Background

The differences between ICD-9 and ICD-10 are significant and physicians and practice management staff need to start educating themselves now about this major change so that they will be able to meet the October 1, 2014 compliance deadline.

ICD-10-CM codes are the ones designated for use in documenting diagnoses. They are 3-7 characters in length and total 68,000, while ICD-9-CM diagnosis codes are 3-5 digits in length and number over 14,000.

The ICD-10-PCS are the procedure codes and they are alphanumeric, 7 characters in length, and total approximately 87,000, while ICD-9-CM procedure codes are only 3-4 numbers in length and total approximately 4,000 codes.

Moving to ICD-10 is expected to impact all physicians. Due to the increased number of codes, the change in the number of characters per code, and increased code specificity, this transition will require significant planning, training, software/system upgrades/replacements, as well as other necessary investments.

When implementation of ICD-10 was postponed by a year and rescheduled for October 1, 2014, by the Department of Health and Human Services, AMA Board Chair Steven J. Stack, MD commented, "The AMA appreciates the administration's decision to provide a one year delay in response to AMA advocacy, but we have urged CMS to do more to reduce the regulatory burdens on physician practices so physicians can spend more time with patients."

Q&A

What is "ICD-10"?

"ICD-10" is the abbreviated way to refer to the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) and International Classification of Diseases, Tenth Revision, Procedure Coding System (ICD-10-PCS).

What is the difference between ICD-10-CM and ICD-10-PCS?

ICD-10-CM is the diagnosis code set that will be replacing ICD-9-CM Volumes 1 and 2. ICD-10-CM will be used to report diagnoses in all clinical settings.

ICD-10-PCS is the procedure code set that will be replacing ICD-9-CM Volume 3. ICD-10-PCS will be used to report hospital inpatient procedures only.

Will ICD-10-PCS replace CPT®?

No. ICD-10-PCS will be used to report hospital inpatient procedures only. The Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) will continue to be used to report services and procedures in outpatient and office settings.

Do I have to upgrade to ICD-10?

Yes. The conversion to ICD-10 is a HIPAA code set requirement. Providers, including physicians, are HIPAA "covered entities", which means that you must comply with the HIPAA requirements.

Who else has to upgrade to ICD-10?

Healthcare clearinghouses and payers are also HIPAA covered entities, so they are required to convert to ICD-10 as well.

I thought HIPAA code set standards only applied to the HIPAA electronic transactions. What if I don't use the HIPAA electronic transactions?

It is correct that HIPAA code set requirements apply only to the HIPAA electronic transactions. But, it would be much too burdensome on the industry to use ICD-10 in electronic transactions and ICD-9 in manual transactions. Payers are expected to require ICD-10 codes be used in other transactions, such as on paper, through a dedicated fax machine, or via the phone.

Why is ICD-9 being replaced?

The ICD-9 code set is over 30 years old and has become outdated. It is no longer considered usable for today's treatment, reporting, and payment processes. It does not reflect advances in medical technology and knowledge. In addition, the format limits the ability to expand the code set and add new codes.

The ICD-10 code set reflects advances in medicine and uses current medical terminology. The code format is expanded, which means that it has the ability to include greater detail within the code. The greater detail means that the code can provide more specific information about the diagnosis. The ICD-10 code set is also more flexible for expansion and for the inclusion of new technologies and diagnoses.

The change, however, is expected to be disruptive for physicians during the transition and you are urged to begin preparing now.

When do I have to convert to ICD-10?

All services and discharges on or after October 1, 2014 must be coded using the ICD-10 code set. The necessary system and workflow changes need to be in place by the compliance date in order for you to send and receive the ICD-10 codes.

What if I'm not ready by the compliance deadline?

Any ICD-9 codes used in transactions for services or discharges on or after October 1, 2014 will be rejected as non-compliant and the transactions will not be processed.

You will have disruptions in your transactions being processed and receipt of your payments.

Physicians are urged to set up a line of credit to mitigate any cash flow interruptions that may occur.

Deadlines for other HIPAA requirements have been delayed. Will the compliance date for ICD-10 be delayed?

Do not expect another delay in the ICD-10 compliance deadline. The Centers for Medicare & Medicaid Services (CMS) is responsible for oversight of compliance with the HIPAA code set requirements.

CMS has made it clear that there will be no extension of the deadline for ICD-10. Work within Medicare to upgrade to the ICD-10 transactions is on target and they expect to be ready on time.

What do I need to do now to prepare for the conversion to ICD-10?

There are several steps you need to take to prepare for the conversion to ICD-10.

- Begin by talking to your practice management or software vendor. Ask if the necessary software updates will be installed with your upgrades for the Version 005010 (5010) HIPAA transactions. If you do not use the HIPAA transactions, determine when they will have your software updates available and when they will be installed in your system. Your conversion to ICD-10 will be heavily dependent on when your vendor has the upgrades completed and when they can be installed in your system.

- Talk to your clearinghouses, billing service, and payers. Determine when they will have their ICD-10 upgrades completed and when you can begin testing with them.

- Identify the changes that you need to make in your practice to convert to the ICD-10 code set. For example, your diagnosis coding tools, "super bills", public health reporting tools, etc.

- Identify staff training needs and complete the necessary training.

- Conduct internal testing to make sure you can generate transactions you send with the ICD-10 codes.

- Conduct external testing with your clearinghouses and payers to make sure you can send and receive transactions with the ICD-10 codes. ###