ICD-10 FACTS

What Are ICD Codes?

ICD stands for the International Classification of Diseases. These codes are endorsed by the World Health Organization (WHO) and are utilized by Health Information Management departments across the U.S. (and the world) to classify the diagnoses for all patients.

How Do We Use ICD Codes?

These codes are used in a number of different ways, including calculating inpatient payment like Medicare Severity-Diagnosis Related Groups (MS-DRGs), adjudicating coverage for all outpatient, professional and inpatient care, compiling statistics, and assessing quality.

What Does the Transition from ICD-9 to ICD-10 Entail?

On October 1, 2014, the Centers for Medicare and Medicaid Services (CMS) has mandated that the U.S. transition from ICD-9 to ICD-10. There will be significant changes to the structure of codes (three to five numeric to three to seven alphanumeric), coding rules, terminology, and the sheer number of codes in use.

What is the Difference Between ICD-9 and ICD-10?

ICD-9
- Code structure is 3 to 5 numeric characters
- Code data (despite known limitations) is the basis for patient care improvement, quality reviews, medical research, and reimbursement

ICD-10
- Code structure is 3 to 7 alphanumeric characters
- Specific diagnosis and treatment information
- Supports quality and patient safety
- Precise codes to differentiate body parts, surgical approaches, and devices used

More Codes, Greater Complexity

Number of Codes

Examples of Diagnosis Code

ICD-9 CM
- Pressure Ulcer Codes
  - 9 location codes (707.00 - 707.09)
  - Show broad location, but not depth (stage)

ICD-10 CM
- Pressure Ulcer Codes
  - 125 codes
  - Show more specific location as well as depth, including
    - L89.131 - Pressure ulcer of right lower back, stage I
    - L89.132 - Pressure ulcer of right lower back, stage II
    - L89.133 - Pressure ulcer of right lower back, stage III
    - L89.134 - Pressure ulcer of right lower back, stage IV
    - Many more...

Who Does This Impact?

- Outpatient, inpatient, and professional claims are impacted by ICD-10 CM (Diagnosis)
- Inpatient claims are impacted by ICD-10 PCS (Procedure)
- Current Procedural Terminology (CPT) does not change; used for all ambulatory and physician procedure reporting

Home Health

How is Home Health Impacted by ICD-10?

Home Health Reimbursement Brief

Medicare purchases home health services in units of 60-day episodes. To capture differences in expected resource use, patients receiving five or more visits are assigned to one of 153 home health resource groups (HHRGs) based on clinical and functional status and service use as measured by completion of the Outcome and Assessment Information Set (OASIS).

For clinical status, OASIS considers factors such as primary home care diagnosis, vision limitation, most problematic pressure ulcer stage, etc. when determining which HHRG to assign. A specific section of the OASIS requires completion of the principal and secondary diagnosis codes. These codes are used to identify whether each of the clinical factors indicated above were present.

The ICD-10 Impact on Reimbursement

For ICD-10, a more nuanced view of these clinical indicators is available due to the increased specificity of the codes. Although some categories of HHRG are broad, feasible some of the same conditions that would have increased the case-mix with ICD-9 will no longer do so with ICD-10. Similar to inpatient coding, this risk would be increased with the use of non-specific ICD-10 codes. To reduce this risk, the accurate ICD-10 code representing the increased case-mix complexity must be used. Otherwise, there is the risk that a lower-valued HHRG code will be assigned.

Operational

- What is our plan for providing ICD-10 training?
- What is the best way to educate our staff about ICD-10?
- What is the awareness among providers of ICD-10?
- What reports that currently use ICD-9 codes will need to be updated to ICD-10?
- How will trending be impacted by ICD-10?
- What is the impact of ICD-10 on documentation?
- What is the impact of ICD-10 on coding?
- What is the impact of ICD-10 on financial processes and outcomes?
- How will the ICD-10 codes affect HHRG?
- Where should I begin ICD-10 training?
- How will ICD-10 affect our billing system?
- How do I have enough coders?
- What strategies will be employed to train our coders?
- When should I begin ICD-10 training?
- When will we test the grouper? Will it allow us to test in both ICD-9 and ICD-10 so we can compare the impact?

Documentation

- What is the awareness among providers of ICD-10?
- Have we identified the most commonly used ICD-9 codes and how they may map to ICD-10 using the General Equivalency Mapping (GEM)?
- What documentation is lacking today that would be needed to generate the correct ICD-10 code?
- What is the best way to educate providers on documentation requirements? Key meetings, emails, newsletters, etc.?
- What is our plan for providing remedial training for providers up through October 1, 2014 and beyond?

Coding

- What is the knowledge gap for our coders?
- Do they need training on anatomy, physiology, pathophysiology, pharmacology, medical terminology, etc.?
- How many coding hours of training is needed?
- Do I have enough coders?
- What strategies will be employed to train our coders?
- When should I begin ICD-10 training?
- How have the ICD-10 codes affected HHRG?
- How will we manage any coding backlogs due to incomplete or missing documentation?
- Has the HHRG grouper been updated and ready for testing?
- When will we test the grouper? Will it allow us to test in both ICD-9 and ICD-10 so we can compare the impact?

Financial

- What is the budget for the transition?
- Who is managing our contracts and what conversations have we had to date?
- How does this affect our billing system? Claims scrubber?
- How does this impact any authorizations that may be required?

Key Takeaway

Home Health does not avoid the impact of ICD-10. Similar to other services, payments are at risk with the ICD-10 transition depending on how the diagnosis impacts the HHRG. Home Health must review and prepare for coding, operational, and financial challenges in anticipation of October 1, 2014.

Got Questions?

- ICD-10 Project Lead
- ICD-10 Executive Sponsor