

# Prepare for ICD-10 (Really)

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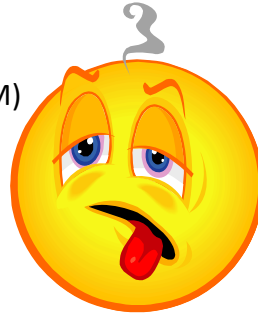
## Objectives

- Review the history of ICD-9-CM and ICD-10-CM since 1979 to the present.
- Delineate rationale for change from ICD-9-CM to ICD-10-CM.
- Differentiate between the two coding systems (ICD-9-CM and ICD-10-CM).
- Identify the timeline associated with, and expected issues related to, implementation.
- Create a list of resources and next steps to prepare for ICD-10-CM and ICD-10-PCS implementation.

## ICD-10-CM?

It's enough to give us:

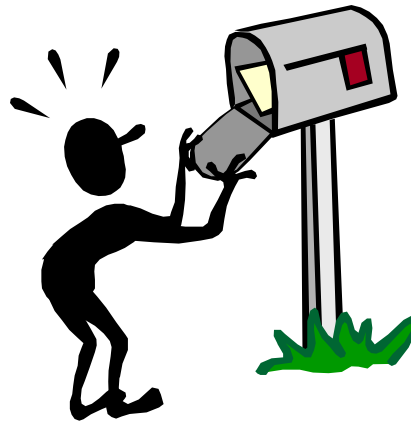
- 300.00, Anxiety unspecified (ICD-9- CM)
  - F41.9, Anxiety disorder, unspecified
  - F1.1, Generalized anxiety disorder
  - F40.8, Other phobic anxiety disorders
  - F43.0, Acute stress reaction
  - F93.0, Separation anxiety
- ... *but the transition to ICD-10-CM is only fractionally about coding*



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## What Would You Do If . . .

You got a letter in  
the mail . . .



## And This Is What It Said . . .

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## Can You Translate the Letter?

- **If No** – It's just a piece of paper.
- **If Yes** – *read on:*  
***“You have just won \$1 million! Call this number by Friday to get your check.”***

## You Could Feel Like . . .

*This -*

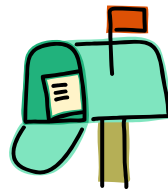


*Or this -*



## You Can't Read the Letter If You Don't Know the Language

- ICD-10-CM and ICD-10-PCS will replace ICD-9-CM on October 1, 2013.
- Will you be ready to read the letter?
- Or are you just too busy to get to the mail box right now?



## A History of ICD-9-CM

- ICD-9-CM (International Classification of Diseases) – in use since 1979
- Currently in the 9<sup>th</sup> Revision
- Updated regularly as new codes are added/deleted/ revised
- Consists of 3 Volumes:
  - Volume I – Tabular Index
  - Volume II – Alphabetic index
  - Volume III – Surgical Procedures Alpha and Tabular Index
- Has not aged gracefully since 1979

## The Problems with ICD-9-CM

- Problems with ICD-9-CM:
  - Numbering system limits our ability to add new codes as new diseases are identified or definitions are expanded
  - Codes in some categories are vague and imprecise
  - Lack of specificity leads to problems in collecting accurate data, especially when new technology is added
  - Quality data to track outcomes is difficult to obtain and compare with other countries that have adopted ICD-10
  - System lacks the specificity to provide support for claims billed → incorrect/inaccurate reimbursement

## New Kid on the Block: ICD-10

- ICD-10 released by World Health Organization in 1993 in response to the problems with ICD-9
  - Countries using ICD-10 must conform to conventions in ICD-10.
  - Only WHO can approve changes to conventions
- Many countries have adopted the system since it was introduced in 1993:
  - Used for mortality reporting by 138 countries
  - Used for morbidity reporting by 99 countries

## ICD-10-CM: The U.S. Version of ICD-10

- United States authorized to develop ICD-10-CM by WHO. (CM = Clinical Modification)
- Rationale for change:
  - ↑ specificity of coded diseases
  - Capture emerging diseases/technology
  - Differentiate among types of patient encounters – acute, post acute, managed care
  - Tracking of world health issues
  - Improved health data and outcomes reporting
  - Ease of adding/revising. deleting codes
  - **Appropriate reimbursement** for care provided

## **ICD-10-CM and ICD-10-PCS**

- Decision to develop ICD-10-CM made by:
  - National Center for Health Statistics (NCHS) under the Centers for Disease Control (CDC)
- Problem: Replaces only Volumes I & II of ICD-9-CM
- New procedure classification system (ICD-10-PCS) was also needed to replace Volume III:
  - Developed by 3M Health Information Systems under contract with CMS
  - All countries must develop their own procedure coding system

## **Stakeholders in the Change**

- ICD-9-CM Coordination and Maintenance Committee
- AMA and other physician groups
- Professional groups (i.e., American Hospital Association)
- Current users of ICD-9-CM
- Centers for Medicare and Medicaid Services
- Centers for Disease Control
- National Center for Health Statistics (NCHS)
- American Health Information Management Association (AHIMA)
- Healthcare consumers

## The Rand Cost-Benefit Study

(completed 2003, published 2004)

- Cost-benefit study of implementation of ICD-10-CM and ICD-10-PCS commissioned by National Committee on Vital & Health Statistics (NCVHS)
- Study focused only on hospitals, physicians, their coders
- Study identified expected benefits of change:
  - Improvement in quality of care and patient safety
  - Fewer rejected or questionable reimbursement claims
  - Improved information for disease management
  - More accurate reimbursement rate for emerging technologies
  - Better understanding of value of new procedures

## Timeline for Implementation

- Final approval of ICD-10-CM change: 2009
- Implementation planned: 10/1/2013
- HHS says it has no plans to extend the deadline
- All HIPAA-covered entities, including Medicaid, must implement ICD-10-CM by that date
- Healthcare reform and the move toward electronic records and pay for health care outcomes will reinforce government's push to implement by 2013.

## What We Know for Now About ICD-10-CM

- The system will be more adaptable to change
- Requires improved clarity and specificity in provider documentation
- Is a new language with new “words” - it will take time to learn
- Transition from ICD-9-CM to ICD-10-CM will require parallel systems during the transition
- Planning ahead for this cultural and procedural change will be essential
- Changes will touch everyone in healthcare and it will be massive

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## Examples of Areas Potentially Affected by Changes

- |                                    |                               |
|------------------------------------|-------------------------------|
| • Information systems              | • Post acute care management  |
| • Documentation                    | • Clinical data reporting     |
| • Case management                  | • Medical necessity           |
| • Outcomes management              | • Data sets (i.e., OASIS)     |
| • Registration /scheduling systems | • Billing systems             |
| • Quality management               | • Compliance checking systems |
| • System interfaces                | • <b>EVERYONE!</b>            |
| • Clinical Protocols               |                               |

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## Differences at a Glance

### ICD-9-CM

- 3 volumes – includes surgical procedures
- 13,000 codes in Volumes I & II
  - Disease codes
  - V codes
  - E codes
- 3,000 codes in Volume III (procedures)

### ICD-10-CM

- 2 volumes – procedure codes are in ICD-10-PCS
- 68,000 codes in Volumes I & II
  - Disease codes
  - V and E codes included with disease chapter
- 87,000 codes in ICD-10-PCS (procedures)

## Differences at a Glance

### ICD-9-CM

- 17 chapters + E code and V code supplemental chapters
- Codes rarely indicate timing of encounters
- No “laterality” – does not differentiate between right or left

### ICD-10-CM

- 21 chapters – E codes and V codes included in chapters
- 2 volumes – ICD-10-PCS is separate for surgical procedures
- Codes specify initial, subsequent encounters
- May now specify right or left

## Differences at a Glance

### ICD-9-CM

- Expansion of codes leads to multiple changes (↓ flexibility)
- 3 – 5 digits/characters in code
- Numeric, except V and E codes
- Excludes notes present
- Place-holders not used

### ICD-10-CM

- Expansion of codes leads to smaller number of revisions (↑ flexibility)
- 3 – 7 digits/characters in codes
- Alphanumeric – all codes start with alpha letters
- 2 levels of excludes notes
- Includes place-holders for expansion

## Structure of ICD-10-CM

- Tabular List
  - Inclusion and Exclusion terms
  - Grouped by system and organ
  - Some new classifications for eyes, ears, injuries, complications
  - Mortality
- Index
  - Disease/Condition listed alphabetically
  - External Cause of Injury
  - Drugs and Chemicals
- Guidelines and Conventions

## Hypertension in the Tabular

### 401 Essential hypertension

#### Includes:

high blood pressure  
 hyperpiesia  
 hyperpiesis  
 hypertension (arterial) (essential)  
 (primary) (systemic)  
 hypertensive vascular:  
 degeneration  
 disease

#### Excludes:

elevated blood pressure without  
 diagnosis of hypertension (796.2)  
 pulmonary hypertension (416.0-  
 416.9)  
 that involving vessels of:  
 brain (430-438)  
 eye (362.11)

### I10 Essential (primary) hypertension

- **Includes:** high blood pressure hypertension (arterial) (benign) (essential) (malignant) (primary) (systemic)
- **Excludes1:** hypertensive disease complicating pregnancy, childbirth and the puerperium (O10-O11, O13-O16)
- **Excludes2:** essential (primary) hypertension involving vessels of brain (I60-I69) essential (primary) hypertension involving vessels of eye (H35.0)

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## Structure of ICD-10-CM

- 21 chapters organized by organ and system
  - Chapter 1: Certain Infectious and parasitic diseases (A00-B99)
  - Chapter 4: Endocrine, nutritional and metabolic diseases (E00-E90)
  - Chapter 7: Diseases of the eye and adnexa (H00-H59)
  - Chapter 21: Factors influencing health status and contact with health services (Z00-Z99)
- Some changes to the chapter organization
  - Sense organs separated from nervous system
  - Injuries grouped by site, not category
  - Complications moved to body system chapter, not kept separately

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## Three Digit Codes in ICD-10-CM

- Codes with same first three digits are common, i.e.:
  - I49. Other cardiac arrhythmias
- As digits are added the codes increase in specificity
  - I49.0 Ventricular fibrillation and flutter
  - I49.01 Ventricular fibrillation
  - I49.02 Ventricular flutter

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## Manifestation Coding in ICD-10-CM

Diabetes codes now include manifestations and will not have 5<sup>th</sup> digits for controlled/uncontrolled, i.e.:

- E08.22: DM with diabetic chronic kidney disease (250.4x, 585.x)
- E09.52 Drug or chemical-induced DM with diabetic peripheral angiopathy and gangrene (249.7x, 443.81, 785.4)

## Structure of ICD-10

- Code expansion  
ICD-9 4<sup>th</sup> and 5<sup>th</sup> digits incorporated in code root  
Anatomy, Etiology, Severity included in the code
- **7<sup>th</sup> digit** is for obstetrics, injuries, external causes of injury and encounters
  - A: initial encounter
  - D: subsequent encounter
  - S: sequelae

### Fractures:

D: subsequent encounter for fracture with routine healing

K: subsequent encounter for fracture with nonunion

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## What the Change Looks Like

### Current ICD-9-CM:

*Your patient has a pressure ulcer with necrosis of the right ankle bone.*

- **707.06, pressure ulcer of the ankle**
- **707.24, stage IV pressure ulcer**

### After the change to ICD-10-CM:

*Your patient has a pressure ulcer with necrosis of the right ankle bone.*

- **L89.514, pressure ulcer of *right* ankle, stage IV**

***Note: Only one code required instead of 2!***

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## Anatomy of an ICD-10-CM Code (pressure ulcer of *right* ankle, stage IV)

**X X X.X X X X**

Category

Etiology  
Anatomic site  
Severity

Extension

**L 8 9.5 1 4 A**

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## Potential Impact of ICD-10-CM:

- Implementation will affect:
  - Revenue stream / Cash flow (the bottom line)
  - Agency productivity
  - Operations
  - Training
- Rand study estimates conversion costs:
  - \$425 million \$1.5 ***billion*** in one time costs over 10 years for hospitals and physicians ***plus***
  - \$5 - \$40 million per year in lost productivity
- Rand study estimates *variable* benefits to healthcare system: \$700 million - \$7.7 ***billion***

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## Impact of ICD-10-CM: The Good

- Specific diagnosis and treatment information will aid CMS's anti-fraud and abuse activities
- Improved data, research, and outcome reporting
- Allows for ease of comparison of U.S. data with other countries
- Improved accuracy of reimbursement payments
- Allows for monitoring of effectiveness of new procedures

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## Impact of ICD-10-CM: The Bad: Cultural Change

- Changing your language (communication) is **massive cultural change**
- Stress on personnel (especially those associated with coding changes) is likely to be extreme
- Change will result in process changes and loss of familiar/comforting structure
  - Make special efforts to support personnel and to encourage collegial team approach
  - Introduce all staff to ICD-10-CM gradually - beginning this year

## Impact of ICD-10-CM: The Ugly: Expense of Conversion

- Expense
  - 16 - 80 hours training , depending on need and job function (↑ time for coders)
  - CMS estimates 150,000 people in healthcare work directly with codes
- Cost for training?
  - 8 hours at \$20/hour = \$160/person (light impact)
  - 16 hours training = \$320/person
  - 80 hours training = \$1600/person

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## Impact of ICD-10-CM: The Ugly: Expense of Conversion

- Loss of productivity
  - Especially during initial learning curve (first 6 months)
  - Cost of replacement coders when primary coders are in training (not computed in the Rand study)
  - Problems with systems interfaces and downtime
  - May be running two systems until conversion is complete
- Need for more specific documentation takes time
  - Queries to physicians (extra 10 min/episode)
  - OASIS completion (extra 10 min/episode)

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## **Impact of ICD-10-CM: The Ugly: Expense of Conversion**

- Cash flow/Revenue stream
  - Potential problems with delayed billing or payment
    - Coders are out for training
    - Coders will take time to become proficient – especially those who serve dual functions as in home health
    - Potential problems with fiscal intermediaries and CMS reimbursement system s→ delay in claim payments
  - Lack of physician specificity in documentation used for coding may delay code assignment

**What will you do if you don't have a revenue cycle for six months?**

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## **Now What?**

- Create ICD-10-CM committee that crosses all areas of the HHA and has a high-level champion
- Analyze your business processes: Identify all areas and personnel that touch diagnosis or procedural coding
  - Not just a coder issue – billers, QA, clinical managers, etc.
- Budget over the next 3-4 years for salary, training, and productivity-related expenses

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## Now What?

- Identify/Assess training needs of personnel, including senior management:
  - Type and level of training needed by staff category
  - Time necessary for training by staff category
  - Expense related to training
- Investigate computer assisted coding systems (i.e., 3M Codefinder®)

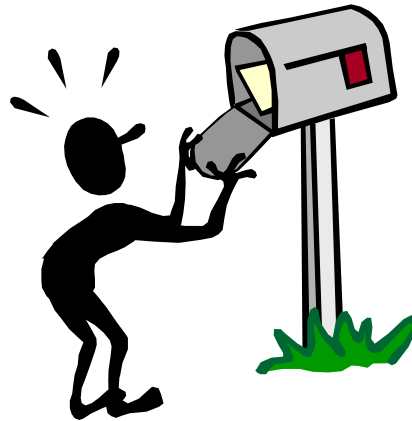
## Now What?

- Create a timeline for your agency (use the last 6 months before implementation for testing and training)
- Ensure senior managers and others in agency are kept up to date on progress of planning
- Begin to familiarize staff now with change to come
- Stay positive!

## Remember . . .

***Knowledge  
Is Power!***

***Make sure you can  
read  
the letter!***



## Resources

**AHIMA website on ICD-10 preparation:**

<http://www.ahima.org/icd10/icd-10PreparationChecklist.mht>

**CMS ICD-10 website:**

[www.cms.hhs.gov/icd10](http://www.cms.hhs.gov/icd10)

**ICD-10 and HIPAA Federal Register Notices**

[www.access.gpo.gov/su\\_docs/fedreg/a080822c.html](http://www.access.gpo.gov/su_docs/fedreg/a080822c.html)

**Rand Analysis of Costs-Benefits of ICD-10**

[http://www.rand.org/pubs/technical\\_reports/2004/RAND\\_TR\\_132.pdf](http://www.rand.org/pubs/technical_reports/2004/RAND_TR_132.pdf)

**ICD-10-CM ...  
you bet we'll be there!**

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## Take These Steps NOW So Your Agency is Prepared for ICD-10-CM

The proposed implementation date for ICD-10 is about four years away, but experts say the timeframe will be tight – which means your HHAs should start preparations early.

These steps will help you avoid wasting time and money trying to make a last-minute switch:

1. Create an **ICD-10 committee** that must be cross-departmental and have a high-level champion.
2. Do an **inventory** of where the codes are documented: on paper forms, computer software, etc. Inventory every system (billing, clinical) that touches ICD-9 coding. Inventory who in your staff needs to understand the coding, and on what level. You cannot scope how ICD-10 will impact your HHA until you do an inventory.
3. Call your **software vendors** and find out when they plan to upgrade their software to handle ICD-10 – or if they plan to at all.  
**Tip:** Most software companies are already working on this, so be aware if yours isn't  
**Also Ask:** How their software will handle the use of ICD-9 AND ICD-10 when the systems cross at the transition period.
4. **Budget.** Do your homework. Read reports. Get estimates.
5. Create a **timeline and set priorities.** Set the last 6 months of timeline before implementation for testing systems and training staff.
6. If you rely **more on paper than on software**, inventory all the paper forms and start recoding them gradually.
7. Begin **awareness training** for your staff well beyond coders and clinicians. This can be as simple as letting them see that ICD-10 codes have more digits and contain alphanumeric characters, Think of how daily routines will be affected.
8. Depending on the size of your agency, **pick one or two lead coders** who will get into the details before the rest of your staff. The lead coders would also be good sources to interact with your software vendors. Keep the entire HHA informed.
9. **Hold off on widespread coding staff training** until about six months prior to ICD-10's actual adoption date of Oct. 1, 2013.

### Resources:

#### CMS ICD-10 website:

[www.cms.hhs.gov/icd10](http://www.cms.hhs.gov/icd10)

#### ICD-10 and HIPAA Federal Register Notices

[www.access.gpo.gov/su\\_docs/fedreg/a080822c.html](http://www.access.gpo.gov/su_docs/fedreg/a080822c.html)

#### Rand study of costs of ICD-10

[http://www.rand.org/pubs/technical\\_reports/2004/RAND\\_TR132.pdf](http://www.rand.org/pubs/technical_reports/2004/RAND_TR132.pdf)

## **The Bigger Issues**

### **Documentation**

- Can you work with MDs now to increase/impress specifics?
- Does your staff know how to pull specificity out of current documentation?

### **Training**

- What staff needs it, and at what level ... what are the objectives?
- What media will you use?
- Think specifically about anatomy and terminology knowledge. This will be huge in ICD-10.

### **Your HHAs Vendors**

- Will contracts need to be modified, ended, renewed, created?
- Will you need a new software vendor?
- What is the timeline for testing/product sampling?

### **Your Data**

- Will you have to convert your database?
- How will you crosswalk codes in the database?

### **Your People**

- How will this transition affect their work through needed education, time away from normal duties, stress?
- Will temporary staff be needed to keep up with normal workload?
- Who is the point person?