

Prepare Early for the Transition to ICD-10

Beginning January 1, 2012, physician practices will be required to use the new HIPAA 5010 electronic transaction standards (link to article). The switch to the 5010 transactions paves the way for another significant change: the move from the ICD-9 code set to the ICD-10 code set. The deadline for transition to ICD-10 is October 1, 2013. While this may seem a long way off, physician practices should start now to ensure they are ready for the change.

What is ICD-10?

"ICD-10" is short for "International Classification of Diseases, Tenth Revision." The ICD is used to classify diseases and other health problems recorded on various kinds of health records, such as birth and death certificates. The code set facilitates the storage and retrieval of diagnostic information for clinical, epidemiological, and quality purposes; it also serves as the basis for the compilation of national mortality and morbidity statistics worldwide. ICD-10 was endorsed by the World Health Organization in 1990; some WHO member states have been using ICD-10 since 1994.

Why the change to ICD-10?

In the U.S., ICD-9 was adopted by the Secretary of Health and Human Services (HHS) in 1996 under HIPAA. Since then, all covered entities have used ICD-9 to report diagnoses and inpatient hospital procedures on health care transactions for which HHS has adopted a standard. However, ICD-9 has become outdated. Among other shortcomings, it has limited ability to reflect new procedures and diagnoses, lacks specificity and detail, uses terminology inconsistently, and lacks codes for preventive services. Further, HHS has asserted that ICD-9 would eventually run out of space, particularly for new procedure codes. For these reasons, HHS pushed for adoption of a new code set; a final rule adopting ICD-10 was announced in January 2009.

HHS has stated that ICD-10 will enable more accurate definition of services, diagnoses, and treatment information, leading to stronger data monitoring, value-based purchasing, and anti-fraud and abuse efforts. Adoption of ICD-10 will also allow the U.S. to compare its data with international data to track the incidence and spread of disease and treatment outcomes.

A larger and more complex code set

In keeping with its promise of greater specificity, ICD-10 has approximately 69,000 diagnosis codes, compared to the approximately 14,000 diagnosis codes in ICD-9. ICD-9 codes have from three to five digits; ICD-10 codes have from three to seven digits. The extra digits will allow physicians to communicate information such as the source of the problem and the affected body area. For example, under ICD-9, a physician could report a diagnosis of "acute gout arthropathy." Under ICD-10, the physician will be able to report, via a single code, whether the gout is idiopathic, lead-induced, drug-induced, due to renal impairment, or other secondary gout, or unspecified; what area of the body is affected; and what side of the body is affected.

Who will be affected?

All HIPAA "covered entities" will be required to implement ICD-10. Health care clearinghouses and payers must also make the shift. HIPAA standards technically only apply to HIPAA electronic transactions; however, it would be unwieldy to use ICD-10 for electronic transactions and ICD-9 for other transactions. Thus, payers will likely require ICD-10 codes also be used in paper-based, fax, and telephone transactions.

Providers who do not meet the October 2013 deadline will see their claims rejected as noncompliant, leading to disruptions in cash flow.

What should we do to prepare?

Practices should communicate with their practice management or software vendors to make sure the necessary software updates will be installed along with upgrades for the HIPAA 5010 transactions. Practices should also speak with their clearinghouses, billing service, and payers to identify these entities' timelines for converting to ICD-10; ideally, practices will have a chance to run some test interactions to ensure their software and that of their associates is compatible. Practices should establish a timeline for staff training, internal systems testing, and external testing.

Various resources are available to help practices make the transition to ICD-10:

- The American Medical Association has an ICD-10 fact sheet series, checklist, and webinars
- The American Academy of Family Physicians has an ICD-10 resource site; some information is only available to members
- American Academy of Professional Coders
- American Health Information Management Association

As with the transition to the 5010 transactions, the AMA has indicated it does not expect CMS to extend the deadline for ICD-10 compliance, so providers should start planning now to ensure a smooth and timely shift to ICD-10.

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