

ICD-10 Coding System - FAQ

What is ICD-10?

ICD-10 is the Tenth Revision of the International Classification of Diseases and is intended to replace ICD-9. ICD-10 is broken down into two major categories: ICD-10-CM for diagnoses and ICD-10-PCS for classifying medical procedures. As of Jan. 15, 2009, the U.S. Department of Health and Human Services (HHS) has set a date of Oct. 1, 2013 for compliance with ICD-10.

Why is the change to ICD-10 being recommended?

According to the American Health Information Management Association (AHIMA), there are two main reasons:

- Payers cannot pay claims fairly using ICD-9-CM since the classification system does not accurately reflect current technology and medical treatment. Significantly different procedures are assigned to a single ICD-9-CM procedure code. Limitations in the coding system translate directly into limitations in the diagnosis-related groups (DRG).
- The healthcare industry cannot accurately measure quality of care using ICD-9-CM. It is difficult to evaluate the outcome of new procedures and emerging health care conditions without precise codes. Most importantly, we have a mission to improve our ability to measure health care services provided to our patients, enhance clinical decision-making, track public health issues, conduct medical research, identify fraud and abuse and design our payment systems to ensure services are appropriately paid.

Specific issues with ICD-9-CM:

Lacks sufficient specificity and detail, is running out of space, and the limited structural design cannot accommodate advances in medicine and medical technology and the growing need for quality data. ICD-9-CM is also considered obsolete and no longer reflects current knowledge of disease processes, contemporary medical terminology, or the modern practice of medicine. It hampers the ability to compare costs and outcomes of different medical technologies, and cannot support the transition to an interoperable health data exchange in the US. Replacing ICD-9-CM with ICD-10-CM will better maintain clinical data comparability with the rest of the world concerning the conditions prompting healthcare services. ICD-10 will make it easier to share disease and mortality data at the time when such global data sharing is critical for public health.

What is the difference between ICD-9 and ICD-10?

The ICD-10-CM system consists of more than 68,000 codes, compared to approximately 13,000 ICD-9-CM codes. ICD-10-PCS consists of 87,000 codes. Together the ICD-10-CM and ICD-10-PCS codes have the potential to reveal more about quality of care, so that data can be used in a more meaningful way to better understand complications, better design clinically robust algorithms, and better track the outcomes of care. ICD-10-CM and PCS incorporate greater specificity and clinical detail to provide information for clinical decision making and outcomes research.

What effect will ICD-10 have on medical facilities?

Some HIM professionals have predicted that the impact of implementing ICD-10 will be as disruptive as Y2K. This is due primarily to increased training of coders and clinicians on ICD-10 and upgrading to new systems. According to a recent cross-functional survey of hospitals by 3M, the top implementation issue will be documentation. One quote from that study strongly noted that "...specificity associated with ICD-10 will be a challenging component of physician documentation."

According to AHIMA, "Careful planning and preparation are required for effective ICD-10 implementation. Transitioning to ICD-10-CM and ICD-10-PCS is more complex than implementation of new code sets in the past because the uses of coded data are more complex than those for which ICD-9-CM was designed.

AHIMA believes an implementation plan established and begun well in advance of a scheduled implementation date is necessary to ensure a successful transition to ICD-10-CM and ICD-10-PCS. The best way to manage the challenges inherent in making a transition of this magnitude is to tackle one step at a time."



What will it cost to implement the change to ICD-10?

Estimates have run from \$425 million to \$1.5 billion. This is the primary reason why ICD-10 has not yet been implemented in the United States. However, advocates say that lower costs over the long term, improved efficiency and increased quality of care more than make up for the initial cost.

An October 2008 study by Nachimson Advisors, LLC estimates the switch will cost providers more than \$10.7 billion in increased documentation costs alone. The Nachimson figures are considerably higher than projections cited by CMS (which currently stand at \$137.6 million).

Total cost Summary, Nachimson Advisors, LLC - October 2008

	Typical Small Practice	Typical Medium Practice	Typical Large Practice
Education	\$2,405	\$4,745	\$46,280
Process Analysis	\$6,900	\$12,000	\$48,000
Changes to Superbills	\$2,985	\$9,950	\$99,500
IT Costs	\$7,500	\$15,000	\$100,000
Increased Documentation Costs	\$44,000	\$178,500	\$1,785,000
Cash Flow Disruption	\$19,500	\$65,000	\$650,000
TOTAL	\$83,290	\$285,195	\$2,728,780

When will the change-over occur?

As of Jan. 15, 2009, the U.S. Department of Health and Human Services (HHS) has set a date of Oct. 1, 2013 for compliance with ICD-10.

Will CPT be affected?

No, CPT® codes and HCPCS codes will continue to be used to report services and procedures in outpatient and office settings.

What does ICD-10 mean for ProVation and its customers?

ProVation is currently delivering ICD-10 codes to its Australian and New Zealander clients. Both countries currently use the Australian modification of ICD-10 for diagnosis reporting. As a result, ProVation has already addressed many of the technical and documentation content issues associated with ICD-10, so the transition to ICD-10 will be straightforward and seamless for ProVation customers. ProVation physician users will be automatically led through documentation that includes the appropriate specificity required to drive compliant ICD-10 codes. ProVation will deliver the ICD-10 codes well in advance of the transition date to allow clients to test & train in ICD-10. The coding engine will run in dual-coding mode before and after the transition date to streamline the transition.

For more information: A fact sheet on ICD-10 is available on the HHS web site at: <http://www.cms.gov/ICD10/>

