ICD-10 Overview

Presenter: Sid Hebert
Date: September 15, 2010
What are HIPAA 5010 and ICD-10?

The Federal Government through the Centers for Medicare and Medicaid Services (CMS) is driving the healthcare industry to upgrade core HIPAA transactions (5010) as well as diagnosis and procedure coding standards (ICD-10)

<table>
<thead>
<tr>
<th>What</th>
<th>Change</th>
<th>When</th>
<th>Driver</th>
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</thead>
<tbody>
<tr>
<td><strong>HIPAA 5010</strong></td>
<td>X12 5010 is an upgrade of the electronic data transfer HIPAA transaction set version 4010, first adopted in 2000. It also supports ICD-10 code sets</td>
<td>January 1, 2012</td>
<td>Federal Mandate</td>
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<tr>
<td><em>(Health Insurance Portability and Accountability Act X12 version 5010)</em></td>
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<tr>
<td>The X12 standard is a uniform standard for inter-industry electronic exchange of business transactions-electronic data interchange (EDI)</td>
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<tr>
<td><strong>ICD-10</strong></td>
<td>ICD-10 CM &amp; PCS are upgrades of the U.S. developed Clinical modification (ICD-9-CM) of Diagnosis and Procedure Codes, first adopted in 1979</td>
<td>October 1, 2013</td>
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<td><em>(International Classification of Diseases version 10)</em></td>
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<tr>
<td>The ICD is the international standard diagnostic classification for general epidemiological, health management purposes and clinical use</td>
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Implementing revised HIPAA standards and ICD-10 codes could potentially have the largest operational and technological impacts on the health care industry since Y2K
U.S. ICD-10 Timeline

October 1, 2013

- Entire U.S. industry moving on a single date
- Date of service for ambulatory & physician claims
- Date of discharge for inpatient claims
- ICD-9 codes will not be accepted for services provided on or after October 1, 2013
- Claims with ICD-9 codes for services prior to implementation date will continue to flow through systems for a period of time
- Regulation is silent regarding paper claims
U.S. HIPAA v5010 Timeline

HIPAA v5010 Compliance January 1, 2012

- Level 1 and Level 2 compliance with version 5010, NCPDP Telecommunication Standard Version D.0. and NCPDP Medicaid Subrogation Standard Version 3.0.
  - **Level 1 compliance 1/1/2011** (Covered entities have completed internal testing and can send and receive compliant transactions)
  - **Level 2 compliance 1/1/2012** (Covered entities have completed external testing with trading partners and move into production; dual processing mode for Versions 5010 and D.0.)
Health Plans that allow themselves to be distracted by the difficulties associated with ICD-10 adoption may lose sight of the primary focus of new code set and overlook the concepts behind its design.

The primary purpose of ICD-10 is to improve clinical communication.

The codes are about the science!

Providers can inform their medical decisions based on clinical data trends.

ICD-10 will enhance clinical effectiveness research because of its granularity.

ICD-10 more effectively captures data about signs, symptoms, risk factors, and co-morbidities and better describes clinical issues.

ICD-10 will enable the exchange of information across country borders.

ICD-10 will improve Clinical knowledge which over-time can improve national health status. Key is Provider adoption.
ICD-10 was not designed to revolutionize payment or reimbursement; however, it can enable reimbursement methodologies that will more accurately reflect patient status and care.

Health Plans can benefit from compliance and use it as a tool to emphasize methods that incentivize providers to improve quality and cost efficiencies.

ICD-10 Facilitates Important Health Plan Initiatives

- Enhance Pay for Performance
- Enhance Comparative Effectiveness
- Enrich Disease Management Policies
- Improved Quality and Coordination of Care
- Facilitate Fraud and Abuse Detection
- Improved Account Informatics
- Improved provider performance reporting and tiering

As Medicare and Medicaid payers move providers into enhanced payment modalities, commercial plans will soon be able to reap the benefit of this change.

ICD-10 becomes a catalyst for Platform Modernization which can improve throughput and reduce PMPM costs.
Impact of 5010 and ICD-10 on a Health Plan’s Value Chain

We believe that 80% or more of health plan business processes may be impacted in some way by 5010 or ICD-10.

Legend: 5010 / ICD-10 Impact
- Impacted Step
- Payer Process
- Provider Process
What is Changing in ICD-10?

ICD-10 codes introduce greater detail, specificity and complexity when recording the inpatient diagnosis and procedures.

<table>
<thead>
<tr>
<th>ICD-10 Changes</th>
<th>Implications</th>
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<tbody>
<tr>
<td><strong>Complete Overhaul of Diagnosis &amp; Procedure Codes</strong></td>
<td><strong>Pervasive Impacts</strong></td>
</tr>
<tr>
<td>ICD-9-CM (Diagnosis) 3-5 digits alphanumeric ≈14,000 unique codes</td>
<td>• Enterprise training required from claims processing to medical management to actuarial business domains</td>
</tr>
<tr>
<td>ICD-10-CM 7 alphanumeric characters &gt; 68,000 unique codes</td>
<td>• Diagnosis codes and procedure codes flow through mission critical operational systems and analytical tools</td>
</tr>
<tr>
<td>ICD-9-CM (Procedure) 3-4 digits numeric 4,000 unique codes</td>
<td>• External trading partners represent a myriad of complex connection points</td>
</tr>
<tr>
<td>ICD-10-PCS (In patient) 7 alphanumeric characters &gt; 72,000 unique codes</td>
<td>• Vendors reliance adds more complexity to the implementation</td>
</tr>
<tr>
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<td>• Deterministic crosswalk between ICD-9 and ICD-10 is not yet proven</td>
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<td>• Hospitals and physicians may struggle with adoption</td>
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**Multi-Disciplinary Challenge**

• Business/technology strategy, planning and technology remediation alignment
• Business process reengineering, training and change management is essential
What are the changes to the code sets?

<table>
<thead>
<tr>
<th>Code Set</th>
<th>Total Codes</th>
<th>Number of Diagnosis Codes</th>
<th>Diagnosis Code Structure</th>
<th>Diagnosis Code Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICD-9</td>
<td>16,000</td>
<td>14,000</td>
<td>3-5 character alphanumeric X99.99</td>
<td>Chapters 1-17 are numeric • Supplemental Chapters - Position 1 is alpha (E,V) or numeric</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>ICD-10</td>
<td>155,000</td>
<td>68,000</td>
<td>3-7 character alphanumeric X99.XXX</td>
<td>• Position 1 is alpha (a-z) • Position 2 and 3 are numeric • Position 4-7 are alpha or numeric</td>
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- Not just an annual update
- ICD-10 markedly different from ICD-9
- Requires changes to almost all clinical and administrative systems
- Requires changes to business processes
- Changes to reimbursement and coverage
- Changes to historical analytical models
What tools are available to facilitate migration?

- Code sets implemented in other countries are abbreviated when compared to the U.S.
- Cross walk ICD-10 \(\rightarrow\) ICD-9 supplied by CMS (GEM) based on most likely mapping for most detail diagnostic codes Humana uses in commercial business, higher level codes in product build and possibly other applications. For these “unspecific” codes, a crosswalk needs to be acquired or built.
Significant ongoing industry debate regarding system implementation strategies

- No single industry accepted crosswalk exists yet.
- Wrap & Map strategy may be necessary to extend the life of an application or temporary component.
- Best option to date are the General Equivalent Mapping (GEM) files from CMS.
  - Forward Mapping: ICD-9 → ICD-10
  - Backward Mapping: ICD-10 → ICD-9
  - Reimbursement File
## Complex Mappings – Combination Entries

### I-9 to I-10 mapping, combination entry:
*Histoplasma duboisii meningitis*

<table>
<thead>
<tr>
<th>ICD-9-CM Source →</th>
<th>≈</th>
<th>ICD-10-CM Target</th>
</tr>
</thead>
</table>
| 115.11            | ≈ | B39.5  
Histoplasmosis duboisii 
AND  
G02  
Meningitis in other infectious and parasitic diseases classified elsewhere |

### I-10 to I-9 mapping, combination entry:
*Atherosclerosis of autologous vein coronary artery bypass graft(s) with unstable angina pectoris*

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<tr>
<th>ICD-10-CM Source →</th>
<th>≈</th>
<th>ICD-9-CM Target</th>
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</table>
| I25.710             | ≈ | 414.02 Coronary atherosclerosis of autologous biological bypass graft  
AND  
411.1 Intermediate coronary syndrome |
ICD-10 More than clinical information

Sports injuries now coded with sport and reason for injury

**ICD-9 code – E917.0 Striking against or struck accidentally in sports without subsequent fall**

**24 ICD-10-CM Detail Codes**

- W21.00 Struck by hit or thrown ball, unspecified type
- W21.01 Struck by football
- W21.02 Struck by soccer ball
- W21.03 Struck by baseball
- W21.04 Struck by golf ball
- W21.05 Struck by basketball
- W21.06 Struck by volleyball
- W21.07 Struck by softball
- W21.09 Struck by other hit or thrown ball
- W21.31 Struck by shoe cleats. Stepped on by shoe cleats
- W21.32 Struck by skate blades Skated over by skate blades.
- W21.39 Struck by other sports foot wear
- W21.4 Striking against diving board
- W21.11 Struck by baseball bat
- W21.12 Struck by tennis racquet
- W21.13 Struck by golf club
- W21.19 Struck by other bat, racquet or club
- W21.210 Struck by ice hockey stick
- W21.211 Struck by field hockey stick
- W21.220 Struck by ice hockey puck
- W21.221 Struck by field hockey puck
- W21.81 Striking against or struck by football helmet
- W21.89 Striking against or struck by other sports equipment
- W21.9 Striking against or struck by unspecified sports equipment
### Summary of ICD-10 migration impacts

<table>
<thead>
<tr>
<th>Claims Processing</th>
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<tr>
<td>Updates need to be made to field length for all system processing claims → third parties</td>
</tr>
<tr>
<td>Updates to algorithms</td>
</tr>
<tr>
<td>Support dual processing of claims using ICD-9 &amp; ICD-10 after cutover (adjusted claims)</td>
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<tr>
<td>Mapping of ICD-9 codes to ICD-10; may be complex due to many to many cross-correlations</td>
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</tbody>
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<thead>
<tr>
<th>Repositories</th>
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</thead>
<tbody>
<tr>
<td>All systems passing, receiving, processing and storing ICD-9 data require remediation</td>
</tr>
<tr>
<td>All files passing, receiving, processing and storing ICD-9 data require remediation</td>
</tr>
<tr>
<td>All data repositories storing ICD-9 data must be updated</td>
</tr>
<tr>
<td>Private operational tools/databases must be identified and migrated or eliminated</td>
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<table>
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<tr>
<th>Payment Policies</th>
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<tbody>
<tr>
<td>Varying levels and detail usage of ICD codes within the various payment policies</td>
</tr>
<tr>
<td>Interdependencies associated with payment systems and policies</td>
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<tr>
<th>Assessment Tools</th>
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<tbody>
<tr>
<td>Current assessment tools using ICD code data will need to be adjusted to accommodate the changes in length, algorithm and capacity abilities</td>
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<tr>
<td>Examples might be groupers, pricer specifications, websites, assessments of various facilities and providers</td>
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<th>Risk Adjustment</th>
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<tbody>
<tr>
<td>Data captured to group patients into risk categories, assignment of payments and risk scores used to calculate payments that use ICD-9 codes must be remediated</td>
</tr>
<tr>
<td>Review of any formulas, calculations, reports, policies and user displays that use ICD codes</td>
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HIPAA v5010 & ICD-10 Implementation Phases

Program Governance

Mobilization

People

Process

Technology

Impact Assessment

Strategy Definition

Implementation Plan Development

Implementation Plan, Execution & Testing

Key Outputs

- Define areas and their impact from ICD 10 and 5010
- Strategic Opportunities
- Impacted Projects
- High-level cost estimate and range
- Needs for compliance & for new opportunities
- Data required for planning future projects
- ICD 10/5010 Compliance Strategy & Roadmap
- Detailed workplan with key implementation steps & milestones
- Resource plan
- Detailed budget
- ICD 10 Program Governance structure
- Tool selection
- Project execution
- Vendor coordination
- Testing
- Go live
- Compliance
- Program retirement

ICD 10

2009 Deliverables

2010 Deliverables

2011-2013 Deliverables

10/1/2013

5010

2009 Deliverables

2010 Deliverables

2011 Deliverables

1/1/11 Level 1
1/1/12 Level 2

2009 effort - Impact Assessment & Strategy Definition Phases

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Questions?

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