

**Centers for Medicare & Medicaid Services
CMS ICD-10 Conversion Activities National Provider Teleconference,
Including a Lab Case Study
Moderator: Leah Nguyen
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Part 3 of 4 Audio Recordings

ICD-10 Updates from CMS Subject Matter Experts

HHRG: Slides 44- 45

Joan Proctor: Good afternoon. We are pleased to be here today to discuss the impact of the transition to ICD-10 in the Home Health HHRG. The Division of Home Health, Hospice & HCPCS has the responsibility for maintenance of the HHA-HHRG –gee, that’s a tongue twister. As far as that maintenance responsibility, our division updates the HHRG whenever there are changes in the ICD-9-CM codes reporting in the HHRG.

Based upon the transition to ICD-10-CM codes, our HHRG will be updated accordingly. What we are presenting to you today is our high level transition plan. And, if you go to the next slide, we go into what our high-level transition plans are.

As you can see we’re nowhere as far along as the last folks. We are also working with an HHRG maintenance contractor to identify the ICD-10-CM codes for the HHRG. We anticipate completion of this task in fall of 2011. Once a final draft version is available, the transition list will be posted on the ICD-10 section of the CMS website for industry review and comment. Based upon the comments received, the final HHRG ICD-10-CM codes will be utilized in developing our initial version of an ICD-10-CMS HHRG.

We also would like to share and that we also have been working with our HHRG maintenance contractor to update our HHRG software, Grouper software, to allow ICD-10 codes also. At some point, they'll be testing for the actual transition list that we approve.

No later than on April of 2013, the final ICD-10-CM HHRG will posted to the Home Health Agency Center section on the CMS website for the Home Health Agencies and vendors to use. And, I think that about summarizes our high level plans for transition to ICD-10 for the HHRG. At this point, I'll turn it back over to Leah.

Leah Nguyen: Thank you, Joan. Our next speaker is Robin Dowell, who will be covering OASIS and procedure code reporting. I will now turn the call over to Robin.

OASIS and Procedure Code Reporting: Slides 46-49

Robin Dowell: Thank you, Leah. I just want to give our home health providers a little information update on the status of the OASIS-C. The OASIS-C data item M1012 asks our home health providers to list inpatient procedures and the associated ICD procedure codes relevant to that patient's plan of care.

CMS recently determined that this particular data item within the OASIS-B data set is not going to be used for payment, or quality measure development, or for risk adjustment. So, during our open door forum and call on April 13, and in recent OASIS questions and answers, CMS instructed home health agencies to answer item M1012. But that any answer- no matter whether it was the choice not applicable or unknown or any procedure code- the actual answer chosen is insignificant because it will not impact payment, quality measurement, or risk adjustment. So, until further notice, agencies will still need to answer that data item, because the technical specifications actually require an answer at this point.

CMS is awaiting OMB response regarding a plan to delete M1012 from the OASIS-B data set. A revision of the OASIS-C dataset, including elimination of M1012 and accommodation for ICD-10 diagnosis codes, will be prepared and submitted to OMB for approval in preparation for the conversion from ICD-9 to ICD-10 on 10/1/2013.

Leah Nguyen: Thank you, Robin. Our next speaker is Sarah Shirey-Losso, who will be talking to you about claims that span the October 1, 2013 implementation date.

Claims That Span Implementation Date: Slide 50

Sarah Shirey-Losso: Hello everyone. Again, my name is Sarah Shirey-Losso, and I'm in the Provider Billing Group of the Center for Medicare in CMS.

I know there's been a lot of interest in this topic, and I wanted to give everyone an update of where we are in terms of how CMS will handle claims to that cross over the October 1st, 2013, date.

We are getting very close to finalizing our decisions for all claim types, including professional claims, supplier claims, and the various types of institutional claims. Some claims will continue to use the discharge date, some will use the from date, and some may be required to be split. CMS is anticipating the release of a Change Request discussing the various claim types towards the end of the summer, and that is this summer, 2011.

This Change Request also hopes to address some frequent questions that we have received thus far, such as how CMS will handle claims that fall under the three-day payment window, is one example.

So, I just wanted to thank everyone for their attention, and there will be more to come in the near future.

Leah Nguyen: Thank you, Sarah. Our final speaker is Denise Buenning, who will be speaking about national ICD-10 implementation issues.

National ICD-10 Implementation Issues: Slide 51

Denise Buenning: Hi. This is Denise Buenning, and I'm with the Administrative Simplification Group here in the Office of E-Health Standards and Services. And, we have responsibility for, among other things, HIPAA enforcement for the transactions in code sets, administrative simplification from the Affordable Care Act regulations that are forthcoming, and most importantly for today's discussion, ICD-10 program office responsibility. What that means is that we

are responsible for helping all of the CMS components that are affected by ICD-10 to become compliant by the date that is required, October 1st, 2013, and also for external outreach and education to non-Medicare Fee-For-Service providers.

And I can tell you from an internal perspective that CMS is really progressing on this implementation of ICD-10. We have a program management office, and we help to coordinate a steering committee here at CMS that's made up of all of the affected component areas, and we have 19 of them right now. And, we work towards really doing the work of ICD-10 implementation. And a lot of our work has been planning and forecasting, but now we're really getting into the nitty-gritty of actually implementing ICD-10.

What that means is, we're talking to our contractors and getting their change requirements, and preparing the paperwork to allow them to go forward and do the work that they have to do with regard to systems changeovers. We're looking at all the business processes. We're going through, all of our CMS manuals to make sure that all the references to ICD-9 are changed over to ICD-10 appropriately, not just a find-and-replace motion but actually looking at the manuals to make sure that the updated information that we're providing makes sense.

So, we're really getting into the needs of ICD-10. So, why is that significant? Well, it's significant because I think it sends an important message to the industry that, if CMS is progressing on ICD-10, so should rest of the industry. And the rumors that always fly about a delay or postponement in the ICD-10 compliance date of October 1st, 2013, really don't hold water.

We are working towards that date. We have absolutely no reason to believe that that date will be changed. And again, we're driving towards that. So, I know we've also heard some rumors about possible Congressional action up on the Hill and again, there was some discussion during some hearings. Some of the Senators had questions of Administrator Berwick regarding ICD-10, but we provided them with answers, and they seem to have been satisfied with our responses.

So, overall, again, it's an important message. We're still driving towards ICD-10 on October 1st, of 2013.

A number of other questions that we gotten and I'd like to address a few of them here today. For example, what about workers' compensation programs? Are they still going to use ICD-9 codes when the rest of the industry has transitioned to ICD-10? And as I think most of you who are familiar with HIPAA know, there are a few entities out there that are not subject to HIPAA. Workers compensation programs is one of them, automobile insurers are another. We've heard anecdotally that even though they're not required to transition to ICD-10 that many of them are planning to, just because it's more practical to do so and they see the way that the rest of the industry is going towards ICD-10.

And in fact, the National Committee on Vital and Health Statistics, which is the HHS committee that advises the Secretary on the adoption of standards of medical code sets, is going to be holding hearings in the Washington, D.C. area on Friday, June 17th. And they have invited some representatives from the non-HIPAA entities, such as workers' compensation programs, to testify. So, we'll be hearing more about their plans at that time. But right now, I can tell you that anecdotally we're hearing that they are going to transition to 10.

The other question that we always get is, what about the state Medicaid programs? Are they also required to move to ICD-10? And of course, the answer to that is yes. Both Medicare and Medicaid are HIPAA-covered entities, and as such, we also have to be compliant. Otherwise, we are subject to penalties under the HIPAA law. So, they are moving towards ICD-10. We've been working very closely with them in our Medicaid group here in Baltimore. We met with them early and often, and talked to them about not only the transition to ICD-10 but also to Version 5010, which has to be in place first.

We queried them last year. We did a 181-point survey to ask them specifically what their plans were. And as they came back with at that point, it wasn't really a blip on the radar screen. Since that time, we've actually had calls with them, with each state Medicaid program, and have held also in-

person meetings to through our Regional Offices to get them onboard with the requirements and to lend resources to them to help them get compliant by the compliance date. So, the answer is, yes, they will be moving to ICD-10, and we're working actively to help them achieve compliance.

Another question we get is, what about vendors? Are they ready? Do they have products ready to provide to the customers? And we just completed a mini-survey of providers and vendors and health plans back in March. We did 29 in-depth telephone interviews. And what we have found out from those interviews is, yes, the vendors are preparing. The majority that we talked to either had product ready to go or would have products ready very shortly. They said that they would be ready for the compliance date, and would be actively working with their customers to achieve compliance.

Now, what we're hearing back, of course, is that one group is saying the other group's not ready. The plans are saying they would love to test, but the providers aren't ready. The providers are saying, yes, we'd like to test, but the vendors haven't delivered their product yet. So, we're kind of in a circle here, pointing at each other. But we're working with all these groups to identify if there are any logjams and trying to move them all towards compliance.

So, we're going to be having another survey being launched in, I believe, June. It will be a much larger national survey of approximately 1,200 entities, and we hope to keep monitoring the industry to kind of keep our finger on the pulse, and, again, lend resources and support where we can to get everybody compliant.

And then finally, what happens to a provider or an entity covered under HIPAA if they don't submit the ICD-10 codes? Well, from a practical standpoint, as of service dates as of October 1st in 2013, if you don't use ICD-10 codes, then most likely your claims will be returned and have to be transitioned to ICD-10, if they're showing ICD-9.

But the penalties are the same penalties that any HIPAA entity would be subject to. And in fact, I think most of you are familiar with the ongoing

HIPAA transaction code set penalty that calls for a maximum of \$25,000 per covered entity per year.

But the HITECH legislation of last year actually upped those transactions and code set penalties. And they can now be as much as \$1.5 million per covered entity per year. So, obviously, it behooves everybody, Medicare and Medicaid inclusive, to make sure that we are compliant with the new ICD-10 codes by that October 1st, 2013 date.

So, I hope that answers some of the outstanding questions that are out there. And we appreciate the opportunity to update you all, and look forward to working with you as we head towards October 1st, of 2013, and ICD-10. Thanks.

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