



International Classification of Diseases (ICD)-10 Code Updates and Impact to 4th Quarter 2016 Eligible Professional Medicare Quality Programs

On October 1, 2016, new International Classification of Diseases (ICD)-10-CM and ICD-10-PCS code sets went into effect. Updating of these codes traditionally occurs on an annual basis, however, during the immediate years leading up to the ICD-9 to ICD-10 transition there was an extended freeze to code updates to support a smooth transition. Therefore, for fiscal year (FY) 2017, updates and revisions include changes since the last completed update (October 1, 2013).

As a result of the consolidated coding updates, a large number of new codes were added or removed from the ICD-10 code set. The Centers for Medicare & Medicaid Services (CMS) is acutely aware of the relationship between the ICD-10 update and quality reporting. Under the Physician Quality Reporting System (PQRS), calendar year (CY) 2016 is the performance period for (1) the 2018 PQRS and Value Modifier payment adjustments and (2) for eligible professionals (EPs) who were part of a Shared Savings Program ACO participant TIN in 2015 and are reporting outside their accountable care organization (ACO) for the special secondary reporting period, because their ACO failed to report on their behalf for the 2015 PQRS performance period.

CMS has examined impact to quality measures and has determined that the ICD-10 code updates will impact CMS's ability to process data reported on certain quality measures for the 4th quarter of CY 2016. Therefore, CMS will not apply the 2017 or 2018 PQRS payment adjustments, as applicable, to any EP or group practice that fails to satisfactorily report for CY 2016 solely as a result of the impact of ICD-10 code updates on quality data reported for the 4th quarter of CY 2016. The Value Modifier program will consider solo practitioners and groups, as identified by their taxpayer identification number (TIN), who meet reporting requirements in order to avoid the PQRS payment adjustment (either as a group or by having at least 50% of the individual eligible professionals in the TIN avoid the PQRS adjustment) to be "Category 1," meaning they will not incur the automatic downward adjustment under the Value Modifier program.

Consistent with previously communicated eQCM reporting requirements, eligible professionals must submit eQCM data corresponding to the 2015 versions of the measure specifications and value sets (2015 Annual Update) for 4th quarter 2016 reporting.

For the 2017 performance period, CMS will publish an addendum containing updates relevant to the ICD-10 value sets for eQCMs in the Merit-based Incentive Payment System Program (MIPS). CMS will provide additional information on the addendum later this year.