Special Open Door Forum:

Physician Quality Reporting System & ICD-10 Transition

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Agenda

- History & Background
- Benefits of International Classification of Diseases (ICD)-10-Clinical Modification(CM)
- Comparing ICD-9-CM to ICD-10
- Version 5010 & ICD-10 Compliance
- Version 5010 & ICD Timelines
- ICD-10 Provider Transition & Preparation
- Physician Quality Reporting System & Version 5010/ ICD-10 Transitions
- Provider Resources

ICD-10 History

- 1976-World Health Organization (WHO) revised ICD-9-CM and began working on ICD-10
- 1979-US developed and implemented clinical modification (ICD-9-CM)
- 1990 – Endorsed by World Health Assembly (diagnosis only) and ICD-10-CM adopted by most advanced countries including Australia and Canada
- The US is one of the few developed countries that has not transitioned to ICD-10-CM and ICD-10-Procedure Coding System (PCS)

ICD-10 Background

- ICD-10-CM has already been implemented in multiple countries for reimbursement & case mix analysis purposes
- On **October 1, 2013**, medical coding in U.S. health care settings will change from ICD-9-CM to ICD-10-CM (diagnosis) and ICD-10-PCS (procedures)
- This transition requires business and system changes to be implemented within the health care industry prior to October 1, 2013

Who is Affected?

Everyone who is covered by the Health Insurance Portability and Accountability Act (HIPAA) must make the Version 5010 and ICD-10-CM transitions, not just those who submit Medicare or Medicaid claims. This includes health care providers, payers, software vendors, and clearinghouses/third-party billers.

Providers should be preparing now to meet the **January 1, 2012** Version 5010 transition and the **October 1, 2013** ICD-10-CM and ICD-10-PCS transition.

ICD-10-CM & ICD-10-PCS

- ICD-10-CM (diagnoses) will be used by all providers in every health care setting

- ICD-10-PCS (procedures) will be used only for hospital claims for inpatient hospital procedures

- ICD-10-PCS will not be used on ***physician*** claims, even those for inpatient visits

5010 Compliance & ICD-10

On October 1, 2013, the ICD-9-CM code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets. To accommodate the ICD-10 code structure, the transaction standards used for electronic health care claims, Version 4010/4010A, must be upgraded to Version 5010 by January 1, 2012.

5010 Compliance & ICD-10
(continued)

Version 5010 transactions are electronic exchanges involving the transfer of health care information between two parties for specific purposes, such as a health care provider submitting medical claims to a health plan for payment.

Version 5010 refers to the revised set of HIPAA transaction standards adopted to replace the current Version 4010/4010A standards . Every transaction standard has been updated including claims, eligibility, and referral authorizations.

Information submitted to the Physician Quality Reporting System is included in Version 5010 transactions, therefore affect all program measures.

5010 Compliance & ICD-10
(continued)

- Version 5010 is essential to the adoption of the ICD-10 codes and includes the following infrastructure changes in preparation for the ICD-10 codes:
  - Increases the field size for ICD-10 codes from 5 bytes to 7 bytes
  - Adds a one-digit version indicator to the ICD code to indicate Version 9 versus Version 10
  - Increases the number of diagnosis codes allowed on a claim
  - Includes additional data modification in the standards adopted by Medicare Fee-for-Service (FFS)

5010 Compliance & ICD-10
(continued)

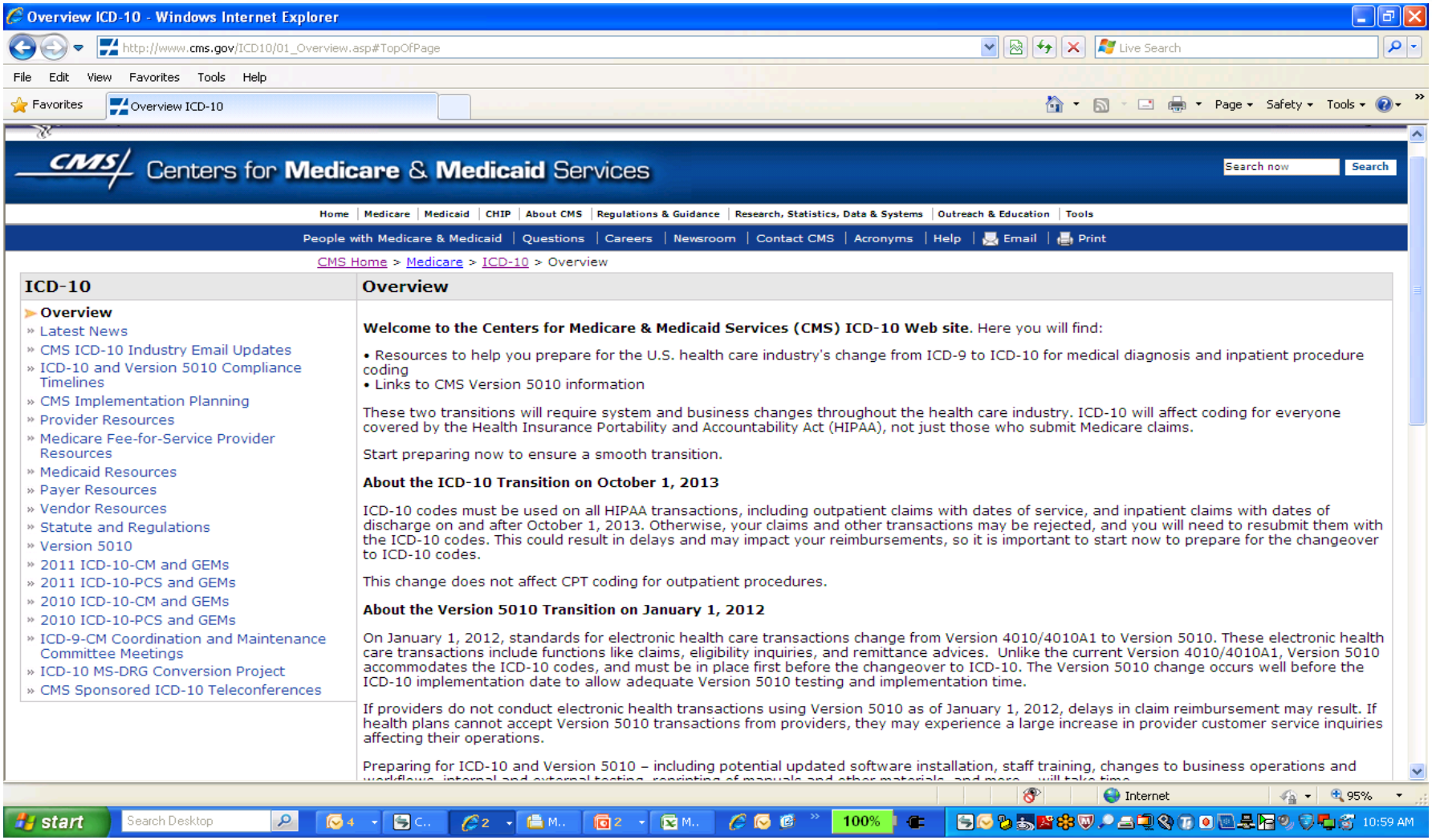
- Electronic transactions that do not use Version 5010 are not compliant with HIPAA and will be rejected
- To allow time for testing, CMS is currently accepting electronic transactions using either version 4010/4010A or Version 5010. However, beginning January 1, 2012 ***ONLY*** Version 5010 may be utilized
- Version 5010 is designed for both ICD-9-CM and ICD-10 and as of January 1,2012, this will be the only method of transmission

5010 Compliance & ICD-10
(continued)

- Further information about 5010 Compliance is available on the CMS ICD-10 website :

  http://www.cms.gov/ICD10 on the “ICD-10 and Version 5010 Compliance Timelines” and “Version 5010” sections on the left hand side of the page

5010 Compliance & ICD-10
(continued)



Benefits of ICD-10

- Incorporates much greater detail & clinical information which results in improved ability to measure health care services & delivery systems
- Increased sensitivity when refining grouping & reimbursement methodologies
- Enhanced ability to conduct public health risks, surveillance, research & set health policy
- Decreased need to include supporting documentation with claims
- Decreases fraud within the system based on more precise documentation

ICD-9-CM vs. ICD-10-CM

ICD-9-CM

3 -5 characters

First character is numeric or alpha (E or V)

Characters 2-5 are numeric

Always at least 3 characters

Use of decimal after 3 characters

ICD-10-CM

3 -7 characters

Character 1 is alpha (all letters except U are used)

Character 2 is numeric

Characters 3 -7 are alpha or numeric

Use of decimal after 3 characters

Use of dummy placeholder “x”

Alpha characters

Version 5010 & ICD-10 Timeline

Date	Compliance Step
January 1, 2010	Payers and providers should begin internal testing of Version 5010 standards for electronic claims
December 31, 2010	Internal testing of Version 5010 must be complete to achieve Level I Version 5010 compliance
January 1, 2011	Payers and providers should begin external testing of Version 5010 for electronic claims CMS begins accepting Version 5010 claims Version 4010 claims continue to be accepted

Version 5010 & ICD-10 Timeline (continued)

Date	Compliance
December 31, 2011	External testing of Version 5010 for electronic claims must be complete to achieve Level II Version 5010 compliance
January 1, 2012	All electronic claims must use Version 5010 Version 4010 claims are no longer accepted
October 1, 2013	Claims for services provided on or after this date must use ICD-10 codes for medical diagnosis and inpatient procedures Current Procedural Terminology (CPT) codes will continue to be used for outpatient services

Partial Freeze Timeline

Date	Milestone
October 1, 2011	Code Set Partial Freeze Begins *(last regular updates to both ICD-9-CM and ICD-10 code sets)*
October 1, 2012	Code Set Partial Freeze *(limited updates to ICD-9-CM and ICD-10 code sets)*
October 1, 2013	Code Set Partial Freeze *(limited updates to ICD-10 code sets only)*
October 1, 2013	Claims for services provided on or after this date must use ICD-10 codes for medical diagnosis and inpatient procedures
October 1, 2014	Code Set Partial Freeze ends *(regular updates to ICD-10 codes sets begins)*

ICD-10 Transition/Preparation

- System Preparation
  - IT Infrastructure
  - Billing/Reimbursement
  - Practice Management
  - Review Contracts with vendors and payers
- Staffing Preparation
  - Educational Needs
  - Workflow changes

System Preparation

Identify your current systems and work processes that use ICD-9-CM codes including:

- Clinical Documentation
- Encounter Forms/Superbills
- Practice management system
- Electronic health record system
- Contracts
- Public health and quality reporting protocols
- Conduct test transactions using Version 5010/ICD-10-CM codes with your payers and clearinghouses

Testing is critical!

Staffing Preparation

- Identify potential changes to work flow and business processes
- Identify current and future staff coding competency and needs
- Assess and present staff & provider training needs for coders, billers and patient care documentation
- Budget for time and costs related to ICD-10 implementation & testing

Consequences of Poor Preparation

- Increased claims rejections and denials
- Increased delays in processing
- Improper claims payment
- Coding backlogs
- Compliance Issues
- Decisions based on inaccurate data

Problems can be mitigated with proper advanced preparation.

Physician Quality Reporting System ICD-10 Transition

Regardless of your submission method (Claims, Registry, Electronic Health Records (EHR), Group Practice Reporting Option (GPRO I or GPRO II) a thorough review of the measure specification manual is required annually to ensure satisfactorily reporting and incentive payment requirements.

Measure specifications will be updated to include ICD-10-CM codes and providers should verify their reporting systems are able to report converted codes.

Website Resources

Version 5010

http://www.cms.gov/ICD10/11a_Version_5010.asp#TopOfPage

ICD-10-CM

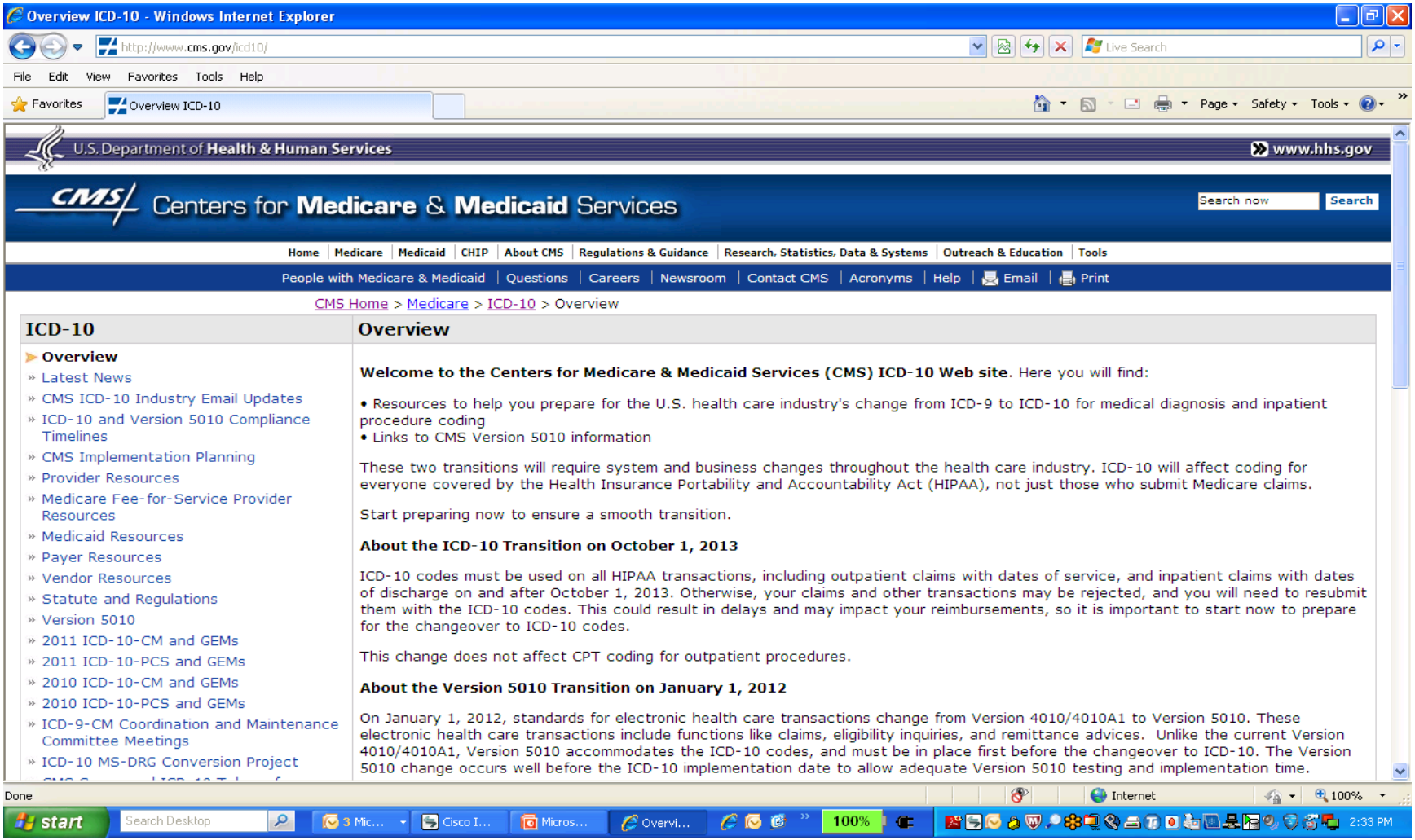
http://www.cms.gov/ICD10

Physician Quality Reporting System

http://www.cms.gov/PQRS

Version 5010 Website

CMS ICD-10 Website



Physician Quality Reporting System Website

ICD-9-CM Notice

The International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM) is published by the United States Government. A CD-ROM, which may be purchased through the Government Printing Office, is the only official Federal government version of the ICD-9-CM. ICD-9-CM is an official Health Insurance Portability and Accountability Act standard.

Where to Call for Help

- Contact the **QualityNet Help Desk** for:
  - Physician Quality Reporting System and E-Prescribing Program questions:

866-288-8912 (7:00 a.m. – 7:00 p.m. CST M-F)
or **qnetsupport@sdps.org**
(TTY 877-715-6222)

- Visit the CMS ICD-10-CM website at http://www.cms.gov/ICD10 for resources related to the ICD-10 transition

Thank You

- Questions?