

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

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Overview ICD-10 - Windows Internet Explorer

http://www.cms.gov/ICD10/01_Overview.asp#TopOfPage

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Overview ICD-10

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ICD-10	Overview
<ul style="list-style-type: none">OverviewLatest NewsCMS ICD-10 Industry Email UpdatesICD-10 and Version 5010 Compliance TimelinesCMS Implementation PlanningProvider ResourcesMedicare Fee-for-Service Provider ResourcesMedicaid ResourcesPayer ResourcesVendor ResourcesStatute and RegulationsVersion 50102011 ICD-10-CM and GEMS2011 ICD-10-PCS and GEMS2010 ICD-10-CM and GEMS2010 ICD-10-PCS and GEMSICD-9-CM Coordination and Maintenance Committee MeetingsICD-10 MS-DRG Conversion ProjectCMS Sponsored ICD-10 Teleconferences	<p>Welcome to the Centers for Medicare & Medicaid Services (CMS) ICD-10 Web site. Here you will find:</p> <ul style="list-style-type: none">Resources to help you prepare for the U.S. health care industry's change from ICD-9 to ICD-10 for medical diagnosis and inpatient procedure codingLinks to CMS Version 5010 information <p>These two transitions will require system and business changes throughout the health care industry. ICD-10 will affect coding for everyone covered by the Health Insurance Portability and Accountability Act (HIPAA), not just those who submit Medicare claims.</p> <p>Start preparing now to ensure a smooth transition.</p> <p>About the ICD-10 Transition on October 1, 2013</p> <p>ICD-10 codes must be used on all HIPAA transactions, including outpatient claims with dates of service, and inpatient claims with dates of discharge on and after October 1, 2013. Otherwise, your claims and other transactions may be rejected, and you will need to resubmit them with the ICD-10 codes. This could result in delays and may impact your reimbursements, so it is important to start now to prepare for the changeover to ICD-10 codes.</p> <p>This change does not affect CPT coding for outpatient procedures.</p> <p>About the Version 5010 Transition on January 1, 2012</p> <p>On January 1, 2012, standards for electronic health care transactions change from Version 4010/4010A1 to Version 5010. These electronic health care transactions include functions like claims, eligibility inquiries, and remittance advices. Unlike the current Version 4010/4010A1, Version 5010 accommodates the ICD-10 codes, and must be in place first before the changeover to ICD-10. The Version 5010 change occurs well before the ICD-10 implementation date to allow adequate Version 5010 testing and implementation time.</p> <p>If providers do not conduct electronic health transactions using Version 5010 as of January 1, 2012, delays in claim reimbursement may result. If health plans cannot accept Version 5010 transactions from providers, they may experience a large increase in provider customer service inquiries affecting their operations.</p> <p>Preparing for ICD-10 and Version 5010 – including potential updated software installation, staff training, changes to business operations and workflow, internal and external testing, reprinting of manuals and other materials, and more, will take time.</p>

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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 (<i>last regular updates to both ICD-9-CM and ICD-10 code sets</i>)
October 1, 2012	Code Set Partial Freeze (<i>limited updates to ICD-9-CM and ICD-10 code sets</i>)
October 1, 2013	Code Set Partial Freeze (<i>limited updates to ICD-10 code sets only</i>)
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 (<i>regular updates to ICD-10 codes sets begins</i>)

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



Version 5010 ICD-10 - Windows Internet Explorer

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

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ICD-10	Version 5010
<ul style="list-style-type: none">» Overview» Latest News» CMS ICD-10 Industry Email Updates» ICD-10 and Version 5010 Compliance Timelines» CMS Implementation Planning» Provider Resources» Medicare Fee-for-Service Provider Resources» Medicaid Resources» Payer Resources» Vendor Resources» Statute and Regulations» Version 5010» 2011 ICD-10-CM and GEMS» 2011 ICD-10-PCS and GEMS» 2010 ICD-10-CM and GEMS» 2010 ICD-10-PCS and GEMS» ICD-9-CM Coordination and Maintenance Committee Meetings» ICD-10 MS-DRG Conversion Project	<p>Version 5010 refers to the revised set of HIPAA transaction standards; adopted to replace the current Version 4010/4010A standards. Every standard has been updated, from claims to eligibility to referral authorizations. All HIPAA covered entities must transition to Version 5010 by January 1, 2012. Any electronic transaction for which a standard has been adopted must be submitted using Version 5010 on or after January 1, 2012. Electronic transactions that do not use Version 5010 are not compliant with HIPAA and will be rejected. To allow time for testing, CMS will accept electronic transactions using either Version 4010/4010A or Version 5010 standards from January 1 to December 31, 2011.</p> <p>To find out more, scroll down to the Downloads and Related Links sections of this page.</p> <p>X12 Responses to Technical Comments about Version 5010</p> <p>This document is a compilation of the technical comments received during the public comment period of the proposed rule to adopt modifications to the HIPAA Standards; specifically, Version 5010 of the X12 standard. The document includes the analysis and responses from subject matter experts affiliated with the Standards Development Organization (X12). To view this document, click on the link in the Downloads section below.</p> <p>Downloads</p> <ul style="list-style-type: none">Version 5010 basics [PDF, 955KB]X12 Responses to Technical Comments about Version 5010 [PDF, 2.927KB] <p>Related Links Inside CMS</p> <ul style="list-style-type: none">Versions 5010 and D.0 and 3.0 <p>Related Links Outside CMS</p>

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Physician Quality Reporting System Website



Overview Physician Quality Reporting Initiative - Windows Internet Explorer

http://www.cms.gov/pqrs/

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Physician Quality Reporting Initiative

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- CMS Sponsored Calls
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- ICD-10 Section
- Measures Codes
- Alternative Reporting Mechanisms
- Group Practice Reporting Option
- Maintenance of Certification Program Incentive
- Analysis and Payment
- Educational Resources
- Help Desk Support
- 2007 PQRI Program
- 2008 PQRI Program
- 2009 PQRI Program
- 2010 Physician Quality Reporting System

Overview

Physician Quality Reporting System formerly known as the Physician Quality Reporting Initiative

Click on the **"Spotlight"** link to the left to view **"What's New"** (recently posted items)

Background. The 2006 Tax Relief and Health Care Act (TRHCA) (P.L. 109-432) required the establishment of a physician quality reporting system, including an incentive payment for eligible professionals who satisfactorily report data on quality measures for covered professional services furnished to Medicare beneficiaries during the second half of 2007 (the 2007 reporting period). CMS named this program the Physician Quality Reporting Initiative (PQRI). The PQRI was further modified as a result of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) (Pub. L. 110-275) and the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) (Pub. L. 110-275). In 2011, the program name was changed to Physician Quality Reporting System (Physician Quality Reporting).

For each program year, CMS implements Physician Quality Reporting through an annual rulemaking process published in the **Federal Register**. Information regarding the relevant statutes and regulations can be viewed by clicking on the **"Statutes/Regulations/Program Instructions"** link at left.

The Medicare Improvements for Patients and Providers Act (MIPPA) requires the Secretary to post on the CMS Web site, in an easily understandable format, a list of the names of eligible professionals (or group practices) who satisfactorily submitted data on quality measures for the Physician Quality Reporting System and the names of the eligible professionals (or group practices) who are successful electronic prescribers.

2009 Physician Quality Reporting System Experience Report.

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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?