

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1469	Date: February 13, 2015
	Change Request 9036

SUBJECT: Develop Rough Order of Magnitude (ROM) for Appeals Workload in Preparation for Implementation of International Classification of Diseases-10th Revision (ICD-10)

I. SUMMARY OF CHANGES: This Change Request (CR) shall task contractors to evaluate and mitigate the potential impact to the appeals business area due to the implementation of ICD-10.

EFFECTIVE DATE: March 16, 2015

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: March 16, 2015

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

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SUBJECT: Develop Rough Order of Magnitude (ROM) for Appeals Workload in Preparation for Implementation of International Classification of Diseases-10th Revision (ICD-10)

EFFECTIVE DATE: March 16, 2015

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IMPLEMENTATION DATE: March 16, 2015

I. GENERAL INFORMATION

A. Background: Through the issuance of a final rule on July 31, 2014, the U. S. Department of Health and Human Services formally changed the implementation date for the International Classification of Diseases (ICD), Clinical Modifications, version 10, from October 1, 2014, to October 1, 2015.

B. Policy: International Classification of Diseases-10th Revision (ICD-10) must be fully implemented by October 1, 2015. The U.S. Department of Health and Human Services released an interim final rule on July 31, 2014, requiring the use of ICD-10 beginning October 1, 2015. The rule will also require Health Insurance Portability and Accountability Act (HIPAA) covered entities to continue to use ICD-9-CM through September 30, 2015.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C S	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
9036.1	Where appropriate, MACs shall reopen an initial determination or process a redetermination to review a decision as a result of ICD-10 denials in accordance with 42 Code of Federal Regulations (CFR) 405.980 and Internet-Only Manual IOM Pub. 100-04, chapter 34.	X	X	X	X					
9036.1.1	Based on experience from similar projects, the contractor shall evaluate the potential impact of the implementation of ICD-10 on the reopening process. CMS anticipates most ICD-10 denials and rejects deemed incorrect by providers/suppliers to be based on incorrect codes submitted. Therefore, CMS believes these ICD-10 denials will be handled under the clerical error reopening process. Taking that into consideration, the contractor should supply information on the following metrics in a tabular format:	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FIS	MCS	VMS	CWF	
	<ul style="list-style-type: none"> • Anticipated Increase in Clerical Error Reopenings • Anticipated Increase in Non-Clerical Error Reopenings • Potential impact to productivity for clerical error reopenings (any increase/decrease in the number of reopenings processed per hour) • Potential impact to productivity for non-clerical error reopenings (any increase/decrease in the number of reopenings processed per hour) • Potential Need/Increase in full time equivalents (FTEs) • Potential Total Cost (Direct Labor, ODC, and indirect) Impact 									
9036.1.2	The contractor shall identify the bulleted metrics above separately for Part A, Part B, and Part B DME activities, where applicable. If the contractor processes home health and hospice claims, the contractor should include home health and hospice with the Part A metrics.	X	X	X	X					
9036.2	<p>CMS anticipates the vast majority of ICD-10 denials will be handled by the MACs as reopenings; however, some denials may not be appropriate for the reopening process and will need to be processed as redeterminations in accordance with 42 Code of Federal Regulations (CFR) 405.940-958 and IOM Pub. 100-04, chapter 29, §310.</p> <p>Based on experience from similar projects, the contractor shall evaluate the potential impact of the implementation of ICD-10 on the processing of redeterminations.</p>	X	X	X	X					
9036.2.1	CMS anticipates most ICD-10 denials deemed incorrect by providers/suppliers to be based on incorrect codes submitted. Therefore, as stated above, CMS believes these ICD-10 denials will be handled under the clerical error reopening process. Taking that into consideration, the contractor shall delineate	X	X		X					

Number	Requirement	Responsibility							
		A/B MAC		D M E M A C	Shared-System Maintainers				Other
		A	B		H H H	F I S S	M C S	V M S	
	<p>additional denial reasons anticipated due to ICD-10 implementation and supply information on the following metrics in a tabular format for each additional denial reason:</p> <ul style="list-style-type: none"> • Anticipated increase in redeterminations workload • Potential impact to productivity for redeterminations (any increase/decrease in the number of redeterminations processed per hour) • Potential Need/ Increase in FTEs • Potential Total Cost (Direct Labor, ODC, and indirect) Impact 								
9036.2.2	The contractor shall identify the bulleted metrics above separately for Part A, Part B, and Part B DME activities, where applicable. If the contractor processes home health and hospice claims, the contractor should include home health and hospice with the Part A metrics.	X		X	X				
9036.3	MACs shall provide the results of this analysis in an email to Kimberly.Snowden@cms.hhs.gov, with a copy to their COR, 30 days after issuance of this change request.	X	X	X	X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
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Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Kimberly Snowden, 410-786-3177 or Kimberly.Snowden@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0