

# The Transition to Version 5010 and ICD-10 An Overview

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### **Topics To Be Covered**

- What exactly is changing?
- Who is affected by the changes?
- Version 5010: Key details
- Why the change?
- ICD-10: Key details
- Why the change?
- Getting ready
- Dates to know
- Resources to help you prepare





# What Is Changing?

- Medical diagnosis and inpatient procedure code sets:
  - ICD-9 CM → ICD-10 CM
     ICD-10 PCS
- HIPAA standards for electronic transactions:
  - Version 4010/4010A1 → Version 5010





### Who Is Affected?

### Anyone who is covered by HIPAA:

- Health care providers who conduct electronic transactions
- Payers including Medicaid and Medicare
- Clearinghouses

# Some non-HIPAA covered entities that use ICD-9 codes:

- Vendors and business associates of covered entities
- Worker's compensation programs
- Life insurance companies





### Version 5010

- Refers to new HIPAA standards for electronic health care transactions
- Replaces Version 4010/4010A1 standards
- Accommodates ICD-10 code sets





# Why the Change?

- Version 5010
  - The current version of the standards (Version 4010/4010A1) are recognized as lacking certain functionality for health care needs
  - Accommodates ICD-10 code sets





### More on Version 5010

### <u>Implementation Timeline</u>

- Allows for a year of external testing:
  - January 1 to December 31, 2011
  - CMS begins accepting Version 5010 claims on January 1, 2011, and continues to accept Version 4010 claims as well through December 31, 2011
- Occurs in advance of ICD-10 transition to ensure any Version 5010 issues are resolved before ICD-10 implementation





### **ICD-10**

- Refers to the diagnosis and procedure code sets
- Replaces ICD-9 code sets and includes updated medical terminology and classification of diseases
- More logically organized, more detailed and specific, and more clinically accurate





# Why the change?

- ICD-10 provides more specific data than ICD-9
  - Better reflects current medical practice
  - Structure accommodates addition of new codes
    - The current coding system is running out of capacity and cannot accommodate future state of health care
  - Expanded data capture
    - Quality measurement
    - Reduce coding errors
    - Better analysis of disease patterns
    - Track and respond to public health outbreaks
    - Make claim submission more efficient
    - Identify fraud and abuse





### More on ICD-10

- ICD-10 CM/PCS consists of two parts:
  - ICD-10-CM for diagnosis coding in all health care settings
    - Describes left vs. right, initial vs. subsequent encounter, routine vs. delayed healing, and nonunion vs. malunion
  - ICD-10-PCS for inpatient procedure coding in hospital settings
    - Provides detailed information on procedures and distinct codes for all types of devices
- CPT coding for outpatient and office procedures is <u>not</u> affected by the ICD-10 transition





### General Equivalence Mappings (GEMs)

 Reference mapping that attempts to include all valid relationships between the codes in the ICD-9-CM diagnosis classification and the ICD-10-CM diagnosis classification





### Future Policy Decisions at CMS

- CMS' ICD-10 Executive Steering Committee currently meets on a bi-weekly basis
- Internal policy, process, and systems issues are discussed

 CMS maintains and updates an internal log of decisions to be made, which are addressed on a rolling basis





### **Transitioning to ICD-10**

- Identify your current systems and work processes that use ICD-9 codes
- Communicate implementation plans between providers, payers, and vendors
- Identify potential changes to workflow and business processes
- Budget for time and money related to the implementation
- Allow enough time to test transactions
- Assess staff training needs





### **Training for ICD-10**

### Suggested training curriculum

- Basic Understanding of the ICD-10 Code Set
- Coding Diagnoses and Inpatient Hospital Procedures
- Clinical Definitions and Terms in ICD-10
- Using Systems Updated for ICD-10
- Workflow Changes





## Important Dates to Know

- January 1, 2011: Providers, payers, others who work with electronic transactions should begin external testing of Version 5010
- January 1, 2012: Full implementation of Version 5010
  - All electronic claims must use Version 5010 standards
- October 1, 2014: Full implementation of ICD-10
  - All claims for services provided on or after this date must use ICD-10 codes





# Now Is the Time to Prepare

 Version 5010 and ICD-10 transitions require business and systems changes throughout the health care industry

 Organizations need to have plans and budgets in place to avoid potentially rejected claims and delays in reimbursement





# When Do I Need to Be Ready?

### Remember the Dates

| Date            | Action                                    |
|-----------------|---|
| January 1, 2011 | External Version 5010 Testing             |
| January 1, 2012 | Full Implementation of Version 5010       |
| April 1, 2014   | Recommend Training Staff on ICD-10 CM/PCS |
| October 1, 2014 | Full Implementation of ICD-10             |





# Resources to Help You Prepare

CMS ICD-10 Web site: http://cms.gov/ICD10

 CMS ICD-10 Listserv: http://cms.gov/ICD10/02d\_CMS\_ICD-10\_Industry\_Email\_Updates.asp

Professional, clinical, trade associations





### **ICD-10 Listserv Messages**





### Version 5010 and ICD-10 They're coming. Will you be ready?

News Updates | March 25, 2011

### The Version 5010 Transaction Standards Deadline Is Approaching. Are You Ready?

There are less than **10 months** until all HIPAA-covered entities need to transition from Version 4010/4010A1 to Version 5010 electronic transaction standards. With the **January 1, 2012**, deadline quickly approaching, have you taken the necessary steps to get ready?

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 on October 1, 2013. Version 5010 has the ability to tell your practice management or other system that you are using an ICD-10 versus an ICD-9 code.

A key step in preparing your office for this upgrade is testing transactions in the new Version 5010 format. If you have not already done so, you should begin external Version 5010 testing now.

Testing transactions using Version 5010 standards will assure that you are able to send and receive compliant transactions effectively. Testing will also allow you to identify any potential issues and address them in advance of the January 1, 2012, compliance date.

Keep Up to Date on Version 5010 and ICD-10.

CMS has resources to help you prepare. Visit http://www.cms.gov/ICD10 and click



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### **CMS ICD-10 Fact Sheets**



### ICD-10 Basics for **Medical Practices**

Begin preparing now for the ICD-10 transition to make sure you are ready by the October 1, 2013, compliance deadline. The following guick checklist will assist you with preliminary planning steps.

- Identify your current systems and work processes that use ICD-9 codes. This could include your clinical documentation, encounter forms/superbills, practice management system, electronic health record system, contracts, and public health and quality reporting protocols. It is likely that wherever ICD-9 codes now appear, ICD-10 codes will take their place.
- Talk with your practice management system vendor about accommodations for both Version 5010 and ICD-10 codes. Contact your vendor and ask what updates they are planning to your practice management system for both Version 5010 and ICD-10, and when they expect to have it ready to install. Check your contract to see if upgrades are included as part of your agreement. If you are in the process of making a practice management or related system purchase, ask if it is Version 5010 and ICD-10 ready.
- Discuss implementation plans with all your clearinghouses, billing services, and payers to ensure a smooth transition. Be proactive, don't wait. Contact organizations you conduct business with such as your payers, clearinghouse, or billing service. Ask about their plans for the Version 5010 and ICD-10 compliance and when they will be ready to test their systems for both transitions.
- Talk with your payers about how ICD-10 implementation might affect your contracts. Because ICD-10 codes are much more specific than ICD-9 codes, payers may modify terms of contracts, payment schedules, or reimbursement.
- Identify potential changes to work flow and business processes. Consider changes to existing processes including clinical documentation, encounter forms, and quality and public
- Assess staff training needs. Identify the staff in your office who code, or have a need to know the new codes. There are a wide variety of training opportunities and materials available through professional associations, online courses, webinars, and onsite training. If you have a small practice, think about teaming up with other local providers. You might be able, for example, to provide

The ICD-10 transition is coming on October 1, 2013. A related change, the transition to Version 5010 standards for electronic transactions happens before then, on January 1, 2012. Everyone covered by HIPAA is affected. Now is

### About ICD-10

ICD-10 CM/PCS (International Classification of es, 10th Edition, Clinical Modification/ Procedure Coding System) consists of two

### 1. ICD+10-CM for diagnosis coding

2. ICD-10-PCS for inpatient procedure coding

ICD-10-CM was developed by the Centers for Disease Control and Prevention for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the ormat of the code sets is similar.

ICD-10-PCS was developed by the Centers for Medicare & Medicaid Services (CMS) for use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding. Coding under ICD-10-PCS is nuch more specific and substantially different from ICD-9-CM procedure coding.

The transition to ICD-10-CM/PCS does not affect Current Procedural Terminology (CPT) codes, which will continue to be used for

Visit www.cms.gov/ICD10 for ICD-10 and Version 5010 resources from CMS.



### Talking to Your Customers About ICD-10 and Version 5010:

Tips for Software Vendors

Your health care customers face firm deadlines to comply with tability Act (HIPAA): January 1, 2012 - for full compliance with Version 5010 for electronic

October, 1, 2013 - for full implementation of ICD-10 code sets.

These transition dates are definite. The U.S. Department of Health and Human Services (HHS) established the deadlines in two final regulations issued on January 16, 2009, and confirmed them on March 5, 2009. HHS does not plan to extend the deadlines.

To meet these deadlines, your quetomers need to have completed internal testing of Version 5010 systems in time to begin external testing with their business partners by **January 1**, **2011**.

Your customers will look to you to support their transition with new rour customers will look to you to support their arraison with new and upgraded products, available well in advance of the deadlines to allow adequate testing. Now is the time to talk to your customers about your plans to ensure that their Version 5010 and IGD-10 transition goes smoothly and on schedule. Your customers need to know that:

- . They can count on your products being compliant and fully functional . They will not have to worry about notential mimbursement issues.
- Ask customers about their needs and establish a comprehensive approach that will deliver compatible products well ahead of the transition deadlines. As you contact your customers, consider discussing the following:

Start the Conversation with Your Vendors

· Help you avoid potential reimbursement issues

Talk with your vendors now to be sure that you can count on them to:

. Have fully functional, compliant products and services ready in plenty

of time to allow thorough Version 5010 and ICD-10 testing

. Costs involved and whether upgrades will be covered by existing

### JANUARY 1, 2010

### DECEMBER 31, 2010

JANUARY 1, 2011

### DECEMBER 21, 2011

### JANUARY 1, 2012

### . Version 4010 claims are no longer accepted OCTOBER 1, 2013

### Visit www.cms.gov/ICD10

for ICD-10 and Version 5010 resources from CMS.

### 1, 2010

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### laims continue to be accepted

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for ICD-10 and Version 5010

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CEMBER 31, 2011

### NUARY 1, 2012

**JARY 1, 2010** 

CEMBER 31, 2010

IARY 1, 2011

### ion 4010 claims are no longer accepted TOBER 1, 2013

### ICU-10 Will affect decresss and inputient procedure coding for everyone covered by the Health Insurance Portability and Accountability Act (HPAA), not just those who submit Medicare or Medicaid claims. Everyone covered

by HIPAA who transmits electronic claims must also switch to Version 5010 transaction standards. The change to ICD-10 does not affect CPT coding

Health care providers, payers, clearinghouses, and billing services must be prepared to comply with the Version 5010 and ICD-10 transitions,

Visit www.cms.gov/ICD10 for ICD-10 and Version 5010 resources from CMS.

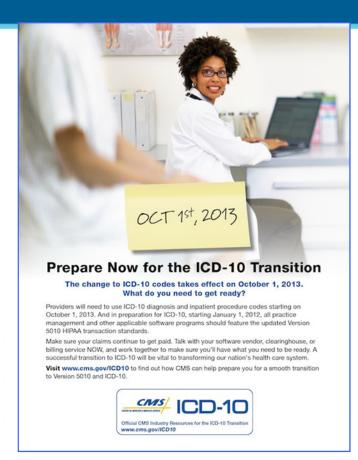


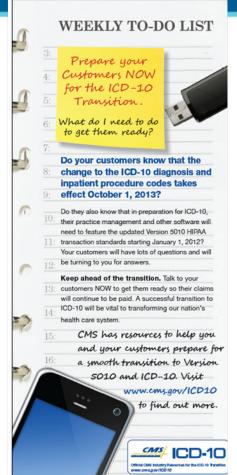


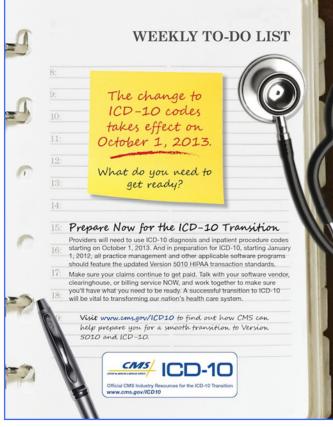




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# **Questions?**

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