

## Health Information Compliance Alert

### ICD-10 Update: Are You Prepared For The ICD-10 Implementation Come Oct. 14, 2014?

#### Cover your bases on ICD-10 preparations, advise experts.

With the official date for ICD-10 implementation formally announced, you'll need to know how the switchover will impact your practice or facility. The one-year delay for the new diagnosis coding set gives all healthcare providers some breathing room.

In a final rule published in the Sept. 5 Federal Register, the **Centers for Medicare & Medicaid Services** finalized its proposed one-year delay to implementation of the new ICD-10 diagnosis coding set. CMS had announced a delay of unspecified length in February, and then in April proposed the one-year deadline bump to October 2014.

"The change in the compliance date is intended to give covered healthcare providers and other covered entities more time to prepare and fully test their systems to ensure a smooth and coordinated transition by all covered entities," CMS notes in the rule. The one-year delay gives providers a break but also minimizes disruption and costs a longer postponement would cause.

Also included in the final rule are plans for a standard unique health plan identifier (HPID), National Provider Identifier (NPI) and the requirements to establish its implementation. This will include a data element that will serve as other entity identifier data (OEID).

What this means for you: You need to ensure that your practice or facility is ready for ICD-10 and compliant with the NPI, HPID and OEID. Unless there is a smooth transition to the updated medical data code sets and compliance with Version 5010 and ICD-10 by all covered entities; there could be a negative impact on all other industry segments. If any one industry segment fails to achieve compliance this would result in returned claims and provider payment delays, the transmittal points out.

HIPAA benefits: "The adoption of the HPID and the OEID will increase standardization within HIPAA standard transactions and provide a platform for other regulatory and industry initiatives," the transmittal states.

"ICD-10-CM/PCS implementation is inevitable, but today's news gives the healthcare community the certainty and clarity it needs to move forward with implementation, testing, and training," says the **American Health Information Management Association** in a release.

Bright side: While providers prepare for ICD-10 implementation, no ICD-9-CM diagnosis code updates are planned for ICD-9 2013 (effective Oct.1, 2012). There's a freeze in place until ICD-10-CM replaces ICD-9-CM.

Potential changes for the annual ICD-9-CM update usually appear at this time of year in CMS's Inpatient Prospective Payment System (IPPS) proposed rule, but this year's IPPS indicated you won't have to deal with any changes. Providers can focus on ICD-10 prep instead.

Note: The final rule is at [www.ofr.gov/inspection.aspx](http://www.ofr.gov/inspection.aspx) under an 8/24 CMS entry.

"The switch to the new code set will affect every aspect of how your organization provides care, from registration and referrals, to software/hardware upgrades and clinical documentation," CMS said in their July 12 email to providers.

#### Is Your Plan in Place?

Your agency should already have a thorough plan for implementing ICD-10, said **Ann Zeisset, RHIT, CCS, CCS-P**, AHIMA-approved ICD-10-CM/PCS Trainer during a recent audioconference sponsored by Springfield, Mo.-based BKD.

One key component in preparing for the transition is to conduct an impact assessment that investigates how the new code sets will affect your agency's operation, CMS said. If you haven't already completed this step, CMS advises doing so immediately.

What it is: An impact assessment identifies the potential changes to your existing work flow and business processes and CMS estimates that conducting a study will take a good 6 months.

During the assessment, you should look at readiness in four key areas, CMS says:

- **Documentation processes and workflow:** Consider the increased specificity of ICD-10 codes compared to ICD-9 codes, CMS said. You'll need to establish practices that ensure all documentation of patient encounters includes the comprehensive clinical descriptions required by ICD-10.

Try this: Assess the quality of the documentation you currently receive to see what areas need improvement, Zeisset said. Have a trained coder evaluate sample records including the top diagnoses and a variety of cases to see if they provide the information you will need to assign an ICD-10 code. Put aside those records without enough detail for a physician query.

Misconception: Although ICD-10 allows you to code to an increased level of specificity, it won't make coding without such detail impossible. Nonspecific codes are still available when necessary, Zeisset pointed out.

- **Reimbursement Structures:** ICD-10 will impact policies and procedures for coding and reimbursement, including productivity and accuracy.

Train staff to accommodate the substantial increase and specificity in code sets. And prepare for a reduction in productivity, Zeisset warned. "Coders will have a large learning curve." Although other countries using ICD-10 don't use the same version U.S. healthcare providers will, they experienced a three to six month slowdown in productivity which gradually lessened over time.

Difference: The learning curve for home health coders who only need to use ICD-10-CM will be less than that expected for hospital inpatient coders who will have to learn both ICD-10-CM and ICD-10-PCS. Consider workflow and patient volume changes. Revise forms and documents to reflect ICD-10 codes, including processes.

- **Systems and Vendor Contracts:** Ensure your vendors can accommodate your ICD-10 needs, CMS said. Wherever you see ICD-9 codes now, you'll need to make sure preparations are made to transition to ICD-10, Zeisset said.

Find out how and when your vendor plans to update your existing systems, CMS advises. Review all existing and new vendor contracts to evaluate whether the vendor's offerings and capabilities meet your agency's needs. Work with your vendors to draft a schedule for needed tasks. And make certain vendors are prepared to schedule appropriate testing before the final implementation date.

Both sides: Keep in mind that you will need to be able to support both ICD-9 and ICD-10 codesets for some period of time, Zeisset said. Plus, you'll also need to be able to access old data for review and reporting. Make certain your impact assessment establishes any need for new or upgraded hardware and software requirements to make this possible.

- **Business Practices:** Once you have implemented ICD-10, you will need to determine how the new codes affect your processes for referrals, authorizations/pre-certifications, patient intake, physician orders, and patient encounters, CMS said.

You'll need to establish which staff members require ICD-10 training and what type and level of training they will require, Zeisset said. Training isn't for coders alone -- different data users will require different types of training, she said.

