Health Information Compliance Alert

ICD-10 UPDATE: HHS Gives Providers More Breathing Room for ICD-10 Implementation

But start preparing now for ICD-10's Oct. 1, 2013 compliance date.

After much uproar from the provider and medical coding community about a 2010 ICD-10 implementation,the Department of Health and Human Services has offered three additional years of transition time. In a final rule HHS released on Jan. 15 the ICD-10 effective date was finalized at Oct. 1, 2013.

Why HHS Is Gung-Ho on ICD-10

The final rule replaces the current ICD-9-CM code sets for reporting healthcare diagnoses and procedures with greatly expanded ICD-10 code sets. Adoption of ICD-10 is expected to:

-- More accurately define services and provide specific diagnosis and treatment information;

-- Provide the precision necessary for a number of emerging uses such as pay-for-performance and biosurveillance.Biosurveillance is the automated monitoring of information sources that may help detect an emerging epidemic (whether naturally occurring or the result of bioterrorism);

-- Support comprehensive reporting of data;

-- Ensure more accurate paymentsfor new procedures, decrease the number of rejected claims, facilitate improved disease management, and coordinate disease monitoring and reporting worldwide; and

-- Allow the U.S. to compare its data with international data to track the incidence and spread of disease and treatment outcomes.

HHS views ICD-9-CM as outdated because of the system's limited ability to accommodate new procedures and diagnoses within the established hierarchy of the coding system.

ICD-9-CM contains only 17,000 codes; Volume 3 (which contains the hospital inpatient procedure codes) has been running out of space for several years, resulting in placing procedure codes outside the clinical hierarchy where they belong.

ICD-10, by contrast, contains more than 155,000 codes and can accommodate a host of new diagnoses and procedures.The additional codes will also help facilitate the implementation of electronic health records.

It's Never Too Early to Think About Transition

The expanded diagnoses shouldn't scare providers away, but they should be wary of a few things.

"I've seen the ICD-10 codes," said **Steve Verno, CMMC, CMMB, NREMTP,** a nationally known billing and coding expert and a contributing author for The Insurance Handbook for the Medical Office. "A trained coder will not have any problem with the transition. The main issue we will face will be with provider documentation.Under ICD-9 we could use many unspecified codes,but not under ICD-10. The documentation must be more thorough and complete."

"HHS received more than 3,000 comments on the ICD-10 proposed rule, and support for the transition ...is strong throughout the healthcare industry," said **Kerry Weems**, Acting Administrator of the Centers for Medicare and Medicaid Services.

The Oct. 1 date corresponds with the effective date for annual changes to Medicare payment systems. The year 2013 seems far away, but Verno advises providers to begin preparing for ICD-10 now.

Tip: "Contact your software vendors to find out when updates will be available," he said. "Contact your insurance companies to find out when they will be ready so there's little interruption with the claims and payment process. Seek assistance from the coding and billing associations.We have work to do to get ready."