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 4010/4010A → 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
Who Is Affected?

More on Medicaid:

• CMS recognizes the challenges facing state Medicaid programs
• Conducted a baseline study last year of readiness
• Follow-up scan in late 2010 yielded better results
• CMS will conduct in-person technical assistance site visits with each state and determine needed resources/tools to assist them with compliance
• Developed an ICD-10 Implementation Assistance Handbook to aid in states’ implementation efforts
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 the ICD-10 code sets
More on Version 5010

Implementation Timeline

• 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 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 not** affected by the ICD-10 transition
More on ICD-10 CM

ICD-10-CM replaces ICD-9-CM for diagnosis coding:

- ICD-9-CM diagnosis codes = 3 to 5 digits
- ICD-10-CM codes = 3 to 7 digits
- Overall format of ICD-10 diagnosis codes similar to ICD-9
# ICD-10 CM Example

<table>
<thead>
<tr>
<th>Character</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>Name of Section</td>
<td>Body System</td>
<td>Root Operation</td>
<td>Body Part</td>
<td>Approach</td>
<td>Device</td>
<td>Qualifier</td>
</tr>
</tbody>
</table>

**Category**

**Etiology, Anatomic site, Severity**

**Extension**

**T39.011A**

Poisoning by aspirin, accidental (unintentional), initial encounter
ICD-10-PCS replaces ICD-9-CM inpatient procedure coding:

- ICD-9-CM procedure codes = 3 to 4 numeric digits
- ICD-10-PCS codes = 7 alphanumeric digits
- ICD-10-PCS code format substantially different from ICD-9
- Unlike ICD-9, ICD-10 expands details for many conditions
ICD-10 PCS codes are composed of seven characters. Each character is an axis of classification that specifies information about the procedure performed.
There are 16 sections utilized in ICD-10 coding; specific to types of procedures performed.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 0</td>
<td>Medical &amp; Surgical</td>
<td>Section 8</td>
<td>Other Procedures</td>
</tr>
<tr>
<td>Section 1</td>
<td>Obstetrics</td>
<td>Section 9</td>
<td>Chiropractic</td>
</tr>
<tr>
<td>Section 2</td>
<td>Placement</td>
<td>Section B</td>
<td>Imaging</td>
</tr>
<tr>
<td>Section 3</td>
<td>Administration</td>
<td>Section C</td>
<td>Nuclear medicine</td>
</tr>
<tr>
<td>Section 4</td>
<td>Measurement &amp; Monitoring</td>
<td>Section D</td>
<td>Radiation Oncology</td>
</tr>
<tr>
<td>Section 5</td>
<td>Extracorporeal Assistance &amp; Monitoring</td>
<td>Section F</td>
<td>Physician rehab &amp; Diagnostic Audiology</td>
</tr>
<tr>
<td>Section 6</td>
<td>Extracorporeal Therapies</td>
<td>Section G</td>
<td>Mental Health</td>
</tr>
<tr>
<td>Section 7</td>
<td>Osteopathic</td>
<td>Section H</td>
<td>Substance Abuse Treatment</td>
</tr>
</tbody>
</table>
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
• Comments on GEMs received through Nov 12, 2010
• 2011 GEMs updated based on those comments, and Affordable Care Act requirements met
• 2011 updates to ICD-10-CM, ICD-10 PCS, GEMs, and Reimbursement Mappings are now posted at: [http://www.cms.gov/ICD10](http://www.cms.gov/ICD10)
Partial Code Freeze

- Annual updates to ICD-9 CM and ICD-10 make transition planning difficult

- Vendors, system maintainers, payers, and educators requested a code freeze

- Last regular, annual updates to both ICD-9 CM and ICD-10 will be made on Oct 1, 2011
Dates for the Freeze

- On **Oct 1, 2012** there will be only limited code updates to both ICD-9 CM and ICD-10 code sets
- On **Oct 1, 2013** there will be only limited updates to ICD-10 code sets
- These limited updates will capture new technology and new diseases only
- On **Oct 1, 2014** regular updates to ICD-10 will begin, ending the freeze
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
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
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 work flow 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
## When Do I Need to Be Ready?

### Remember the Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2011</td>
<td>External Version 5010 Testing</td>
</tr>
<tr>
<td>January 1, 2012</td>
<td>Full Implementation of Version 5010</td>
</tr>
<tr>
<td>April 1, 2013</td>
<td>Recommend Training Staff on ICD-10 CM/PCS</td>
</tr>
<tr>
<td>October 1, 2013</td>
<td>Full Implementation of ICD-10</td>
</tr>
</tbody>
</table>
Resources to Help You Prepare

- CMS Materials
- CMS ICD-10 Listserv: [http://cms.gov/ICD10/02d_CMS_ICD-10_Industry_Email_Updates.asp](http://cms.gov/ICD10/02d_CMS_ICD-10_Industry_Email_Updates.asp)
- Professional, clinical, trade associations
Welcome to the Centers for Medicare & Medicaid Services (CMS) ICD-10 Web Site. Here you will find:

- 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 coding
- Links to CMS Version 5010 information

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.

Start preparing now to ensure a smooth transition.

About the ICD-10 Transition on October 1, 2013

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.

This change does not affect CPT coding for outpatient procedures.

About the Version 5010 Transition on January 1, 2013
Have You Started External Testing of Version 5010?

All HIPAA covered entities that submit transactions electronically are required to upgrade from Version 4010/4010A to Version 5010 transaction standards by January 1, 2012.

Testing should be conducted both internally and with external business partners in preparation for the January 1, 2012, compliance deadline. Internal testing of Version 5010 should have been completed by December 31, 2010. Now is the time to begin external testing.

Testing transactions using Version 5010 standards will assure that you are able to send and receive compliant transactions effectively. And testing early will allow you to identify any potential issues, and address them in advance.

Stay ahead of the Version 5010 and ICD-10 transitions! Know the deadlines and mark your calendars:

- **January 1, 2011** - Begin external testing of Version 5010 for electronic claims
  - CMS begins accepting Version 5010 claims
  - Version 4010 claims continue to be accepted

- **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
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 quick 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, contacts, and public health and quality reporting protocols. It is likely that whenever 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, clearinghouses, 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 procedures, or payment schedules.

- Identify potential changes to work flow and business processes. Consider changes to existing processes including clinical documentation, encounter forms, and quality and public health reporting.

- Assess staff training needs. Identify the staff in your office who codes, or have a need to know the new codes. There is 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

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

Background

The ICD-10 transition is coming on October 1, 2013. A revised change, the transition to Version 5010 standards for electronic health transactions, was announced in March 2012. If you have a health plan, everyone covered by HIPAA is affected. Now is the time to prepare.

About ICD-10

ICD-10-DNCP (International Classification of Diseases, 10th Edition, Clinical Modification/Procedure Coding System) consists of two parts:

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 or 7 digits instead of the 3 or 5 digits used with ICD-9-CM, but the format 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-PCS procedure coding. Coding under ICD-10-PCS is much more specific and substantially different from ICD-9-PCS procedure coding.

The transition to ICD-10-DNCP does not affect Current Procedural Terminology (CPT) codes, which will continue to be used for outpatient services.

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The ICD-10 Transition: An Introduction

On October 1, 2013, the ICD-10 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets. To accommodate the ICD-10 code sets, the transaction standards used for electronic health care claims, Version 5010 HIPAA, must be upgraded to Version 2014 by January 1, 2014. This fact sheet provides guidance on how to prepare for the transition and information on how to prepare for the transition.

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The transition to ICD-10 is occurring because ICD-10 produces richer data about patients’ medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice. Also, the structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are too broad.

Who Needs to Transition?

ICD-10 will affect diagnoses and inpatient procedure coding for everyone covered by the Health Insurance Portability and Accountability Act (HIPAA), but 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 for outpatient procedures.

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

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

Prepare Now for the ICD-10 Transition

The change to ICD-10 codes takes effect on October 1, 2013.
What do you need to get ready?

Providers will need to use ICD-10 diagnosis and inpatient procedure codes starting on October 1, 2013. And in preparation for ICD-10, starting January 1, 2012, all practice management and other applicable software programs should feature the updated Version 5010 HIPAA transaction standards.

Make sure your claims continue to get paid. Talk with your software vendor, clearinghouse, or billing service NOW, and work together to make sure you’ll have what you need to be ready. A successful transition to ICD-10 will be vital to transforming our nation’s health care system.

Visit www.cms.gov/ICD10 to find out how CMS can help prepare you for a smooth transition to Version 5010 and ICD-10.

Weekly To-Do List

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5010 Test Education Week

• 5010 Test Education Week: April 4 – 8, 2011
• Free webinars that focus on testing for 5010
  Topics include:
  – Testing for Practices and Facilities
  – How to Test with Medicare Fee-for-Service
  – Testing with Commercial Payers and Clearinghouses
• For more information and to register go to: http://getready5010.org
Questions?

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