# Table of Contents

1. **Introduction** ......................................................................................................................... 2  
   - Introduction to ICD-10 ......................................................................................................... 2  
   - Overview of ICD-10 .............................................................................................................. 2  
   - What is ICD-10? .................................................................................................................. 2  
   - Transition to ICD-10 .......................................................................................................... 2  

2. **Comparing ICD-9 and ICD-10** ........................................................................................... 3  
   - What is Different about ICD-10? ..................................................................................... 3  
   - ICD-10-CM Code Structure ............................................................................................. 3  

3. **Planning the Transition** .................................................................................................... 5  
   - Five Steps to Transition to ICD-10 .................................................................................. 5  
   - On the Road to ICD-10 Implementation ......................................................................... 6  
   - An Implementation Checklist .......................................................................................... 7  
     - Planning, Communication, and Assessment ................................................................. 7  
     - Transition and Testing .................................................................................................. 7  
     - Complete Transition/Full Compliance ......................................................................... 7  

4. **Your Next Steps** .................................................................................................................. 9  
   - Next Steps .......................................................................................................................... 9
Introduction to ICD-10

The ICD-9 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets on October 1, 2014. ICD-10 will affect diagnosis and inpatient procedure coding for everyone covered by the Health Insurance Portability Accountability Act (HIPAA), not just those who submit Medicare or Medicaid claims.

Overview of ICD-10

What is ICD-10?

Developed over ten years with input from many stakeholders, mostly professional societies, ICD-10-CM extends the 14,400 WHO codes to 69,823 codes. The United States version of ICD–10–CM is maintained by the Centers for Disease Control and Prevention (CDC). (www.cdc.gov)

ICD-10 provides more specific data than ICD-9 and better reflects current medical practice. The added detail embedded within ICD-10 codes informs health care providers and health plans of patient incidence and history, which will improve the effectiveness of case management and care coordination functions. Accurate coding reduces the volume of claims rejected due to ambiguity.

Transition to ICD-10

On October 1, 2014, all covered entities, as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Administrative Simplification, are required to adopt ICD-10 diagnoses codes for services provided beginning on October 1, 2014. For inpatient encounters, ICD-10 procedure codes will be required to be used for all stays with discharge dates on or after October 1, 2014.

The transition to ICD-10 procedure codes for inpatient encounters does not directly affect outpatient service providers’ use of the Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) codes.
Comparing ICD-9 and ICD-10

What is Different about ICD-10?

The ICD-9 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets on October 1, 2014. ICD-10 consists of two parts:

- ICD-10-CM diagnosis coding which is for use in all U.S. health care settings.
- ICD-10-PCS inpatient procedure coding which is for use in U.S. hospital settings.

ICD-10 will affect diagnosis and inpatient procedure coding for everyone covered by the Health Insurance Portability Accountability Act (HIPAA), not just those who submit Medicare or Medicaid claims:

- Claims for services provided on or after October 1, 2014 should be submitted with ICD-10 diagnosis codes.
- Claims for services provided prior to October 1, 2014 should be submitted with ICD-9 diagnosis codes.

The need for increased specificity allowed with ICD-10 should come from what is documented in a patient’s health record. In many situations, ICD-10 code terminology is more precise as it is more physician-oriented in terms of clinical language, combination codes, or stating a medical condition with an underlying cause.

ICD-10-CM Code Structure

ICD-10 diagnosis codes can be up to 7 characters:

Codes with three characters are included in ICD-10-CM as the heading of a category of codes that may be further subdivided by the use of any or all of the 4th, 5th, and 6th characters. Digits 4-6 provide greater detail of etiology, anatomical site, and severity. A code using only the first three digits is to be used only if it is not further subdivided.
A code is invalid if it has not been coded to the full number of characters required. For ICD-10-CM, this would include the 7th character which is used in certain chapters to provide data about the characteristic of the encounter. Examples of where the 7th character can be used include injuries and fractures as illustrated in the following tables:

Below are specific examples of ICD-10 diagnosis codes. The use of laterality, increased specificity, combination codes, and the “X” placeholder are illustrated:
Five Steps to Transition to ICD-10

Your preparation for ICD-10 implementation can’t wait. Your success with this transition is up to you. A common misconception is that your vendors can handle it for you. This is absolutely not true. Although vendors, health plans, and other partners have their steps to take in this process and play a part in the practice’s preparation, you still have work to do in order to transition to ICD-10. The chart below provides five essential steps to help you achieve IC-10 implementation.
On the Road to ICD-10 Implementation

Planning for ICD-10 is one of the most important activities you can engage in with your practice staff and external partners to ensure that you comply with ICD-10 standards by October 1, 2014. At a minimum, consider the following activities:

a. Plan to include all staff members in your practice that are involved in coding, billing, claims processing, revenue management or clinical documentation participates in your practice’s training program.

   **Helpful Hint:** Download free ICD-10 fact sheets and background information from the Small Physician Practice Portal at www.Roadto10.org.

b. Assign overall responsibility and decision-making authority for managing the transition.

   **Helpful Hint:** This can be one person, ideally a physician leader or office manager in your practice.

c. Plan a comprehensive and realistic budget.

   **Helpful Hint:** This should include costs such as software upgrades, staff training needs and a contingency reserve.

d. Communicate and collaborate with all internal and external trading partners.

   Contact health plans, payers, clearinghouses, IT vendors, and other organizations that are in your workflow network to coordinate a training and testing schedule. Now is a good time to review your internal workflows and processes.

   **Helpful Hint:** Using the ICD-10 Implementation Timeline as a guide, your organization will be able to:

   - Identify any additional tasks based on your organization’s specific business processes, systems, and policies;
   - Identify resources and task owners;
   - Estimate start dates and end dates;
   - Identify key milestones for each transition phases;
   - Use the action plan to guide your ICD-10 transition.

e. Adhere to a well-defined timeline that makes sense for your organization.

   **Helpful Hint:** For guidance on how to establish an ICD-10 timeline with key milestones, visit the Resource Library link at www.Roadto10.org.
An Implementation Checklist

The following is a checklist of ICD-10 transition tasks, including estimated timeframes for each task. Regardless of what stage your practice is in with ICD-10 implementation, you may find following activities helpful as you transition to ICD-10.

Planning, Communication, and Assessment

- Review ICD-10 resources from CMS, trade associations, payers, and vendors
- Inform your staff/colleagues of upcoming changes
- Assign accountability for overall ICD-10 transition
- Identify how ICD-10 will affect your practice
- Develop and complete an ICD-10 project plan for your practice
  - Identify each task, including deadline and who is responsible
  - Develop plan for communicating with staff and business partners about ICD-10
- Estimate and secure budget (potential costs include updates to practice management systems, new coding guides and super-bills, staff training and establishing a cash reserve)
- Ask your payers, software/systems vendors, clearinghouses, and billing services about their ICD-10 readiness.
  - Review trading partner agreements
- Ask about systems changes, timeline, costs, and testing plans (When they will start testing, how long it will take and the expected results?)
- Review changes in documentation requirements and educate staff and physicians

Transition and Testing

- Conduct high-level training on ICD-10 for clinicians and coders to prepare for testing (e.g., clinical documentation, software updates) (ongoing)
- Start testing ICD-10 codes and systems with your practice’s coding, billing, and clinical staff
- Identify your measure of success: clinical coding accuracy, specificity and revenue neutrality.
  - Define your test cases consistent with your practice’s high volume health conditions and code in both ICD-9 and ICD-10. Compare results, looking for coding accuracy, clinical relevance, and revenue neutrality.
- Monitor vendor and payer preparedness, identify and address gaps.
- Begin testing claims and other transactions using ICD-10 codes with business trading partners such as payers, clearinghouses, and billing services (10 months minimum)
- Work with vendors to complete transition to production-ready ICD-10 systems.
- Test early and test often!

Complete Transition/Full Compliance
- Complete ICD-10 transition for full compliance
- ICD-9 codes continue to be used for services provided before October 1, 2014
- ICD-10 codes are required for services provided on or after October 1, 2014
- Monitor systems and correct errors if needed

CMS consulted experts from the American Medical Association (AMA), the American Health Information Management Association (AHIMA), the North Carolina Healthcare Information & Communications Alliance (NCHICA), and the Workgroup for Electronic Data Interchange (WEDI) in developing this checklist.
Next Steps

By simply referring to the Implementation Guide, you are on the Road to 10! Using this ICD-10 implementation handbook as a guide, your practice should now be ready to take the following next steps. ICD-10 is a logical process in which you will never use all of the codes. Use this implementation guide as the first step to getting you on the Road to 10.

1. Take a few minutes navigate the Small Physician Practice Portal at www.Roadto10.org. Review the video links to the Physician Champions, review the FAQs, and review the links to the Resource Library and other sources of information. The site was created with you and your practice in mind to help facilitate implementation of ICD-10.

2. Contact your state medical association and/or the local chapter of your medical specialty association and get involved! Learn from your peers and other resources to develop a solid understanding of how this will affect business process, policy, and cash flow for your physician practice. Attention should be directed toward implementation costs, budget available, staff training needs, and effected vendor tools.

3. Identify an ICD-10 practice Physician Ambassador who can take ownership of ICD-10 implementation. This begins inside your practice and outside of your practice, but monitoring the daily activities associated with the ICD-10 implementation including:
   • Developing an implementation plan and timeline
   • Conducting vendor evaluations, monitoring, and communication
   • Communication and awareness activities both internally and externally
   • List and produce internal tools
     – Summary of clinical documentation changes for your practice
     – Revised ‘Superbills’
     – Summary of changes to your practice management (workflow and office processes) system and electronic health record
     – Summary of all contract changes
   • Training needs assessment and identification

4. Identify vendor support needs for the ICD-10 implementation from vendors and health associations. In addition, identify other physician practices and agencies from which your practice may seek advice, assistance, or materials. Communicate with your payers and related vendors (for example, your billing offices and clearinghouses).

5. In October, be alert and be prepared to make adjustments!
This Implementation Guide was prepared as a service to the health care industry and is not intended to grant rights or impose obligations. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.