

## Making the Switch to ICD-10

*Industry experts explain what to do now to avoid scrambling later.*

*Cheryl McEvoy*

Talk about ICD-10 has been ruminating for years, but the system may finally be on its way to implementation in the United States. Last August, the Centers for Medicare and Medicaid Services (CMS) issued a Notice of Proposed Rule Making (NPRM) on ICD-10—the first major step toward adoption.

The tentative launch date is set for Oct. 1, 2011, but the compliance date won't be definite until the final rule is announced. After years of sitting on their hands, HIM departments and vendors may be befuddled about what can (and should) be done now to make the transition as smooth as possible. Here, industry experts dispel common myths and offer a dose of reality about planning for ICD-10.

**Myth #1: It's best to wait for the final rule before starting ICD-10 plans.**

**Reality:** The comment period for ICD-10 ended Oct. 21, 2008, and since then HIM professionals have been waiting with bated breath for the final rule. Industry leaders expected a statement from CMS by the end of December or mid-January at the latest, before the new administration takes charge. But as of press time, CMS had yet to release a final rule.

"My belief from what I've been hearing and reading is the date may be deferred until 2012, but vendors and hospitals need to plan on 2011," said Gina Sanvik, RHIA, product manager for HIM solutions at QuadraMed Corp., Reston, VA.

Kathy Johnson, RHIA, director of coding services at Care Communications Inc., Chicago, also thinks ICD-10 may be pushed back to 2012, but she urged hospitals and providers to start preparing now. "2011 or 2012 sometimes seems far off," Johnson said. "In reality, there are things we can do in the next 90 days to help as a first step" (see sidebar, "The 90-Day Checklist").

The hang-up in government doesn't mean HIM departments have to put preparations on hold. In fact, those who wait for a green light from CMS may end up scrambling to meet the deadline. "Regardless of when the final rule comes out and when the implementation date is, it certainly doesn't hurt to go ahead and get started on the process," said Sue Bowman, RHIA, CCS, director of coding policy and compliance for the American Health Information Management Association (AHIMA).

**The Bottom Line:** Don't wait for CMS; start planning for ICD-10 now. You'll be grateful for the head start when it's crunch time.

**Myth #2: Only HIM departments will be affected by ICD-10.**

**Reality:** Before systems can be converted or new forms developed, everyone affected by ICD-10 needs to be on board. "Like any big change, you need some sort of group to oversee the process," Bowman said.

She suggests organizing a multidisciplinary steering committee to direct educational efforts and develop a timeline and budget. While HIM directors, executives and doctors will be essential committee members, don't discount other departments and administrators affected by the transition. "There's quality management, utilization management, clinical departments and admissions that all deal to some extent with ICD-9 codes, whether they're involved in assigning them in some way or actually looking at reports with the code," Bowman said.

Members from different departments can also serve as liaisons to their respective staffs and may be able to communicate messages or concerns more effectively. "I would recommend getting a physician champion in the organization to work with the HIM people to help educate and bring the physicians on board," Bowman said. "They always accept that kind of information better when it comes from a colleague."

Johnson recommends conducting an "impact assessment" to determine which departments will be affected by the switch and to what extent. "There's a lot of work in areas you might not initially think about," she asserted, stressing that, unlike annual ICD-9 changes, ICD-10 implementation will be an organization-wide effort.

In preparation for the transition, a project manager should be appointed now who can identify resources and decide if additional, external help is needed. Johnson said HIM professionals are well-equipped to take such a leadership role.

The Bottom Line: Assemble an organization-wide steering committee pronto, and make a move to put HIM at the head of the table.

### **Myth #3: ICD-10 is too specific.**

Reality: There's no doubt ICD-10 will usher in a slew of new codes; while ICD-9 has a modest 17,000 codes, ICD-10-CM covers 68,000 codes and ICD-10-PCS boasts 87,000 codes. ICD-10's alphanumeric system also uses more characters, so there's more room to expand the system as new diagnoses and procedures emerge.

As coders begin using ICD-10, they may need additional time to identify the correct code for each claim, but Bowman says it's better than wasting time waffling between "vague" ICD-9 codes. She compared it to looking up a term in the dictionary. "Just because there are a lot of words in it doesn't make it hard to use," Bowman explained. "If you have more specific, detailed codes, then it's easier to recognize which code is the right code for the situation."

Some HIM professionals fear the deluge of detail, but our experts see the influx of codes as an opportunity to improve documentation and patient care. "When you start to work with ICD-10 you appreciate the value, the level of specificity and the detail in the granular nature of that classification," Johnson said.

Johnson said ICD-10 projects could be coupled with clinical documentation improvement (CDI) programs to ensure details needed for proper coding end up in the medical record. Hospitals and practices would benefit from having HIM professionals educate doctors about the new coding system and explain the increasing demand for thorough documentation.

Sanvik also noted that instituting a CDI program is a way to prepare now for ICD-10; by the time the new system rolls out, physicians will be well-prepared to fill detailed charts. "It's a perfect time to educate physicians on documentation needs," she said.

The Bottom Line: The greater specificity in ICD-10 codes will require a more discerning coder, but thorough documentation from the physician will ultimately improve patient care.

**Myth #4: My vendor will be ready for any system changes needed.**

Reality: Health care providers aren't the only ones preparing for ICD-10; vendors must address the shift, too. Bowman advised talking with vendors now to ensure they can support your facility as the implementation draws near. "It's not too early for organizations to start talking to their vendors and finding out what their plans are for upgrading their systems," she said.

Vendor solutions must accommodate the transition period between ICD-9 and ICD-10. The switch to ICD-10 won't be instantaneous—something Bowman said many people mistakenly assume. Instead, coding will be encounter- and discharge-driven. In other words, a week after ICD-10 is implemented, a coder may use ICD-10 to code an encounter that occurred earlier that day, but then use ICD-9 for a discharge that occurred the night before ICD-10 was implemented. The facility's network will have to accommodate both coding systems.

"That's one of the big challenges and issues for computer systems," Bowman said. "They may have to increase their storage capacity because they can't just shut down ICD-9 and go to ICD-10; they will have to have the ability to maintain both code sets."

HIM departments should plan for the transition with vendors and find out which changes will be covered as part of the maintenance contract and which ones will require an additional fee. Any added charges will need to be figured into the ICD-10 budget.

"I think it's good, especially if you're selecting a new vendor, to make sure they are going to be switching to ICD-10," Sanvik said. "In addition, they must support the new ICD-10 code structure and interfaces. It is also important to investigate their clinical information systems and electronic data interchange," Sanvik said.

The Bottom Line: Talk with vendors now. Chances are, they already have new software and solutions in the works to bridge the coding gap, but it doesn't hurt to ask.

**Myth #5: My facility can't afford ICD-10 updates.**

Reality: One of the biggest challenges providers face in the switch to ICD-10 is bearing the cost burden. While estimates vary, total cost is expected to weigh in around \$83,000 for small practices, \$285,000 for medium practices and \$2.7 million for large practices, according to Nachimson Advisors. With limited funds to cover large-scale system changes, smaller practices will likely take the hardest financial hit, Bowman said. But "it will depend on how much computerization the organization or small facility or practice has, how their vendor plans to transition to ICD-10 and how they're planning to handle the cost of that," she noted.

The bills aren't piling up yet, but hospitals and providers should start budgeting now, according to the experts. Once the steering committee takes inventory of all systems and departments affected by the transition, members can start to consider how the hospital or practice will cover related costs. "It seems in most organizations, information systems (IS) has a lot of dollars there; a lot of budget to consider," Johnson said. "You want to make sure that all key stakeholders appreciate what priority this should take when they're budgeting."

All three experts recommend developing a timeline for budgetary issues. Small amounts can be allocated now to cover preliminary work and prepare for major costs down the road. Sanvik suggested getting an estimate of potential fees from your vendor and factoring that into budget plans.

System changes and IT updates carry the largest price tags, but training will also eat up funds. Providers will need to cover fees for training modules and educational sessions, and the temporary loss in productivity as coders adapt to ICD-10 will mean fewer funds flowing in.

Bowman said providers may be able to defray some costs by incorporating ICD-10 training into continuing education (CE) budgets. Credentialed coders must fulfill a certain number of CE hours every year, so attending ICD-10 sessions for CE credit would be time well spent. Webinars and local association events also provide alternatives to expensive cross-country trips for weeklong training, Bowman said.

**The Bottom Line:** Make room for ICD-10 as you plan the FY 2010 budget. The implementation date might not be final, but you'll want to set finances aside as early as possible.

**Myth #6: Coders should be trained as soon as possible.**

**Reality:** It's crucial to build awareness and a basic understanding of ICD-10 principles now, but coders should hold off on technical training until a later phase. AHIMA recommends starting to train coders 6 months before the system launch date. According to results from a field test conducted a few years ago, early training can backfire if coders learn ICD-10 and then go back to using ICD-9 until the new system rolls around. "Coders felt if they're trained now, and then we don't implement for several years and they don't have to use ICD-10 codes in the interim, they'll forget everything and have to be retrained," Bowman said.

According to Johnson, preliminary education, such as teaching the basic differences between ICD-10 and ICD-9, can help allay fears about the transition. "As we reduce that 'fear factor,' people are more productive in preparing and less resistant to the concept," she said.

But Johnson agrees that full-blown training should wait. "We don't want to start too early," she asserted. "If you're not using it on an ongoing basis, it's hard to retain that knowledge."

Until the implementation date draws closer, coders can prepare by taking anatomy and physiology or pharmacology courses. ICD-10 codes will require a more thorough understanding of body systems, so coders would benefit from taking such "prerequisites" to beef up knowledge.

Johnson said schools and training programs should begin incorporating ICD-10 into the curriculum to ensure graduates can meet new demands. "The advantage of new professionals coming in is they're typically getting a strong background in IS and IT, and that's definitely a big aspect as we move more and more to electronic documentation," Johnson said.

For those wondering how they would perform under ICD-10, AHIMA currently offers an ICD-10-CM proficiency assessment on its Web site, Bowman noted; HIM professionals can test their skill levels and find out if their background knowledge can meet the demands of the new coding system.

When it's time to crack open the codebooks, training will vary according to systems and settings. Bowman expects hospital inpatient coders will take about 5 days to train: 2-3 days for ICD-10-CM and 2 days for ICD-10-PCS. Those working in a setting that does not require ICD-10-PCS can pick up ICD-10-CM in about 2-3 days. It is anticipated that training will be split between coding theory and case studies, when coders "get to practice what they learned and see how the theory applies to the real world in real cases," Bowman explained.

**The Bottom Line:** Don't learn specific codes now, but work on skill sets to better understand and apply ICD-10 in the future.

## Myth #7: Once ICD-10 goes live, you've crossed the finish line.

Reality: The launch date will be D-Day for ICD-10, but planning shouldn't end when the new system kicks in. According to Johnson, the post-implementation period is just as critical as the time leading up to the go-live, but it often gets left out of the timeline. In the planning stages, the steering committee should identify resources that will be needed to support the new system, including any problems that develop. "It's not a 'turn the switch and everything will move smoothly' process," Johnson said.

Find out if your facility has enough IS resources to handle ICD-10 along with any other initiatives that may be implemented at the same time, and plan for any change in workflow caused by the new system. Coding managers may also want to perform additional checks on coding accuracy, Johnson said.

Bowman also noted that it won't be an instantaneous change. Even after the new system launches there will be some gray area. For example, old charts will remain coded in ICD-9-Bowman said it's best to keep ICD-9 coded charts and ICD-10 coded charts separate. Coders, therefore, will need to learn how to map between the two systems when comparing old and new files.

The Bottom Line: Extend your timeline beyond the coding launch date to account for system upkeep and troubleshooting for the first few months.

Cheryl McEvoy is an editorial assistant with ADVANCE.

## The 90-Day Checklist

Regardless of when ICD-10 is slated for implementation, there are a number of things HIM professionals can do in the next 3 months to get on track for a smooth transition. Kathy Johnson, RHIA, director of coding services at Care Communications, Chicago, offered the following 90-day checklist for ICD-10 preparedness, adapted from a toolkit the company developed for clients and friends at the 2008 American Health Information Management Association Convention and Exhibit:

- Read the Notice of Proposed Rule Making (NPRM) 45 CFR, parts 160 and 162, on the adoption of ICD-10.
- Read the NPRM 45 CFR, part 162, on HIPAA electronic transaction standards.
- Educate organizational leadership, including clinical directors, on the differences between ICD-9 and ICD-10.
- Begin to teach physicians about the impact of ICD-10 and proper documentation practices.
- Assess coding staff knowledge to determine strengths and weaknesses in adopting ICD-10.
- Start outlining a coder training program and estimate budgetary need.
- Select a multidisciplinary steering committee to guide future progress, especially the systems inventory and vendor relations.
- Begin preliminary discussions with vendors to find out their plans for ICD-10.
- Establish a transition team to ensure staff concerns are voiced throughout the process.

-Cheryl McEvoy

*The 90-day checklist was created by Care Communications Inc.*

## Will ICD-10 Face a HIPAA Holdup?

When the Department of Health and Human Services (HHS) set ICD-10 in motion with a notice of proposed rulemaking (NPRM) on Aug. 22, 2008, it also introduced an update for HIPAA electronic transaction standards. The proposed changes will move HIPAA standards from 4010/4010A to 5010, which accommodates new technology and developments, including ICD-10. Version 4010/4010A does not have provisions for ICD-10, which means 5010 standards need to be in place before the coding system launches.

"[The HIPAA change] needs to be implemented prior to ICD-10 because the current claim standard cannot accommodate the ICD-10 code sets," said Sue Bowman, RHIA, CCS, director of coding policy and compliance for the American Health Information Management Association.

To enable greater specificity for diagnosis and treatment, ICD-10 codes have more characters than ICD-9 codes. Current HIPAA forms cannot accommodate the longer codes, but 5010 makes room. Other measures intended to improve quality of care, such as present on admission indicators, are also included in the new standard.

HHS set a tentative implementation date for 5010 implementation, aiming for April 2011, which would give the health care industry 6 months to iron out kinks in claims before ICD-10 launches. But like ICD-10, HIPAA 5010 still has yet to see a final rule from HHS. With ICD-10's success hinging on having 5010 in place, a delay in the HIPAA final rule could bump the coding system further off schedule.

"There are differing opinions about how difficult adopting and implementing the claim standard is," Bowman said. "But regardless of the controversy about that, [5010] definitely has to be in place first because of the inability to report ICD-10 codes without it."