One constant in the world of health care is change. The dynamics of the work we do, how we do the work, and how we are paid for our work is continually evolving and requires flexibility as well as adaptability. As you may recall, health care organizations were gearing up in late 2013 and early 2014 for transitions to ICD-10 (International Classification of Diseases) that were to be implemented in October 2014. In April of 2014 that transition was abruptly terminated. On July 31, 2014, CMS announced October 1, 2015 as the new date that all health care providers, vendors, and payers covered by HIPAA regulations must begin using the new ICD-10 codes when providing or billing for services.

ICD-10: Ready, Set, Code!

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Implementation of ICD-10

ICD-10 will be implemented beginning October 1, 2015.

Beginning October 1, 2015, the ICD-10CM (diagnosis) codes will be used for all health care settings with the exception of inpatient hospitals which will use the ICD-10PCS (procedure) codes. Providers not considered a HIPAA-covered entity are not required to make the change to ICD-10, but the ICD-9 coding will become obsolete. This is of importance for those health care providers that work with workman's compensation companies as they will need to know if those business entities are making the change to ICD-10. The good news is that CPT coding is not changing for outpatient or physician services.

Why is the change necessary?

ICD-10 allows the US to better compare with international healthcare data.

So, what is the reason for the change from ICD-9 to ICD-10? ICD-9 was developed more than 30 years ago and is now considered to be inadequate given the changes and advances in health care and technology. ICD-10 has been available and in use by other countries since 1979, which means that **the United States cannot compare U.S. morbidity diagnosis data to international data**. The new code sets have updated medical terminology, classification of diseases and procedures. These changes will allow for better data comparisons in tracking health conditions, improve clinical decision making, help to more quickly identify fraud and abuse, improve disease research, and help to better design payment systems and claims processing.

What's the difference between ICD-9 and ICD-10?

There are a number of differences in the structure of ICD-9 and ICD-10. The changes allow for more specificity in diagnosis. Most clinical documentation captures the specifics of an injury or diagnosis, but the ICD-9 codes are limited in scope. The new codes will allow for improved and more detailed code descriptions for the purposes of diagnosis and will now include descriptions of multiple health conditions, the source or cause, as well as location of illness or injury, the amount of limitation on physical function, any chemical agents contributing to the health condition, and phase or stage of the disease to name a few. ICD-10 also expands to include specific body parts or joints and the location involved in a disease process or injury.

The ICD-9 codes total approximately 14,000, and the new ICD-10 codes total approximately 69,000 codes. Ultimately, is it anticipated that the expansion of the codes will improve diagnosis, treatment, and outcomes and form a more complete picture of an individual across all aspects of the health care system. The following is a comparison between ICD-9 and ICD-10:

Characteristic	ICD-9 CM	ICD-10 CM
Code Length	3-5 characters	3-7 characters
Composition	Digit 1 = alpha or numeric Digit 2-3+ = numeric	Digit 1 = alpha Digit 2 = numeric Digit 3 = alpha or numeric
Space for new codes	None	None
Details in the code	Limited detail for many	Many more specific details (examples): • Comorbidities • Manifestations • Etiology • Complications • Detailed anatomic location • After effects of disease, condition, injury • Degree of functional impairment • Biologic and chemical agents • Stage or phase of disease • Lymph node involvement • Lateralized or localized involvement • Procedure or implant related • Joint involvement
Laterality	None	Identifies right versus left in most cases
Sample code	81315 - Open fracture of head of radius	S52122C - Displace fracture of head of left radius, initial encounter for open fracture type IIIA, IIIB, or IIIC

Adapted from CMS ICD-10 Implementation Guide, Comparing ICD-9 and ICD-10 https://implementicd10.noblis.org/understand_comparison/?guide, Accessed 3/19/2014

How do we prepare for the change?

Many organizations had started preparing for the transition to ICD-10. For organizations that have not begun preparing for this change, the following list includes **action steps from CMS on how to get started**:

- ✓ Establish a transition team and project coordinator.
- ✓ Develop a plan for the transition to include timelines for task completion and assign responsibilities.
- ✓ Determine the effect ICD-10 will have on the organization; for example what departments currently use IDC-9 coding?
- ✓ Work with software vendors that are using ICD-9 to determine transition plans for ICD-10. This includes payers and billing agencies.
- ✓ Communicate the organization's plans for transition to ICD-10 to everyone involved.
- ✓ Begin education and training early in the process to ensure readiness for the transition to ICD-10.

Benefits of ICD-10

There are initial investments, but research on the benefits of ICD-10 implementation has been extensive. Research published by Brahmakulam and Libicki (2004) found the following as direct benefits of utilizing ICD-10:

The 2004 Rand study estimates a more than $6 billion benefit to the health care industry over a 10-year period.

- ✓ More-accurate payments for new procedures
- ✓ Fewer miscoded, rejected, and fraudulent reimbursement claims
- ✓ Better understanding of the value of new procedures
- ✓ Improved disease management
- ✓ Better understanding of health care outcomes
- ✓ Estimated benefit over a 10-year period of more than $6 billion to the health care industry

Such benefits largely come from the additional detail that ICD-10-CM and ICD-10-PCS offer. However, to realize those benefits, providers must use the full codes, use them correctly, and use them in a fashion that is neutral to the reimbursement system.

Brahmakulam, I., & Libicki, M. (2004). *The Costs and Benefits of Moving to the ICD-10 Code Sets.* Retrieved from http://www.rand.org/content/dam/rand/pubs/technical_reports/2004/RAND_TR132.pdf

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