On January 16, 2009, the Department of Health and Human Services (HHS) published a regulation requiring the replacement of ICD-9 with ICD-10. Originally due to be implemented as of October 1, 2013, concerns regarding industry readiness delayed implementation until October 1, 2015.

While the transition to ICD-10 has been criticized by some as unnecessary and costly, the arguments in support of the transition are that ICD-9 has become outdated and fails to accurately reflect the complexities of 21st century medicine. It is widely believed that the specificity of ICD-10 will meet the reporting needs of our modern health care system while helping to identify diagnosis trends, improve quality and care management, and assist in public health reporting.

To help physicians prepare for the transition, the California Medical Association (CMA) has created this ICD-10 Transition Guide.

1. What is the ICD-10 transition date?
ICD-9 will transition to ICD-10 effective October 1, 2015. Under ICD-9 there are approximately 14,000 codes, which will transition to approximately 69,000 under ICD-10.

2. Why are there so many codes under ICD-10?
ICD-9 was adopted in the U.S. in 1979 and while it has been updated over the years, many ICD-9 categories are full and cannot accommodate addition of codes to reflect new or more specific diagnoses. ICD-10 uses 3 to 7 characters instead of the 3 to 5 digits currently used with ICD-9, but the format of the code sets is similar.

**Anatomy of ICD-10 structure**

<table>
<thead>
<tr>
<th>Alpha (not U)</th>
<th>Numeric</th>
<th>Can be any combination of alpha or numeric characters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st character</td>
<td>2nd character</td>
<td>3rd character</td>
</tr>
</tbody>
</table>

Category | Etiology, Anatomical Site, Severity | Extension

For More Information
The California Medical Association has also developed a transition webpage ([www.cmanet.org/icd10](http://www.cmanet.org/icd10)) that includes important news articles, live training opportunities and other ICD-10 transition information for physicians.
While the volume of codes can seem overwhelming, only a small percentage of the codes will be used by most practices. Specifically, CMS reports that over 95 percent of all Medicare claims submitted over a three year period utilize only 15 percent of available ICD-9 codes.

CMS further reports that:

- 50 percent (34,250) of all ICD-10 codes are related to the musculoskeletal system
- 36 percent (25,000) of all ICD-10 codes are to distinguish between right and left
- 25 percent (17,045) of all ICD-10 codes are related to fractures.

Source: Health Data Consulting

While some code categories will expand significantly under ICD-10, the volume in other categories will be less. Below is a summary of the varying code volume by clinical area:

### Varying Code Volume by Clinical Area

<table>
<thead>
<tr>
<th>Clinical Area</th>
<th>ICD-9 Codes</th>
<th>ICD-10 Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fractures</td>
<td>747</td>
<td>17,099</td>
</tr>
<tr>
<td>Poisoning and toxic effects</td>
<td>244</td>
<td>4,662</td>
</tr>
<tr>
<td>Pregnancy related conditions</td>
<td>1,104</td>
<td>2,155</td>
</tr>
<tr>
<td>Brain injury</td>
<td>292</td>
<td>574</td>
</tr>
<tr>
<td>Diabetes</td>
<td>69</td>
<td>239</td>
</tr>
<tr>
<td>Migraine</td>
<td>40</td>
<td>44</td>
</tr>
<tr>
<td>Bleeding disorders</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td>Mood related disorders</td>
<td>78</td>
<td>71</td>
</tr>
<tr>
<td>Hypertensive disease</td>
<td>33</td>
<td>14</td>
</tr>
<tr>
<td>End state renal disease</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Chronic respiratory failure</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Health Data Consulting

### 3. Is there a chance the transition date will be delayed again?

No. The transition date is firmly set for October 1, 2015. For dates of service on or after October 1, 2015, ICD-10 codes will be required on all claim transactions. Claims for patients who are admitted prior to October 1 and discharged after October 1 must also be billed using ICD-10 codes.

Many physicians have been understandably wary about the transition and the potential for payment disruptions and claims processing errors that could interfere with patient care. Fortunately, CMA – working closely with the American Medical Association (AMA) and other medical associations – has secured provisions that will ease this transition, particularly for physicians in practices with limited resources.

Thanks to CMA advocacy, the CMS recently announced that it will provide a one-year grace period during which it will allow for flexibility in the Medicare claims payment, auditing and quality reporting processes as the medical community gains experience using the new ICD-10 code set. **Again, the ICD-10 implementation date of October 1, 2015 has not changed.**

The changes announced include:

- **Claim denials** – Medicare review contractors will not deny claims based solely on the specificity of the ICD-10 diagnosis code as long as a valid code from the right family of codes is used. Moreover, physicians will not be subject to audits as a result of ICD-10 coding mistakes during the grace period.
Quality reporting – Physicians also will not be penalized under the quality reporting programs for errors related to the additional specificity of the ICD-10 diagnosis code, again as long as a code from the correct family of codes is used.

Advance payments – If Medicare contractors are unable to process claims within established time limits because of administrative problems, such as contractor system malfunction or implementation problems, advance payment may be available to keep resources flowing to physician practices.

ICD-10 communication center – CMS will set up a communication center to monitor the implementation of ICD-10 in an effort to quickly identify and resolve issues related to the transition. As part of the center, CMS will have an ICD-10 ombudsman to help receive and triage physician and provider issues.

4. What do I need to do to prepare?

While preparations for ICD-10 should have already begun, practices should be focusing on addressing the transition in the remaining months prior to conversion. Practices should immediately create a plan or checklist identifying key areas that ICD-10 will impact their practice. The impact of ICD-10 will obviously impact the billing aspect of any practice, but the ramifications of this change will go far beyond just the coder or biller. Practices, including physicians, should be aware of the increased medical record documentation that will need to occur in support of the specificity of new ICD-10 diagnosis coding. To address these changes, additional training may be required for both physician and staff. In conjunction with documentation, practices need to consider whether their practice management system, EMR, clearinghouse, billing office, etc. will be ready to accept the new ICD-10 format? Remember, practice management systems will be required to maintain previous ICD-9 information for dates of service through September 30, 2015, while incorporating new ICD-10 formats for dates of service October 1, 2015, forward.

CMA has created the following checklist to help practices prepare for a successful implementation.

5. ICD-10 Transition Preparation Checklist

PREPARATION
☐ Awareness of effective date – Verify that all staff, including physicians, are aware of the ICD-10 change and the implementation date.

☐ Create a project team – In larger practices, create an ICD-10 project team to handle and oversee the transition. In smaller practices, this may be an assigned individual or a few individuals.

☐ Create an action plan – To address the ICD-10 transition, assign tasks to members of the project team and set deadlines for completion of each task assigned. Timelines of when to complete various tasks may differ depending on the size of the practice. CMS has created detailed implementation timelines based on practice size, which are available on their website at www.cms.gov/Medicare/Coding/ICD10/ProviderResources.html (click “Online ICD-10 implementation guide,” then under the blue “Start” tab, select your practice size).

☐ Create a budget – Estimate and secure budget (potential costs include updates to practice management systems, new coding guides and superbills, staff training).

☐ Identify areas impacted by the transition – Discuss with all staff members how/where they use/see ICD-9 codes (e.g., superbill, chart documentation, lab request forms, referral forms, practice management system, coders, EMR, clearinghouse, etc.) to identify how ICD-10 will affect your staff and processes.
  • Run a report to identify your most frequently billed ICD-9 codes:
    ◊ Focus training efforts on those codes. You can also remove codes that have 1:1 mapping from ICD-9 to ICD-10 from your list as there is no need to spend time training on those codes.
    ◊ Review the medical record documentation to determine whether the documentation would be sufficient to select an ICD-10 code.
This will help the practice identify the corresponding ICD-10 codes for training purposes, as well as help the practice identify training opportunities.

☐ Talk to your vendors – Identify all of your vendors that will have an impact on the ICD-10 transition (practice management system, EHR, clearinghouse, etc.) to discuss their readiness and timelines.

- When are they conducting testing with the practice and other vendors?
- What are their timelines for testing or implementation of any necessary upgrades?
- Are upgrades needed and if so, are there any costs associated with the upgrades (or is it included in your maintenance price)?
- Ensure your system(s) will have the ability to maintain both ICD-9 for dates of service through September 30, 2015, and ICD-10 codes for dates of service October 1, 2015, forward.
- Ask your vendor specifically about the number of text characters they allow for the ICD-10 description in the system. Some of the text descriptions are extremely long so if the vendor can’t accommodate the full description, start thinking about how you will modify so that all staff is clear on the description of the new ICD-10 code.

Reminder: Clearinghouses will not be able to crosswalk your ICD-9 codes to ICD-10 codes as there is not a one-to-one crosswalk between the two code sets.

For more information on what questions to ask of vendors, see CMS’s “Questions to Ask Your Systems Vendors about ICD-10” on the CMS ICD-10 website (see the Communicating About ICD-10 section).

☐ Ensure system edits are updated – If your EHR and/or practice management systems contain billing edits based on ICD-9 codes, work with your vendor to ensure these are updated.

☐ Identify internal work flow processes that need to be updated – Disease management registries, data collection processes, data reporting processes, or other work flow processes may need to be updated.

☐ Schedule follow up meetings to evaluate preparation progress – Schedule reoccurring meetings with team members involved in the transition to evaluate progress and identify potential problems.

☐ Work through any claims backlog prior to October 1 – Create a plan to ensure there is no billing backlog by October 1. A backlog on the first day of ICD-10 implementation will likely compound any problems with the transition itself. If your practice utilizes a billing service, it is recommended you query them about their plan to ensure there is no claims backlog by October 1.

☐ Identify external entities you work with that could impact the transition – Work with external clinical entities with which you do business to ensure their readiness for ICD-10.

- Lab and imaging – update lab and imaging requests, ensure coding will support medical need for lab orders, and address standing orders that span the October 1 transition date.

☐ Assess your billing service’s readiness – If you use a billing service, don’t assume they are prepared. Query them about their readiness and training.

- What is their training plan for billers and coders?
- Do they anticipate productivity loss?
- What is their plan to mitigate productivity loss (e.g., backfilling positions)?
- Are they testing with their vendors?
- Are they prepared to run ICD-10 while still maintaining ICD-9 for the run out of old claims?
- Do they expect any implementation issues due to lack of vendor readiness?
- Talk with the billing service about documentation requirements from the physician with ICD-10.
☐ Perform testing and validation of system changes
  • Acknowledgment testing
  • End-to-end testing

☐ Identify whether contractual changes are required with plans – Review health plan contracts to identify whether the language requires use of ICD-9. If so, the plan may need to issue an amendment to update the language to reflect ICD-10. Contact the plan directly with specific questions.

☐ Identify risks for disruption in cash flow – Check the payor websites to review their updated medical policies. Each payor creates their own medical policies and identifies ICD-9 codes for which they believe the procedure to be medically necessary. Most payors have already updated their policies to include both ICD-9 and ICD-10 codes that they consider medically necessary. Therefore, practices are strongly encouraged to review updated medical policies to understand which ICD-10 codes are considered “medically necessary” and thus payable. Failure to review the plans’ medical policies could result in denials and/or delays in payment which could have a significant impact on cash flow.

☐ Prior authorization requirements – Understand how payors will handle authorizations obtained prior to October 1 that were obtained based on an ICD-9 code, when the services occur after October 1, 2015. Some payors are allowing practices to obtain prior authorizations using an ICD-10 code ahead of the October 1, 2015, transition date if the service will occur on or after October 1. Others are reporting they will honor prior authorizations obtained using an ICD-9 code even if the service occurs after October 1. CMA has queried the major payors in California on how they will handle this situation and the results are below.

<table>
<thead>
<tr>
<th>Payor Name</th>
<th>Offering prior authorization with ICD-10 prior to Oct 1 (for services scheduled on or after Oct 1)</th>
<th>Handling of authorizations obtained with ICD-9 (for services occurring on or after Oct 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna</td>
<td>Yes – beginning July 1, 2015</td>
<td>Will honor prior authorizations obtained prior to Oct 1 using an ICD-9 code when service occurs on or after October 1. However, ICD-10 must be billed if performed after Oct 1.</td>
</tr>
<tr>
<td>Anthem Blue Cross</td>
<td>Yes – beginning June 1, 2015 For more information click here</td>
<td>Will honor prior authorizations obtained prior to Oct 1 using an ICD-9 code when service occurs on or after October 1. However, ICD-10 must be billed if performed after Oct 1.</td>
</tr>
<tr>
<td>Blue Shield of California</td>
<td>Unknown</td>
<td>Information not available at the time of publication.</td>
</tr>
<tr>
<td>CIGNA</td>
<td>Unknown</td>
<td>Information not available at the time of publication.</td>
</tr>
<tr>
<td>Health Net</td>
<td>No</td>
<td>Will honor prior authorizations obtained prior to Oct 1 using an ICD-9 code when service occurs on or after October 1. However, ICD-10 must be billed if performed after Oct 1.</td>
</tr>
<tr>
<td>United Healthcare</td>
<td>No</td>
<td>Will honor prior authorizations obtained prior to Oct 1 using an ICD-9 code when service occurs on or after October 1. However, ICD-10 must be billed if performed after Oct 1.</td>
</tr>
</tbody>
</table>

Practices are encouraged to inquire with their local payors about how they will handle authorizations obtained prior to October 1 for services scheduled to be performed on or after October 1.

☐ Develop a contingency plan – Have a back-up plan in the event problems arise. For example, CMS is recommending practices establish a line of credit to help cover potential cash flow disruptions from delayed reimbursement. Practices should also account for slower coder productivity, additional time required for documentation, and possible medical necessity denials due to lack of documentation or coding errors.
☐ Establish a current baseline ratio – Doing so allows practices to identify problems and address them quickly.

- Billed claims to paid claims so that you can quickly identify potential cash flow issues post transition and address quickly.
- Claim lag – From date of service to date billed and from date billed to date paid (by payor).
- Volume of appeals

This will help practices identify potential cash flow disruptions and address them quickly after the transition.

☐ Use the new CMS 1500 claim form (version 2/12 OMB control number 0938-1197) – If you submit any claims on paper (e.g., those that require attachments), be sure you are using the new CMS-1500 claim form (version 02/12 OMB control number 0938-1197) that includes ICD-10 specific fields.

☐ Make any necessary updates to your HIPAA disclosure forms – While this won’t affect most practices, some practices and consultants may have referenced “ICD-9” or even listed certain ICD-9 codes in their disclosure forms. In those instances, the disclosure forms would need to be updated, which will then require a new set of patient signatures.

TRAINING

☐ Identify staff training needs

- Identify all staff, including physicians, who require training
- Identify the level of training required
  ◊ Documentation – the need for specificity will increase dramatically, which will affect physicians, nurse practitioners, etc.
  ◊ Specific code set training
  ◊ General awareness
- Identify the available resources offering training and register

While the level of training will differ based on roles within the practice, training should at a minimum include physicians, front office staff, back office staff and coders/billers. CMA is also offering live training events to CMA members and their staff. (See “Live Training” below.)

☐ Assess staff readiness and proficiency – Once training is completed, have a plan to ensure staff is ready and proficient.

☐ Purchase the ICD-10 book – The books are important to begin practicing and to train with. Remember, however, the ICD-10 code book is currently in draft form and there may be minor changes made before the October 1 implementation date.

IMPLEMENTATION/POST IMPLEMENTATION

☐ Create a second level of claims review – Consider implementing a temporary second review of diagnosis coding before claims go out the door on October 1, 2015, to improve accuracy and reduce denials and delays in payment.

☐ Monitor claims payments – Ensure staff is monitoring payments closely and in a timely manner to identify the need for appeals or corrected claims to minimize cash flow disruption.

☐ Monitor appeal success – Ensure staff is closely monitoring appeal status and success to identify whether changes in coding and/or documentation need to be made on the front end.

☐ Verify patient benefits on October 1 and forward – Some health plans report they are making changes to their evidences of coverage (EOC) with patients that may affect coverage of certain services with ICD-10.

☐ Ensure your staff is aware of when ABNs are needed post transition – Changes with medical policies may require use of Advance Beneficiary Notices (ABNs) for services that didn’t historically require an ABN, which will also require additional patient education.
6. Live Training Opportunities
CMA is partnering with AAPC and is offering two-day bootcamp ICD-10 training courses, which will provide 16 hours of intensive code set training and hands-on coding exercises. This training is designed specifically for coding staff and intended to give attendees a comprehensive understanding of guidelines and conventions of ICD-10 as well as fundamental knowledge of how to decipher, understand and accurately apply codes in ICD-10.

The training focuses on:
- Overview of the code set
- ICD-10 format and structure
- Complete and in-depth ICD-10 guidelines
- Nuances found in the new coding system
- Coding case studies and exercises

Attendees will also be able to complete the online proficiency assessment for additional certification. The onsite training course is approved for 16 CEUs through AAPC. Attendees receive an AAPC ICD-10 workbook and the entire 2015 Draft ICD-10 Codebook. Courses will be held in the following locations:

- **Sonoma/Marin/Mendocino/Lake** .......... **July 13-14, 2015**
- **Los Angeles (Torrance)** .......... **July 14-15, 2015**
- **Sierra Sacramento** .......... **July 15-16, 2015**
- **San Joaquin** .......... **August 10-11, 2015**
- **Stanislaus/Merced** .......... **August 12-13, 2015**
- **Orange County** .......... **August 19-20, 2015**
- **North Valley** .......... **August 24-25, 2015**
- **Los Angeles** .......... **August 24-25, 2015**
- **Humboldt/Del Norte** .......... **August 26-27, 2015**
- **San Diego** .......... **August 27-28, 2015**

Click on the location of your choice above or visit [www.cmanet.org/aapc-icd10](http://www.cmanet.org/aapc-icd10) to register for a live training event. Space is limited and is on a first come, first served basis. CMA members and their staff receive steep discounts on the live training events.

7. Online Training Opportunities
CMA is also partnering with AAPC to offer online documentation training for physicians. The 3-hour courses are offered by specialty and teach documentation requirements at the physician level. CMA members pay $249, a 42% discount off of standard pricing of $395. For more information on the 21 different specialty specific documentation courses offered, visit [www.cmanet.org/aapc](http://www.cmanet.org/aapc) (be sure to login to the CMA website to access member pricing).

8. Additional Resources
☐ **CMS ICD-10 website** — CMS has an [ICD-10 transition website](http://www.cms.gov/ICD10/ICD10CM/) (click “Provider Resources” on left margin) that includes a range of helpful information on ICD-10. Some highlights of their resources include:

Road to 10: The Small Physician Practice’s Route to ICD-10 – Free CMS tool to help practices with the transition. The tool includes specialty specific information on high impact codes, clinical documentation primers, clinical scenarios and other
specialty specific training and educational resources. The tool also allows practices to build their own action plan to transition.

- **Webinars**
  - Practice Managers Guide to ICD-10
  - CMS Presents – ICD-10 training to assist small physician practice managers
- **FAQs: ICD-10 Transition Basics**
- **Implementation checklists** (based on practice size)
- **ICD10 Talking to Vendors**
- **Online ICD-10 Guide**
- **AAPC PowerPoint Presentation**
- Additional CMS resources are available at [www.cms.gov/icd10](http://www.cms.gov/icd10) (click “Provider Resources” in left margin).

- **CMA’s ICD-10 transition webpage** – CMA has created an ICD-10 transition webpage on the CMA website at [www.cmanet.org/icd10](http://www.cmanet.org/icd10). The webpage provides practices with the ability to access current updates and important information on the transition in one easy location.

- **ICD-10 Implementation Success Initiative** – CMS, the Workgroup for Electronic Data Interchange (WEDI), the AMA, the American Hospital Association and others have created the “ICD-10 Implementation Success Initiative.” The initiative includes a searchable database of ICD-10 issues and answers, which is open to the public for submission and viewing. For more information on the initiative, click [here](http://www.cms.gov/icd10).

- **AAPC Resources** – AAPC is offering a host of free resources to practices to assist with the transition to ICD-10 including an FAQ, quick reference guides by specialty, ICD-10 mapping translator and more on their [website](http://www.aapc.com).
  - ICD FAQ
  - ICD-10 reference guides by specialty
  - **ICD-10 Code Translator** – The ICD-10 code online translator tool allows you to compare ICD-9 to ICD-10 codes. With the expansion of codes from 14,000 to 69,000, this online tool will help practices with the forward and backwards mapping of codes. Note: this tool only converts ICD-10-CM codes, not ICD-10-PCS.

- **AMA Resources**
  - ICD-10 Overview Fact Sheet
  - ICD-10 FAQ

- **Department of Health Care Services ICD-10 webpage**
  - ICD-10: FAQs
  - Medi-Cal ICD-10 Transition Checklist
  - ICD-10: Preparation Tools and Tips

- **CMA Custom Content Alerts** – The CMA website allows registered users to create custom content alerts on the topics that are of interest to you. Once signed up, you will be notified any time there is new content posted in one of your interested areas, including ICD-10 issues. To sign up, users should visit their [account dashboard](http://www.cmanet.org/icd10) on the CMA website and click on “my alerts,” then select “ICD-10.”

- **CMA Practice Resources** – CMA Practice Resources (CPR) is a free monthly newsletter from CMA’s practice management experts that focuses on critical payor and health care industry issues, including the ICD-10 transition, and how these issues directly impact the business of a physician practice. To sign up, visit the [CMA website](http://www.cmanet.org/icd10) or contact CMA Member Services at (800) 786-4262.
Health Plan Resources:

- **Aetna**
  - ICD-10 Fact Sheet
  - ICD-10 FAQ

- **Anthem Blue Cross**
  - ICD-10 FAQs for Providers
  - ICD-10 Documentation Tips (AHIMA)

- **Blue Shield of California**
  - General ICD-10 updates
  - Frequently Asked Questions

- **CIGNA**
  - ICD-10 update
  - ICD-10 Readiness

- **Health Net**
  - ICD-10 FAQ

- **United Healthcare**
  - ICD-10 Provider Readiness Checklist
  - UnitedHealthcare ICD-10-CM Code Lookup Tool

Practices should continue to check the [CMA ICD-10](#) and [CMS ICD-10](#) webpages for additional information.