Aligning ICD-10: Federal Initiatives Recognize the Value of Integration

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The theme of this month's Journal is very timely on two accounts. First, the process for implementing ICD-10-CM/PCS is heating up as the industry is now six months from what many consider the first national milestone: the January 2012 compliance deadline for the HIPAA 5010 transaction upgrade. Second, the federal government is aligning its initiatives, including the Centers for Medicare and Medicaid Services' accountable care organization program and the value-based purchasing final rule, with the ICD-10-CM/PCS transition.

Although the compliance deadline is still more than two years away, the healthcare industry is recognizing the need to integrate ICD-10 into a number of developing initiatives.

HIPAA Transactions

In most covered entities and system vendors, significant efforts are under way to meet the year-end deadline for the HIPAA 5010 transaction upgrade. The upgrade has been difficult because it involves updating approximately 800 components that have accumulated over the 10-plus years since the original transaction standards were published. Although some parts of the upgrade will be apparent only to electronic data interchange programmers, quite a number will make using the suite of HIPAA transactions easier and more efficient.

The upgrade's impact on HIM professionals will depend on their organizations' claims and application systems. However, several changes will definitely affect the HIM profession.

The most noted change is that covered transactions will be able to define the classification sets in the transaction, which in turn will allow ICD-10 codes to be recognized. This sets the stage for the ICD-10 conversion.

Second, health plans such as CMS will be able to accept all diagnostic and procedure codes associated with ICD-9-CM and ICD-10-CM/PCS and will no longer need to limit the number of codes submitted to nine diagnostic and six procedure codes, which was dictated by old paper format restrictions. The ability to send all the codes associated with an admission or encounter could have a significant impact on providers of secondary and tertiary service reimbursement.

Some organizations are running behind on the upgrade to the HIPAA 5010 transaction standard. Come January 2012, organizations that have not updated to the new standard could be penalized. In most cases health plans have indicated that they will reject noncompliant claims or other transactions.

There are a few exceptions to the January 2012 deadline. A few Medicaid Medical Information Systems scheduled to be replaced may not be installed by January 1, 2012. However, even in these cases, providers and health plans or their clearinghouses must be prepared to supply the additional information expected in the upgraded HIPAA transactions. Likewise, CMS has indicated that it will not be extending payments to providers that are not ready for the HIPAA transaction compliance date.

CMS and several of the larger health plans have also indicated their readiness to begin testing the 5010 transactions this month, and provider organizations should be clear on their testing plans between now and the end of the year.

HIM professionals should be aware of their organization's progress in meeting the transaction deadline. Readers can consult AHIMA's ICD-10 Web site www.ahima.org/icd10 and www.GetReady5010.com for more information. The latter site is sponsored by a number of ICD-10 stakeholders, including AHIMA, and addresses the implementation and testing for the HIPAA transactions.

Meaningful Use and Value-Based Purchasing

The federal government has begun aligning many of its initiatives with the ICD-10 implementation. ICD-10 is expected to be part of the Health IT Policy Committee's recommendations on the stage 2 meaningful use criteria, which it will finalize this month. In the preceding months the committee and its meaningful use workgroup have discussed how stage 2 might be integrated with ICD-10 come 2013.

ICD-10 use also will impact two other recently announced CMS programs: the accountable care organization (ACO) program and the value-based purchasing (VBP) final rule. Both of these programs rely on value sets that include ICD codes. ICD-10's granularity will provide more detail and have more implications for healthcare reimbursement.

Organizations and system vendors must ensure that their systems can meet the present and future uses of ICD-10-CM/PCS. While some still raise concerns that more granularity can lead to fraud, AHIMA has noted that the increased granularity should actually lessen abuse since it will be easier to find the correct code.

Early on, a number of health plans said they would accept ICD-10 codes but would convert the codes back to ICD-9-CM for adjudication. However, many have recognized the value of the granular detail ICD-10 will produce and have moved ahead to upgrade their legacy systems. This is a welcome change because it will make payment and secondary billing much easier.

Nonetheless implementation and testing of new encoder systems will be important as the healthcare industry approaches the 2013 compliance date. Likewise, HIM professionals will need to be familiar with the various new reimbursement systems and the value sets that will become as important as the DRGs of the past.

The ACO program also raises the possibility of combining information from more than one provider as new quality improvement organizations are formed. Expect to see more of these types of organizations developed by CMS and other health plans in the not-too-distant future.

Fortunate is the organization that has an HIM professional who can guide them through these changes and who understands both the external and internal requirements. However, many healthcare providers and health plans have no HIM professionals and will need assistance. These providers offer opportunities for HIM professionals, though roles with smaller organizations may be part-time facilitation across several organizations.

Regional extension centers, quality improvement organizations, Recovery Audit Contractor auditors, and a host of other government entities must also understand ICD-10's role in meeting the various new programs.

Terminologies and Classifications

In April AHIMA hosted summits on ICD-10 and computer-assisted coding. Both meetings were highly successful and illustrated the new attention that HIM and classification use is achieving. This success should only continue as HIM professionals work with their employers and local health plans to ensure a smooth transition to ICD-10 and a better understanding of the power of classification systems.

The use of SNOMED CT mapped to ICD-10-CM in the standard electronic health record is also catching on, and AHIMA expects to see some reference to SNOMED CT and ICD-10 in the stage 2 meaningful use requirements. Other circles such as the quality improvement and long-term care communities are also recognizing the need for other classifications, including the international functional classification.

While such recognition is now surfacing on the national level, it must also surface on a local level so that healthcare providers and vendors recognize the need to ensure a smooth transition to ICD-10 and the impact of further integration of other terminologies and classifications in the future.

For instance, those associated with various genome projects at the National Institute of Health are already discussing how genetic information can be introduced into the EHR and allow for primary providers and patients to use genetic information for education, clinical studies, and better health. Standards will be needed to achieve this major step in healthcare.

Finally, our rapidly forming patient-centric healthcare model will need translators so that the patient population can understand this information and become a significant partner in their healthcare.

ICD-10 implementation can be looked at as a major task and a fantastic opportunity. It is time to choose just how we will proceed with the transition and what vision we can share for taking advantage of these new opportunities.

For news and analysis on ICD-10, value-based purchasing, and other federal initiatives, visit the AHIMA Advocacy and Public Policy Center at www.ahima.org/advocacy.

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