

Kentucky Department for Medicaid Services

ICD-10 Transition

Fact Sheet

On Oct. 1, 2013, medical coding in U.S. health care settings will change from ICD-9 code sets to ICD-10 code sets. **Remember, if you are not ready, your claims will not be paid. Preparing now will help you avoid reimbursement issues.** For more information, refer to the Department for Medicaid Services, ICD-10 website at <http://chfs.ky.gov/dms/ICD10.htm>.

Why transition to ICD-10?

The transition to ICD-10 is occurring because ICD-9 produces limited data about patients' medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, has outdated terms, and is inconsistent with current and evolving medical practice. Also, the structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are full. This transition will require business and systems changes throughout the health care industry. To accommodate the ICD-10 code structure, the transaction standards used for electronic health care claims, Version 4010/4010A, must be upgraded to Version 5010 by January 1, 2012. **The change to ICD-10 does not affect CPT coding for outpatient procedures.**

What is ICD-10/PCS (International Classification of Diseases, 10th Edition, Clinical Modification/Procedure Coding System)?

The ICD-10-CM/PCS consists of two parts, ICD-10-CM and ICD-10-PCS. **ICD-10-CM** is for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar. **ICD-10-PCS** is for use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding. Coding under ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.

Are there important dates to remember?

On Jan. 1, 2012 - HIPAA transaction Version 4010/4010A must be upgraded to Version 5010.

On Oct. 1, 2013 - Medical coding in U.S. health care settings will change from ICD-9 code sets to ICD-10 code sets. ICD-10 diagnosis and procedure codes are required to be submitted effective dates of service 10/1/13 or after. Inpatient claims with a discharge date on or after 10/1/13 must be submitted with ICD-10 diagnosis and procedure codes. ICD-9 diagnosis and procedure codes will be required on claims received after 10/1/13 containing dates of service or date of discharge 9/30/13 and before. Claims submitted with ICD-9 codes for services provided on or after 10/1/13 will not be processed.

Who will need to transition?

ICD-10 will affect diagnosis and inpatient procedure coding for everyone covered by the Health Insurance Portability and Accountability Act (HIPAA), not just those who submit Medicare or Medicaid claims. The following must be prepared to comply with ICD-10 transitions: Kentucky Medicaid Providers, Clearinghouses, Billing services, and Software Vendors.

How do I prepare for the ICD-10 transition?

It is important to start preparing now for the ICD-10 transition. Here are steps you can take to get started:

KY Medicaid Providers - Develop an implementation strategy that includes an assessment of the impact on your organization, a detailed timeline, training, and budget. Check with your billing service, clearinghouse, or practice management software vendor about their compliance plans. Providers who handle billing and software development internally should plan for medical records/coding, clinical, IT, and finance staff to coordinate on ICD-10 transition efforts.

Software vendors, clearinghouses, and billing services - Have products and services in development that will allow KY Medicaid providers to fully test and implement ICD-10 code sets prior to October 1, 2013. Talk to your customers now about preparing for the transition. Your products and services will be obsolete if you do not take steps now to get ready.