Steven L. Beshear
Governor

CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES
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Audrey Tayse Haynes
Secretary

Lawrence Kissner
Commissioner

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Dear Kentucky Medicaid Provider,

The Department for Medicaid Services (DMS) in conjunction with the department's fiscal agent, Hewlett Packard (HP), would like to inform you that the remediation process for implementation of ICD-10 has begun.
All HIPAA entities are impacted by the October 1, 2014 deadline. You will need to contact all the vendors, clearinghouses, and/or billing companies that you conduct business with. You will need to confirm with them what their preparatory plans are for the ICD-10 transition and how they plan to assist you so you will not experience any disruptions in your reimbursement on or after October 1, 2014.

Why the change to ICD-10? ICD-9 has nearly reached its capacity for growth at approximately 13,000 codes. With the implementation of ICD-10, the number of existing codes will increase to approximately 68,000. Due to the increased specificity of ICD-10 codes, **there will not be a direct crosswalk from ICD-9 to ICD-10.** By transitioning to ICD-10, providers will have:

- Improved operational processes by classifying detail within codes to accurately process payments and reimbursements
- Detailed information on condition, severity, comorbidities, complications and locations
- Detailed health reporting and analytics on indicators such as cost, utilization and outcomes
- Expanded coding flexibility by increasing code length to seven characters

DMS and HP are currently working to identify where ICD codes are used within DMS's policies, processes and systems. We are identifying the work effort required to transition to ICD-10 as well as the tasks necessary to remediate the Medicaid Management Information System (MMIS). The DMS and HP will keep you updated on changes, testing schedules and billing instructions as they occur. For more information about ICD-10, visit the CMS website at, http://www.cms.gov/ICD10/. You may also visit the DMS website at http://www.chfs.ky.gov/dms/50101CD1O.htm.

Sincerely,

Neville Wise, Deputy Commissioner
Department for Medicaid Services