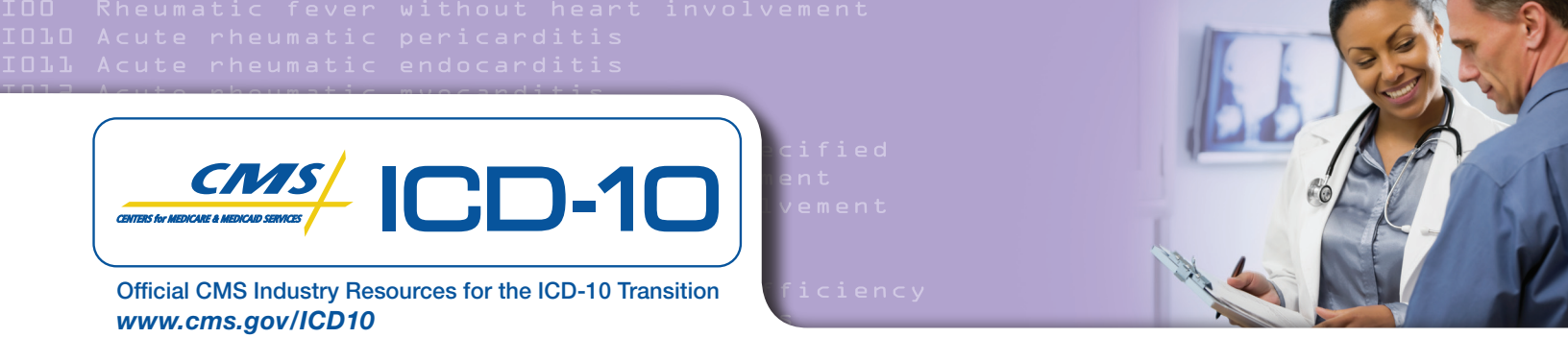


CMS ICD-10

Official CMS Industry Resources for the ICD-10 Transition
www.cms.gov/ICD10

The ICD-10 Transition: An Introduction

On **October 1, 2013**, the ICD-9 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets. 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**. This fact sheet provides background on the ICD-10 transition, general guidance on how to prepare for it, and resources for more information.

About ICD-10

ICD-10-CM/PCS (International Classification of Diseases, 10th Edition, Clinical Modification/Procedure Coding System) consists of two parts:

1. ICD-10-CM for diagnosis coding

2. ICD-10-PCS for inpatient procedure coding

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.

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 ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice.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.

Who Needs 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. Everyone covered by HIPAA who transmits electronic claims must also switch to Version 5010 transaction standards. The change to ICD-10 does not affect CPT coding for outpatient procedures.

Health care providers, payers, clearinghouses, and billing services must be prepared to comply with the Version 5010 and ICD-10 transitions, which means:

Compliance Timeline

JANUARY 1, 2010

- Payers and providers should begin internal testing of Version 5010 standards for electronic claims

DECEMBER 31, 2010

- Internal testing of Version 5010 must be complete to achieve Level I Version 5010 compliance

JANUARY 1, 2011

- Payers and providers should begin external testing of Version 5010 for electronic claims
- CMS begins accepting Version 5010 claims
- Version 4010 claims continue to be accepted

DECEMBER 31, 2011

- External testing of Version 5010 for electronic claims must be complete to achieve Level II Version 5010 compliance

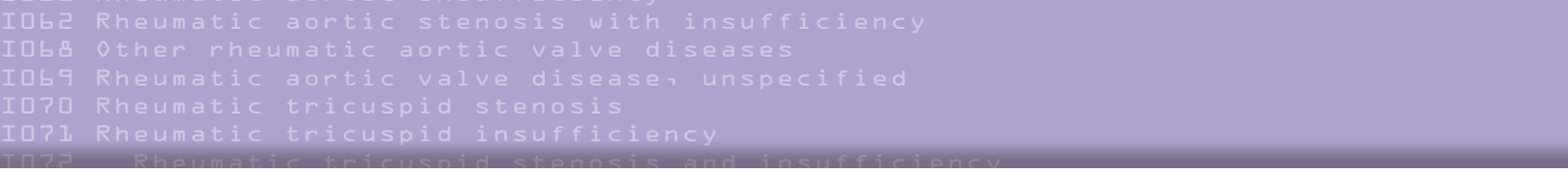
JANUARY 1, 2012

- All electronic claims must use Version 5010
- Version 4010 claims are no longer accepted

OCTOBER 1, 2013

- Claims for services provided on or after this date must use ICD-10 codes for medical diagnosis and inpatient procedures
- CPT codes will continue to be used for outpatient services

Visit ***www.cms.gov/ICD10*** for ICD-10 and Version 5010 resources from CMS.



- Health care providers, payers, billing services, clearinghouses, and other organizations that conduct electronic transactions should complete internal testing of Version 5010 systems in time to begin external testing with each other by **January 1, 2011**.
- All electronic claims submitted on or after **January 1, 2012**, must use Version 5010 transaction standards. Electronic claims that do not use Version 5010 standards cannot be paid.
- ICD-10 diagnosis codes must be used for all health care services provided in the U.S. on or after October 1, 2013. ICD-10 procedure codes must be used for all hospital inpatient procedures performed on or after October 1, 2013. Claims with ICD-9 codes for services provided on or after **October 1, 2013**, cannot be paid.

Preparing for the Transition

It is important to prepare now for the ICD-10 and Version 5010 transition. The following are steps you can take to get started:

- **Providers** – Develop an implementation strategy that includes an assessment of the impact on your organization, a detailed timeline, 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 and Version 5010 transition efforts.
- **Payers** – Review payment policies since the transition to ICD-10 will involve new coding rules. Ask your software vendors about their readiness plans and timelines for product development, testing, availability, and training for Version 5010 and ICD-10. You should have an implementation plan and transition budget in place.
- **Software vendors, clearinghouses, and third-party billing services** – You should have products and services in development that will allow payers and providers to fully implement Version 5010 on January 1, 2012, and ICD-10 on October 1, 2013. Begin talking 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.

ICD-10 and Version 5010 Resources

There are many professional, clinical, and trade associations offering a wide variety of Version 5010 and ICD-10 information, educational resources, and checklists. Call or check the Web sites of your associations and other industry groups to see what resources are available.

The Centers for Medicare & Medicaid Services (CMS) Web site ***www.cms.gov/ICD10*** has official CMS resources to help you prepare for Version 5010 and ICD-10. CMS will continue to add new tools and information to the site throughout the course of the transition, so check the site frequently for updated resources.

CMS CENTERS for MEDICARE & MEDICAID SERVICES ICD-10

Official CMS Industry Resources for the ICD-10 Transition
www.cms.gov/ICD10

APRIL 2010