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Far-Reaching Effects in Transitioning from ICD-9 to ICD-10

The U.S. Department of Health and Human Services (HHS) in 2009 issued a regulation requiring the replacement of the Ninth Edition of the International Classification of Diseases (ICD), commonly referred to as ICD-9, with the Tenth Edition, ICD-10, by October 1, 2014.[i] By way of background, the ICD is the United Nations-sponsored "standard diagnostic tool for epidemiology, health management and clinical purposes."[ii] ICD systems are owned and published by the World Health Organization (WHO) and created using worldwide input. ICD codes are used globally to track healthcare statistics, and for reimbursement and automated decision support throughout the healthcare industry. In other words, every aspect of healthcare depends on these modernized diagnostic and procedure codes.

Although it does not go into effect in the U.S. until 2014, the WHO updated ICD-10 in 1990, and other countries began adopting ICD-10 in 1994. Specific improvements contained in ICD-10 include, "the addition of information relevant to ambulatory and managed care encounters; expanded injury codes; the creation of combination diagnosis/symptom codes to reduce the number of codes needed to fully describe a condition; the addition of sixth and seventh characters; incorporation of common 4th and 5th digit sub classifications; laterality; and greater specificity in code assignment. The new structure will allow further expansion than was possible with ICD-9-CM."[iii] Waiting to implement ICD-10 has arguably been advantageous to the U.S. as it has been able to learn valuable lessons from other countries' implementation. Despite this global insight, though, the U.S. healthcare system still faces numerous ICD-10 implementation challenges.

As those familiar with healthcare processes and procedures may know, ICD-9 features a numerical listing of disease code numbers, an alphabetical index of disease entries and a classification system for surgical, diagnostic and therapeutic procedures. There are 17,000 ICD-9 codes in use, and codes may contain up to five-digits. To this end, perhaps the greatest challenge in converting to ICD-10 is that ICD-10 consists of 155,000 possible codes containing up to seven-digits that track existing and new diagnoses and procedures not included in ICD-9.

HHS published a final rule for implementing ICD-10 on October 1, 2014, specifically stating that all medical encounters and discharges on or after October 1, 2014 must use the ICD-10 codes. Medical providers must continue to use ICD-9 codes for all diagnoses and procedures for patients discharged through 11:59 p.m. on September 30, 2014. Procedures and diagnosis for any patient discharged from a hospital stay as of midnight on October 1, 2014 will be coded using ICD-10 – this will literally be an overnight conversion. Further complicating implementation efforts is the fact that each ICD-9 code translates to a Medicare severity diagnostic related group (MS-DRG). The MS-DRG equates to the monetary reimbursement allowed for a patient's hospital stay under Medicare's prospective payment system. Although MS-DRG conversion projects are underway, "literal replication" between ICD-9 and ICD-10 codes will not be seamless, resulting in payment complications for providers.[iv]

Unanswered questions remain regarding how implementation of the ICD-10 coding system will impact healthcare providers' daily operations, and how implementation will affect those who interact with hospitals. To be sure, advanced planning on all fronts is critical, and hospitals have already invested time, tools and resources to support a smooth transition. Even prepared hospitals face potential implementation challenges, such as lost productivity, particularly in managing coding issues; insufficient medical staff documentation for accurate ICD-10 coding; inexperienced/untrained/shortage of ICD-10 coders; lack of planning for slower billing cycle; failure to plan for managing a new bill rejection process; and inadequate cash reserves to continue to operate if inadequate receivables.

As a practical matter, legal professionals who rely on medical records as part of his or her practice must be prepared for significant delays in acquiring complete sets of medical and billing records. Further, electronic medical records may fall prey to medical professionals copying from one record and pasting information into another, further hindering the process of updating records to the ICD-10 coding system – although imprudent for obvious quality of care concerns, copying and pasting may substantially increase the volume of medical records and, in turn, the cost of obtaining same.

In terms of analyzing and extracting data from medical records, legal professionals should become as familiar as possible with ICD-10 codes as they relate to a particular plaintiff, not only from the perspective of the diagnosis, but because record data may reflect inconsistent medical information because literal replication between ICD-9 codes and ICD-10 codes is impossible. Medical analysts must review records with heightened scrutiny to ensure accurate and descriptive documentation within and across an individual's medical records. Finally, when reviewing records involving a hospitalization that spans September 30, 2014 through October 1, 2014 and beyond, be mindful that ICD-10 codes will be used.

While wading through the nuances of ICD-10, bear in mind that WHO is currently developing ICD-11, with completion expected in 2015. As with ICD-10, ICD-11 is being revised to better reflect progress in the healthcare industry, and to be completely compatible with electronic health applications and information systems.

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[i] The original implementation date per the regulation was October 1, 2013, but the healthcare industry expressed deep concern over same, and a one year delay until October 1, 2014 was announced in August 2012.
[ii] "The WHO Family of International Classifications." World Health Organization. July 12, 2011. September 10, 2013. http://www.who.int/classifications/icd/en/.
[iii] "International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM)." Centers for Disease Control and Prevention. August 22, 2013. September 10, 2013. http://www.cdc.gov/nchs/icd/icd10cm.htm#icd2014.
[iv] Bonazelli, Janice and Rhonda Butler. "Converting MS-DRGs to ICD-10-CM/PCS." *Journal of AHIMA*. November-December 2009. http://journal.ahima.org/wp-content/uploads/JAHIMA-converting-I10.pdf.