



Are you Ready? ICD-10 and 5010

Situation/Problem:

As the delivery of healthcare services continues to evolve so do the administrative requirements (code sets) associated with billing and reimbursement. As a result, earlier this year the U.S. Department of Health and Human Services (HHS) announced that starting on October 1, 2013, ICD-10 will replace ICD-9 as the HIPAA adopted code set for hospital and physician services. Failure to adopt and appropriately integrate ICD-10 will have serious revenue implications for healthcare providers.

The HIPAA transaction standard is also being revised. The new 5010 format will go into effect January 1, 2012.

These requirements will come during an unprecedented time of change in healthcare. During this time many healthcare entities will be implementing or upgrading technology to meet the requirements of the American Recovery and Reinvestment Act. In addition, changes as a result of healthcare reform are emerging.

This, coupled with the administrative requirements of ICD-10 and 5010, will require a great deal of planning and organization to ensure that all hospitals and physician offices are compliant with the new requirements within the stated timelines.

Why ICD-10?

ICD-10 is already used in many countries outside of the United States for coding of diagnoses and procedures. Effective October 1, 2013, ICD-10 will be required when reporting diagnoses and procedures in the United States as required by HIPAA. Organizations not compliant with ICD-10 coding will be at risk for lost revenue and inaccurate reporting.

The reason for the change is that the current system, ICD-9:

- Lacks adequate specificity and scalability
- Uses obsolete terminology as well as outdated codes that produce inaccurate and limited data
- Cannot accurately describe the diagnoses and procedures delivered in today's advanced healthcare delivery system

The American Medical Association states that the ICD-10-CM codes, which are the ones designated for use in documenting diagnoses, are 3-7 characters in length and total 68,000 while

ICD-9-CM diagnosis codes are 3-5 digits in length and number over 14,000. The ICD-10-PCS are the procedure codes and they are alphanumeric, 7 characters in length and total approximately 87,000, while ICD-9-CM procedure codes are only 3-4 numbers in length and total approximately 4,000 codes.

Why 5010?

Among other changes, the 5010 transaction standard will accommodate the 7 digits of ICD-10.

Overall, there are 850 detailed changes in the 5010 transaction standard. For more information please visit:

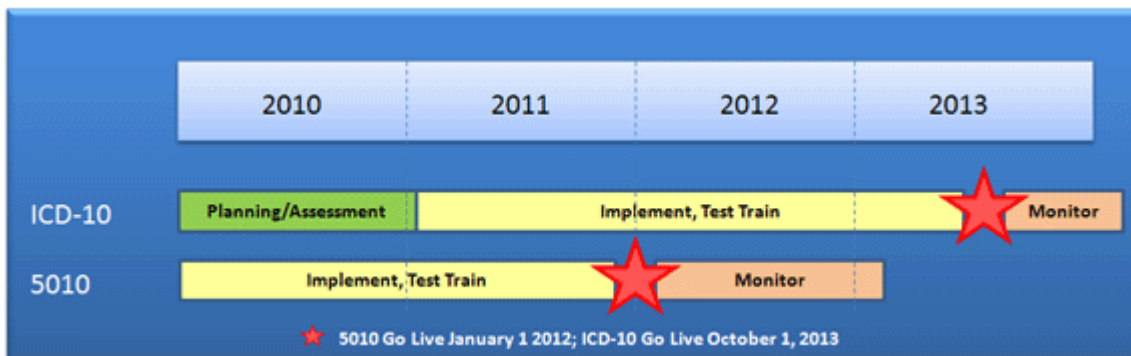
[Transaction and Code Set Regulations](#)

Our Recommendations:

These changes will have a significant impact on the entire healthcare system for providers. A coordinated effort will be crucial to ensure a smooth transition to ICD-10.



In order to make the transition seamless, hospitals need to start planning now. Below is a suggested timeline for activities:



Our Experience:

BlumShapiro provides support to leading healthcare provider organizations throughout the United States. Our reputation for quality service is based on our team of technology, operations and finance healthcare consulting professionals, many of whom have advanced degrees in healthcare.

BlumShapiro can help your organization meet ICD-10 and 5010 requirements through the following:

- ICD-10 Readiness Assessment and Risk Analysis
- Technology System Selection, Implementation and Upgrade Services
- Operational Process Review Services
- ICD-10/5010 Project Management Services

We welcome the opportunity to offer the skills and experience of our staff and senior management to assist your organization. Please contact David Gladstone at 860-570-6332 or dgladstone@blumshapiro.com for more information.

References:

[HIMSS Financial Systems Resource Guide - ICD-10 and 5010](#)

[ICD-10 and 5010 CMS Fact Sheet](#)