ICD-10 in the United States: Better Late than Never

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Introduction

International Classification of Diseases (ICD)

- ICD-9 was developed by the WHO in order to classify and globally compare statistical data related to mortality
- It’s been used in the US since 1979
- ICD-9 lacks the detail to accurately reflect current medical terminology and procedures, and cannot be expanded to include new discoveries and procedures in medicine
Introduction

- International Classification of Diseases (ICD)
  - In 1999, the WHO revised the ICD-9 to create ICD-10
  - 153 countries have adopted ICD-10, but not the US
Introduction

- International Classification of Diseases (ICD)
  - CMS mandated the transition to ICD-10 codes throughout the US healthcare industry by October, 2011, but delayed the transition date (twice!) to October, 2014
  - Reasons for the delay: costs and inertia
Introduction

- International Classification of Diseases (ICD)
  - claims reported after 11/14 using ICD-9 codes will be rejected and reimbursement will not be allocated
# Comparison of ICD-9 to ICD-10

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<thead>
<tr>
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<th>ICD-9</th>
<th>ICD-10</th>
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<tbody>
<tr>
<td>Lacks specificity</td>
<td>Highly specific</td>
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<tr>
<td>13,000 codes</td>
<td>68,000 codes</td>
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<tr>
<td>Limited ability to expand and add new codes</td>
<td>Capable of expansion</td>
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<tr>
<td>Lacks identification of anatomical site laterality</td>
<td>Identifies anatomical site laterality</td>
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<tr>
<td>Lacks codes for ambulatory care, home health and skilled nursing</td>
<td>Creates new codes for ambulatory care, home health and skilled nursing</td>
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<tr>
<td>Procedure codes: 3 to 4 character numeric codes</td>
<td>Procedure codes: 7 character alpha numeric codes (each having a specific meaning)</td>
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<tr>
<td>Diagnosis codes: 3-5 characters in length. First digit may be alpha (E or V), digits 2-5 are numeric</td>
<td>Diagnosis codes: 3-7 characters in length. Digit 1 alpha; digits 2 and 3 are numeric; digit 4-7 are alpha or numeric</td>
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Comparison of ICD-9 to ICD-10

- Transitioning to ICD-10 will require big adjustments
Comparison of ICD-9 to ICD-10

- Apart from having more codes, ICD-10 codes are alphanumeric, containing letters and numbers.

- ICD-10 diagnosis codes have three to seven digits rather than three to four digits of ICD-9.
What Will ICD-10 Codes Tell Us?

ICD-10-PCS Medical and Surgical Procedure Coding

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</tr>
</thead>
<tbody>
<tr>
<td>Section</td>
<td>Body</td>
<td>Root Operation</td>
<td>Body Part</td>
<td>Approach</td>
<td>Device</td>
<td>Qualifier</td>
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Comparison of ICD-9 to ICD-10

- There may not be an exact match ICD-9 and ICD-10 diagnosis and procedural codes

- If providers aren’t watchful in their codes utilization, these differences could have serious reimbursement consequences; e.g., under- or over-payments
ICD-10 - A Costly Necessity?

- DHHS delayed mandatory participation in the U.S. based on public protest
- Macro estimated implementation costs vary WIDELY
  - RAND estimated initial costs between $475 million and $1.55 billion, plus additional long-term costs of between $20 million and $170 million
  - The Hay Group’s estimated (for America’s health insurance plans) costs to range from $3.2 billion to $8.3 billion
ICD-10 - A Costly Necessity?

- Costs of implementation for physician practices will also be substantial
  - $83,000 for a three-doctor practice
  - $285,000 for a ten-doctor practice
  - $2.7 million for a 100-doctor practice

- Counter argument by AHA: conversion to ICD-10 can actually decrease healthcare costs in the long run and allow for increased reimbursement to providers
Discussion

- Despite great advances in medicine over the past 30 years, the U.S. has remained stagnant in its coding system.

- Fears of change and substantial transitional cost are major barriers to implementing ICD-10 in the U.S.
Discussion

- Although the initial cost is significant, the long term return on this investment makes it worthwhile.

- The fragmented U.S. healthcare system has failed to find any sense of urgency to adopt the more standardized ICD-10 coding.

- But, another delay in the mandatory implementation date is quite unlikely.