

MPC, Inc.
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Version 5010 & ICD 10 Implementation Phase

Version 5010

The Secretary adopted version 5010 to replace the current version of the X12 standard that covered entities (health plans, health care clearinghouses, and certain health care providers) must use when conducting electronic transactions including: claims (professional, institutional and dental), claims status requests and responses, payment to providers, eligibility requests and responses, referral requests and responses, enrollment and disenrollment in a health plan, Coordination of Benefits and premium payments.

The Secretary also adopted version D.0 to replace the current version of the NCPDP standard covered entities must use for pharmacy and supplier transactions including: claims, eligibility requests and responses, referral certification and authorization and Coordination of Benefits.

The current versions of the standards (the Accredited Standards Committee X12 Version 4010/4010A1 for health care transactions and the NCPDP Version 5.1 for pharmacy and supplier transactions) are widely recognized as lacking certain functionality that the health care industry needs.

Implementation Timeline - For all covered entities:

Effective Date of the regulation:

3/17/09

Level I* compliance to begin by:

12/31/10

Level II** Compliance by: **12/31/11**

All covered entities have to be fully compliant on: January 1, 2012

Level II compliance means "that a covered entity has completed end-to-end testing with each of its trading partners, and is able to operate in production mode with the new versions of the standards."

Medicaid agencies sometimes pay pharmacy claims for which another payer is liable for payment. A new standard for Medicaid subrogation for pharmacy claims, known as NCPDP Version 3.0, was adopted in the Modifications rule, along with Version 5010, D.0 and ICD-10. Medicaid agencies will use the subrogation standard to pursue reimbursement from other payers. The compliance date for the Medicaid subrogation standard is also January 1, 2012, except for small health plans, which will have until January 1, 2013 to come into compliance.

The requirement to adopt transaction standards originated from the 1996 Health Insurance Portability and Accountability Act (HIPAA). The Transactions and Code Sets final rule published on Aug. 17, 2000, adopted standards for the statutorily identified transactions, some of which were modified in a subsequent final rule published on Feb. 20, 2003. On January 16, 2009, HHS published a final rule that replaces the current Version 4010/4010A and NCPDP Version 5.1 with Version 5010 and Version D.0, respectively, and adopted NCPDP Version 3.0 as well.

Part B

10th Edition (ICD-10)

The next generation of coding is the International Classification of Diseases, 10th Edition, Clinical Modification/ Procedure Coding System (ICD-10-CM/

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PCS). Compared with the current ICD-9-CM classification system, the new classification system offers more detailed information and the ability to expand specificity and clinical information to capture additional advancements in clinical medicine.

ICD-10-CM/PCS consists of two parts:

- ICD-10-CM – The diagnosis classification system developed by the Centers for Disease Control and Prevention for use in all U.S. health care treatment settings. Diagnosis coding under this system uses a different number of digits and some other changes, but the format is similar to the ICD-9-CM.
- ICD-10-PCS – The procedure classification system developed by CMS for use in the United States for inpatient hospital settings **only**. The new procedure coding system uses seven alpha or numeric digits while the ICD-9-CM coding system uses three or four numeric digits.

ICD-10-CM/PCS:

- Incorporates much greater specificity and clinical information, which results in:
 - * Improved ability to measure health care services.
 - * Increased sensitivity when refining grouping and reimbursement methodologies.
 - * Enhanced ability to conduct public health surveillance.
 - * Decreased need to include supporting documentation with claims.
- Includes updated medical terminology and classification of diseases.
- Provides codes to allow comparison of mortality and morbidity data.
- Provides better data for:
 - * Measuring care furnished to patients.
 - * Designing payment systems.
 - * Processing claims.
 - * Making clinical decisions.
 - * Tracking public health.
 - * Identifying fraud and abuse.
 - * Conducting research.

Structural Differences between the Two Coding Systems

1. Diagnoses Codes

ICD-9-CM diagnoses codes are three to five digits in length with the first digit being alpha (E or V) or numeric and digits two through five being numeric. For example:

- * 496 – Chronic airway obstruction Not Elsewhere Classified (NEC).
- * 511.9 – Unspecified pleural effusion.
- * V02.61 – Hepatitis B carrier.

ICD-10-CM diagnoses are three to seven digits in length with the first digit being alpha, digit two being numeric and digits three through seven are alpha or numeric. The alpha digits are not case-sensitive. For example:

- * A78 – Q fever.
- * A69.21 – Meningitis due to Lyme disease.
- * S52.131a – Displaced fracture of neck of right radius, initial encounter for closed fracture.

2. Procedure Codes

ICD-9-CM procedures are three to four digits in length and all digits are numeric. For example:

- * 43.5 – Partial gastrectomy with anastomosis to esophagus.
- * 44.42 – Suture of duodenal ulcer site.

ICD-10-PCS procedures are seven digits in length with each of the seven digits being either alpha or numeric. The alpha digits are not case-sensitive. Letters O and I are not used to avoid confusion with the numbers 0 and 1. For example:

- * 0FB03ZX – Excision of liver, percutaneous approach, diagnostic.
- * 0DQ10ZZ – Repair upper esophagus, open approach.

Note that ICD-10-CM/PCS would not affect physicians, outpatient facilities and hospital outpatient departments' usage of CPT codes on Medicare Fee-for Service (FFS) claims as CPT use would continue.

CMS developed a dedicated Web page for ICD-10 information located at <http://www.cms.hhs.gov/ICD10> on the CMS Web site.



Like the sky opens after a rainy day we must open to ourselves....Learn to love yourself for who you are and open so the world can see you shine.

~James Poland