

Preparation for new HIPAA electronic transaction standards under Version 5010 and code sets under ICD-10

As you may already know, the federal government has mandated that all providers must transition to the latest version of the Health Insurance Portability and Accountability Act (HIPAA) electronic transaction standards and code sets with the following schedule:

Jan. 1, 2012: 5010 version of the electronic transactions standards will replace the current 4010 version

Oct. 1, 2013: the International Classification of Diseases 9th Revision, Clinical Modification (ICD-9-CM), the current code set for reporting diagnosis, will be replaced by ICD-10-CM

CompONE has already started preparing for these two important changes in order to ensure the success of our implementation process. In other words, we are taking advantage of the lead time to prevent major A/R disruptions and ensure your claims will get paid properly on day one.

The clearinghouse CompONE utilizes has also communicated their work plan to us which addresses these transitions, so that we will be able to take full advantage of all the improvements these transitions will offer while ensuring that we will be able to continue to submit claims electronically, receive electronic remittances and even perform certain eligibility inquiries online.

The following is a summary of the changes that will take place through transaction standards (version 5010) and code sets (ICD-10).



BACKGROUND

HIPAA requires the Department of Health and Human Services to adopt standards that covered entities including health plans, health care clearinghouses, and health care providers must use when electronically conducting certain administrative transactions, such as claims, remittance, eligibility, and claims status requests and responses. The current versions of the standards used in these health care transactions lack certain functionality that will be required by the healthcare industry. Therefore, providers will have to prepare for and adopt the new standards under the 5010 version in order to continue submitting claims electronically starting January 1, 2012.

IMPROVEMENTS UNDER VERSION 5010

Version 5010 improvements in technical, structural, and data content include:

- Standardization of business information related to the transaction
- Use of Technical Reports Type 3 (TR3) guidelines that represent data consistently and are less confusing
- More specificity regarding what data needs to be collected and transmitted
- Accommodation of the reporting of clinical data, such as ICD-10-CM diagnosis codes and ICD-10-PCS procedure codes
- Delineation of principal diagnosis, admitting diagnosis, external cause of injury, and patient reason for visit codes
- Monitoring certain illness mortality rates, outcomes for specific treatment options, some hospital length of stays, and clinical reasons for care
- Addressing currently unmet business needs, such as an indicator on institutional claims for conditions that were “present on admission”

PRACTICES MADE PERFECT

CompONE is available to work with you to ensure your practice undergoes the appropriate training and has the appropriate resources to make sure you are fully prepared for these transitions. For those of you that use CompONE for your coding solution be assured that CompONE coders will begin training six to nine months before implementation in early 2013 in order to be fully prepared by the ICD-10 deadline. Furthermore, CompONE is available to generate reports that will provide detail on the top ICD-9 codes that your practice utilizes which can serve as a starting point for your practice to identify what changes will occur with the supporting documentation requirements for each of those codes. This will be critical information to share with your physicians and clinical staff.

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BACKGROUND

The initial objective of the International Classification of Diseases was to collect statistical data for the international exchange of mortality data. The first edition was published by the World Health Organization (WHO) in 1959. Over the years, improvements in medicine have allowed us to create new procedures and detect new diseases. With this advancement, the government has argued that ICD-9-CM is now unable to accommodate these additions, as many of the categories have become full, making it difficult to create new codes. In 1994, WHO created and developed ICD-10 to provide increased detail for non-acute conditions.

IMPROVEMENTS UNDER ICD-10

The 10th revision aims not only to clarify content and purpose but also to illustrate how the extent of the classification has moved beyond the coding of disease and injuries to the coding of ambulatory care conditions and risk factors frequently encountered in primary care. ICD-10 increases the clinical detail and addresses information about previously classified diseases in addition to diseases discovered since the last revision.

IMPACT ON PHYSICIAN PRACTICES

The level of impact to physician practices is directly related to how well each practice is prepared for these transitions. As for the transition to HIPAA's electronic transaction standards, physician practices will have to rely on software vendors to develop appropriate ICD-10 upgrades to existing practice management systems as well as stand-alone products. CompONE will be taking on this responsibility to ensure this is completed for the practice management software that it provides. However, keep in mind that it is not just billing software that will be impacted. Scheduling, finance, performance, intensive care/emergency room, and decision support products may also need to be modified.

As for the transition to ICD-10, providers will have to significantly increase their documentation in order to support a higher level of specificity. Failure to do so will result in a significant reduction in physician and other clinical staff productivity from a billing and collections standpoint. Therefore, the large increase in the number of diagnosis codes from 14,315 under ICD-9 to 69,099 under ICD-10 will necessitate intensive and costly training for both administrative and clinical staff.