ICD-10 Overview

Florida BCBS – Open Line Friday
1. ICD-10 Delay and Questions
2. ICD-9 to ICD-10 Mapping Complexity
3. Potential Payment Impact – DRS shift
4. Potential Revenue Impact – HCC shift
5. Provider End-to-End testing models
ICD-10 Delayed...Again

• **CMS Statement as of July 31, 2014:**
The U.S. Department of Health and Human Services (HHS) issued a rule today finalizing **Oct. 1, 2015** as the new compliance date for health care providers, health plans, and health care clearinghouses to transition to **ICD-10, the tenth revision of the International Classification of Diseases**. This deadline allows providers, insurance companies and others in the health care industry time to ramp up their operations to ensure their systems and business processes are ready to go on Oct. 1, 2015.

• **We are able to Process in a Dual Mode but have not Publically Stated an Intent:**
If we choose to accept dual processing, will process the ICD 10 claim and dup out the ICD 9 claim or the reverse order based on first arrival.

• **Final Version of ICD-11 to be Released in 2017 (2 years later than scheduled):**
ICD-10 is the pathway to ICD-11. While other countries use ICD to classify and document information, we in this country face a challenge in adopting newer versions of ICD to fit current HIPAA laws and billing codes. It is so complicated.
ICD-10 Program Plan - Stay the Course

- **System Remediation, Business Functionality Testing, and Vendor & Trading Partner Testing**
  - Expect to complete on schedule, minor slippage from vendors
  - Use additional time for load, regression, and end to end testing

- **Acquisitions**
  - Plan to move forward with their plans and do additional testing as needed

- **Payer Provider Collaboration**
  - Continue to move forward with scheduled provider testing
  - Expand testing with tier-2 targeted providers (facility, physician, delegated and non-delegated)

- **Education/Training of Coders**
  - Continue for those wishing to move forward with refresher courses and updated training courses coming in the new year
What is ICD-10?

- 10th revision of the International Classification of Diseases list owned by the World Health Organization (WHO)
- Endorsed in May 1990 and came into use by WHO Member States from 1994
- More logically organized, more detailed and specific, and more clinically accurate

<table>
<thead>
<tr>
<th>Type</th>
<th>ICD-9*</th>
<th>ICD-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diagnosis</td>
<td>14,570</td>
<td>68,000</td>
</tr>
<tr>
<td>Procedure</td>
<td>4,000</td>
<td>87,000</td>
</tr>
</tbody>
</table>

*ICD-9-CM was adopted in the US in 1979

<table>
<thead>
<tr>
<th>Feature</th>
<th>ICD-10-CM (Clinical Modification) for Diagnoses</th>
<th>ICD-10-PCS (Procedural Classification System) for Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Characters</td>
<td>3 to 7, decimal point after the 3rd character</td>
<td>7, no decimal point</td>
</tr>
</tbody>
</table>
| Structure        | • Alphanumeric, with all codes using alphabetic lead character  
                  • Structure of injuries designated by body part  
                  • Laterality (left vs. right)  
                  • Alphanumeric  
                  • Letters O and I are not used to avoid confusion with numbers 0 and 1  
                  • Each code character has the same meaning within the specific procedure section and across procedure sections where possible |
| Sample Code      | **C03.0** Malignant neoplasm of upper gum  
                  **C03.1** Malignant neoplasm of lower gum  
                  **0FB03ZX** Excision of Liver, Percutaneous Approach, Diagnostic |

**Note:** All claims for services provided on or after October 1, 2015 must use ICD-10 codes. CPT coding for outpatient and office procedures is not affected by the ICD-10 transition.
CMS General Equivalence Mappings (GEMs)
Risk Is Defined by Complexity of ICD-9 to ICD-10 Mapping in GEMs

Risk of Mapping

Complexity of mappings will determine risk of inaccurate processing

ICD-9 to ICD-10 Mappings

- No Mapping to ICD-10
- Many:1 Combination
- 1:Many Both (Single & Combination)
- 1:Many Combination
- 1:Many Single
- 1:1 Approximate
- 1:1 Exact

Risk Levels:
- Very High Risk
- High Risk
- Moderate Risk
- Low Risk

Examples:
- 1:May Single Example: ICD-9 code 729.5 for “Pain in Limb” translated to “31” ICD-10 codes for right, left or unspecified leg, lower leg, foot, toe(s), arm, upper arm, forearm, hand, finger(s) and thigh

Humana
ICD 10 Translation Team
DRG Risk Categories

ICD-9 Codes | ICD-10 Codes | DRGs
---|---|---
Code 1 DRG A | Code 1 X | DRG A
Code 1Y |

DRG Has Low Risk
All ICD-9 Codes map to the same DRG in ICD-10

Code 2 DRG B | Code 2X | DRG B
Code 2Y |
| Code 2Y | DRG D |

DRG Has Moderate Risk
At least one ICD-9 Code maps to the same DRG in ICD-10

Code 3 DRG C | Code 3X | DRG E
Code 3Y |
| Code 3Y | DRG F |

DRG Has High Risk
No ICD-9 Codes map to the same DRG in ICD-10
Simplified View of the Simulation Process

Assuming all DRG Contracted

1. Variance Analysis was completed based off IP claims that incurred during the month of July from CAS and MTV.
2. Using GEMs and Deloitte’s Tool, these ICD-9 source claims were used to simulate ICD-10 claims.
3. Claims were assigned to DRGs – using 3M Grouper for ICD-9 claims and CMS DRG grouper logic for ICD-10 claims.
4. ICD-9 DRGs were compared to the ICD-10 DRGs to identify variance.

The analysis has been updated when newer versions of GEMs or MS-DRG grouper become available to us.
Variance Analysis from DRG 247 to DRG 251
Shift Cause and Recommendations

<table>
<thead>
<tr>
<th>ICD-9 DRG</th>
<th>ICD-10 DRG</th>
<th>Probability</th>
<th>ICD-9 DRG Weight</th>
<th>ICD-10 DRG Weight</th>
<th>ICD-9 to ICD-10 Weight Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>247</td>
<td>250</td>
<td>5%</td>
<td>1.9911</td>
<td>2.9988</td>
<td>1.0077 (Upward)</td>
</tr>
<tr>
<td>247</td>
<td>251</td>
<td>95%</td>
<td>1.9911</td>
<td>1.9237</td>
<td>- 0.0674 (Downward)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ICD-9 Code</th>
<th>ICD-10 Code</th>
<th>Rationale for Problematic Code</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>00.66</td>
<td>02703ZZ</td>
<td>The ICD-10 procedure code 02703ZZ does not indicate a drug-eluting stent, therefore will not fit the requirement for DRG 247 and will be assigned to DRG 251 which does not require a drug-eluting stent.</td>
<td>027034Z Dilation of Coronary Artery, One Site with Drug-eluting Intraluminal Device, Percutaneous Approach (assigned to DRG 247) 027004Z Dilation of Coronary Artery, One Site with Drug-eluting Intraluminal Device, Open Approach (assigned to DRG 230)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DRG</th>
<th>Description</th>
<th>ICD Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>247</td>
<td>Perc Cardiovasc Proc W Drug-Eluting Stent W/O MCC</td>
<td>I-9 00.66</td>
<td>Percutaneous transluminal coronary angioplasty [PTCA] or coronary atherectomy</td>
</tr>
<tr>
<td>250</td>
<td>Perc Cardiovasc Proc W/O Coronary Artery Stent W MCC</td>
<td>I-10 02703ZZ</td>
<td>Dilation of Coronary Artery, One Site, Percutaneous Approach</td>
</tr>
<tr>
<td>251</td>
<td>Perc Cardiovasc Proc W/O Coronary Artery Stent W/O MCC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MCC: Major Complicating or Comorbid condition
Validate facility readiness through Payer Provider Collaboration (PPC)

<table>
<thead>
<tr>
<th>Phase</th>
<th>Introduction to Collaboration</th>
<th>Recode ICD-9 Claims</th>
<th>Simulate Production</th>
</tr>
</thead>
</table>
| Objective | Coding Exercise  
ICD-9 and ICD-10 | Coding from Documentation Exercise  
ICD-10 Only | Adjudication (allowed Amount) in  
Testing Environment  
ICD-9 and ICD-10 |
| Description | Describe in detail the case scenarios that will lead providers to code with specific ICD-9 and ICD-10 codes | Give providers their ICD-9 claims and ask them to find the medical record and code the ICD-10 | Understand the level of trading partner readiness and impacts to operations |
| Purpose | Validate correct coding for high-risk conditions | Understand variation due to medical record coding | Understand more about the delta between ICD-9 and ICD-10 |
| Collaboration | Compare results ICD-9 and ICD-10 | Compare results ICD-9 and ICD-10 | Will provide allowed amount |
| Pricing | No pricing-utilizing claim scenarios | Will provide allowed amount | Will provide allowed amount |
| Volume | Humana will create 5 case scenarios to be coded in ICD-9 and ICD-10 (manufactured scenarios) | Humana will select 50 to 150 claims (provider specific historically submitted claims) | Humana will select 50 to 150 claims (provider specific historically submitted claims) |

**Stage 1**
**Email Submission**
Provider would email coded case scenarios to Humana. Humana will execute analysis

**Stage 2**
**Excel Spreadsheet**
via secure email

**Stage 3**
**Clearinghouse**
Claims are submitted via clearinghouse with a Humana specific QA identifier and are routed to Humana’s QA

*Humana*
*Have reached out to the 70+ hospital systems targeted, 43 are in the active mode of PPC*

ICD 10 Translation Team
ICD-10 May Impact Risk Scores then Revenue from CMS
Change in the Diagnosis Codes can Trigger Different HCCs or Drop HCCs

Note: Diagnosis codes are linked to hierarchical condition categories (HCCs) which have associated weights and are additive in determining the member risk score.
### Member-Level Analysis Using 2012 Contract Year Data

**Member ICD-9 diagnoses**
- 443.9
- 720.1
- 277.89

**HCCs Triggered:**
- 108, 40, 23

**Risk score:**
- 1.138

**Associated ICD-10 diagnosis codes based on CMS forward GEMs**

<table>
<thead>
<tr>
<th>ICD-9</th>
<th>ICD-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>443.9</td>
<td>I739</td>
</tr>
<tr>
<td>720.1</td>
<td>M4600</td>
</tr>
<tr>
<td>277.89</td>
<td>C965 OR C966 OR E7139 OR E803 OR E8889 OR E889</td>
</tr>
</tbody>
</table>

**HCCs Triggered:**
- 108, 40, 23

**Risk score:**
- 1.138

**Scenario 1**

**Member ICD-10 diagnoses**
- I739
- M4600
- C965

**HCCs Triggered:**
- 108, 40, 23

**Risk score:**
- 1.138

**Probability:** $\frac{5}{6}$

**Expected ICD-10 risk score = $\frac{5}{6} \times 1.138 + \frac{1}{6} \times 0.893 = 1.097$**

**Scenario 2**

**Member ICD-10 diagnoses**
- I739
- M4600
- E889

**HCCs Triggered:**
- 108, 40

**Risk score:**
- 0.893

**Probability:** $\frac{1}{6}$

**Expected ICD-10 risk score = $\frac{1}{6} \times 0.893 = 0.149$**

**Member-level analysis will capture changes in**
- HCCs
- Risk scores
- Expected reimbursement from CMS

**Current projections use equal weighting for all ICD-10 outcomes**

**The CMS GEMs can be consolidated to distinguish between diagnoses that have different HCC outcomes**

**Humana**

ICD 10 Translation Team
Clinical Review of Problematic Codes
Three-step Approach to Assess and Mitigate the Financial Impact

1. Is the GEMs mapping valid?
   • Some ICD-9-to-ICD-10 mappings were identified where the code descriptions did not relate
     ⇝ ICD-10 Translation team will communicate these to CMS

2. Is the HCC assignment for the ICD-10 code valid?
   • In some cases, the ICD-9 and ICD-10 codes have identical meanings but the ICD-10 code does not trigger the same HCC
     ⇝ Humana’s CMS contact will communicate these to CMS

3. Is there financial impact associated with this mapping?
   • In some cases, the GEMs are valid but ICD-10 codes are more specific indicating that HCC variances may occur
     ⇝ Risk Adjustment team will compile these codes for coding accuracy effort, provider education, or financial projections
### Payer Provider Collaboration Act II Testing Program

#### Testing Approach

**Delegated Encounters (Payer ID: 61105)**
- IPAs/MSOs/Medical Groups (delegates) process claims on behalf of Humana; Humana receives encounters from delegates.

**Non-Delegated Claims (Payer ID: 61101)**
- Humana processes claims from individual physicians.

**Non-Delegated Encounters (Payer ID: 61102)**
- Humana processes encounters from individual physicians who have capitated payment arrangements with Humana (i.e. no claims are submitted).

#### High Level Data Flow

**Delegated Encounters (Payer ID: 61105)**
- Physician
- AND/OR Claim file
- IPA / Medical Group
- AND/OR MSO
- Encounter
- 999 and 277ca acknowledgement

**Non-Delegated Claims (Payer ID: 61101)**
- Physician
- Paper Claim
- Electronic Claim
- 837P Claim file
- 835 Claim file
- Paper / Electronic Remittance
- Xerox

**Non-Delegated Encounters (Payer ID: 61102)**
- Physician
- Paper Encounter
- Electronic Encounter
- Xerox

#### Test Data

- Historical ICD-9 claims / encounters selected based on:
  - Volume
  - HCC shifts
  - Mapping complexity

- Selected historical claims / encounters are recoded into ICD-10 by Physicians and submitted to Humana for processing.
Questions?