IOL2 Rheumatic aortic stenosis with insufficiency IOLA Other rheumatic aortic valve diseases IOL9 Rheumatic aortic valve disease, unspecified



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The ICD-10 Transition: Focus on Non-Covered Entities

The ICD-9 code set used to report medical diagnoses and inpatient procedures is being replaced by the ICD-10 code set. To accommodate the ICD-10 code structure, the standards used for electronic health care transactions, Version 4010/4010A, were upgraded to <u>Version 5010</u> on January 1, 2012.

The switch to ICD-10 and Version 5010 is mandatory for organizations covered by the Health Insurance Portability and Accountability Act (<u>HIPAA</u>), also known as "HIPAA-covered entities." This fact sheet provides non-covered entities with background on the ICD-10 transition, potential benefits to adopting the new coding, and resources for more information.

What Is ICD-10?

ICD-10-CM/PCS (International Classification of Diseases, 10th Edition, Clinical Modification/Procedure Coding System) consists of two parts:

- 1. ICD-10-CM for diagnosis coding
- 2. ICD-10-PCS for inpatient procedure coding

ICD-10-CM is for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar.

ICD-10-PCS is for use in U.S. inpatient hospital settings only for procedures. Inpatient procedure coding with ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used for ICD-9-CM procedures. Coding with ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.

The transition to ICD-10 is occurring because ICD-9 reports non-specific data about patients' medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice. Also, the structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are full. Because ICD-10 codes are more specific than ICD-9, they will allow for better analysis with disease and public health patterns, in addition to providing for expansion.

ICD-10 Resources

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The <u>CMS website</u> has official resources to help you prepare for Version 5010 and ICD-10. CMS will continue to add new tools and information to the site throughout the course of the transition.

Sign up for <u>ICD-10 Email Updates</u> and follow @CMSgov on <u>Twitter</u> for the latest news and resources.

Visit www.cms.gov/ICD10 for ICD-10 and Version 5010 resources from CMS.

IOL2 Rheumatic aortic stenosis with insufficiency IOLA Other rheumatic aortic valve diseases IOL9 Rheumatic aortic valve disease, unspecified IO70 Rheumatic tricuspid stenosis IO71 Rheumatic tricuspid insufficiency

How Are Non-Covered Entities Affected?

Non-covered entities are not required to transition to Version 5010 and ICD-10. However, for many organizations, the benefits of adoption far outweigh the challenges. ICD-10 coding will benefit non-covered entities in several ways, including:

- Expanded detail in injury codes, which will help automobile insurance and worker's compensation programs.
- ICD-9 codes will no longer be maintained once ICD-10 has been implemented; the ICD-9 codes will become less useful and resources will be continually harder to obtain.
- Use of Version 5010 and ICD-10 facilitates claim filing for coordination of benefits.
- Implementation of Version 5010 and ICD-10 is consistent with industry standards.

Preparing for the Transition to ICD-10

If you are a non-covered entity and you plan on transitioning to Version 5010 and ICD-10, here are steps to take now to prepare:

- Obtain management support and put a governance structure in place, such as an ICD-10 committee, to coordinate your efforts across your organization. Develop an implementation strategy that includes an assessment of the impact on your organization, a detailed timeline, and budget.
- It is also very important that you educate your staff on how to properly use the new coding. Make sure you identify ICD-10 training opportunities and educational conferences near your business.

Note: Non-covered entities do not have to upgrade to Version 5010 or transition to ICD-10, although it is recommended that they do.

This fact sheet was prepared as a service to the health care industry and is not intended to grant rights or impose obligations. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.



