



American
Clinical Laboratory
Association

ACLA INTRODUCTORY ICD-10-CM / PCS FACT SHEET

The American Clinical Laboratory Association (ACLA) is a non-profit organization representing national, regional, and local clinical laboratories. As part of its mission, ACLA serves as an educational resource on issues of interest to the laboratory community and to the healthcare providers, payers and patients to whom they provide services. Due to the importance of the transition to ICD-10-CM to clinical laboratories, this introductory fact sheet is intended to provide basic information designed to encourage and support immediate and ongoing implementation efforts by all parties affected by this significant change.

What is ICD-10-CM / PCS and why is it important?

ICD-10-CM is the International Classification of Diseases, 10th Edition, Clinical Modification. It is a new diagnosis classification system developed by the Centers for Disease Control and Prevention (CDC) for use in all U.S. health care settings. ICD-10-CM will replace the existing diagnosis code set, ICD-9-CM (International Classification of Diseases, 9th Edition, Clinical Modification, Volumes 1 and 2). The U.S. Department of Health and Human Services (HHS) has mandated that all HIPAA covered entities must implement ICD-10-CM for use in standard electronic transactions (including but not limited to claims) for dates of service that occur on or after October 1, 2013.

ICD-10-PCS is the Procedure Classification System developed by the Centers for Medicare and Medicaid Services (CMS) for use in the U.S. for hospital inpatient settings only, and will replace ICD-9-CM Volume 3 as the code set for reporting hospital inpatient procedures in HIPAA standard electronic transactions as of October 1, 2013. Since clinical laboratories use Current Procedural Terminology (CPT) codes for procedure classification and reporting, ICD-10-PCS is not applicable to clinical laboratories. Therefore, this fact sheet focuses primarily on ICD-10-CM.

How does ICD-10-CM differ from ICD-9-CM for diagnosis coding?

ICD-10-CM is not just an update of ICD-9-CM; it is a restructured diagnosis classification system with far more alphanumeric codes, expanded code lengths and narrative descriptions, and significantly greater granularity. The following table illustrates key differences:

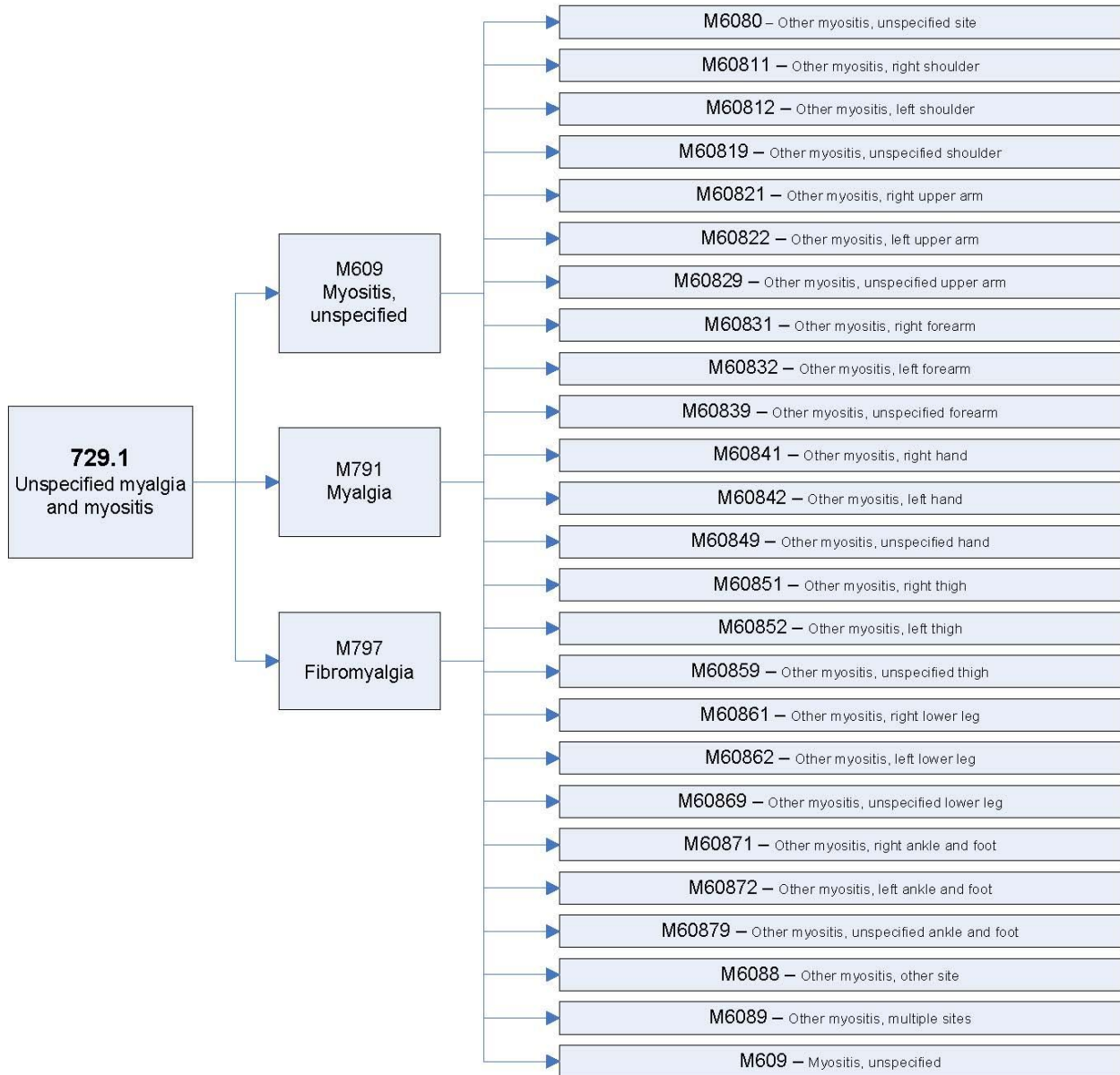
Code Set	Number of Codes	Digits
ICD-9-CM	13,000	3-5 digits; first digit is alpha (E or V) or numeric; and digits 2-5 are numeric
ICD-10-CM	68,000	3-7 digits; digit 1 is alpha; digit 2 is numeric; and digits 3-7 are alpha or numeric

The following example shows how diagnosis coding for unspecified myalgia and myositis differs from ICD-9-CM to ICD-10-CM:

ICD-9-CM Code

ICD-10-CM Code (GEM)

ICD-10-Code (Reimbursement Map)



Why are clinical laboratories particularly concerned about the transition to ICD-10-CM, and how could other stakeholders be affected if their concerns are not addressed?

Clinical laboratories are required to submit diagnosis codes in all electronic claims and in most paper claims to third party payers. However, as indirect providers, clinical laboratories are dependent upon ordering providers to supply the diagnosis codes that they must submit to payers to obtain reimbursement. Despite over 30 years of experience with ICD-9-CM, insufficient diagnosis code information is still the most significant cause of claim rejection or denial for clinical laboratories. The transition to the new, restructured, far more complex ICD-10-CM diagnosis coding system could result in significant cash flow interruptions for clinical laboratories if the healthcare industry as a whole is not ready as of October 1, 2013, and preliminary survey data indicates that the industry is already behind schedule for timely implementation. Ordering providers who fail to provide adequate ICD-10-CM coding information with test orders for dates of service on or after October 1, 2013 will have to respond to follow up inquiries from clinical laboratories, utilizing valuable administrative resources for both labs and ordering providers. Payers who are not ready for ICD-10-CM on the compliance date could lose access to laboratory services for their beneficiaries, and patients could experience delayed or less informed treatment as a result.

HHS has employed contingency plans and time extensions for previous HIPAA transaction and code set transitions; won't they do the same with ICD-10-CM / PCS?

HHS has made it clear that it has no intention of extending the compliance date for implementation of ICD-10-CM, and that covered entities should therefore plan to complete the steps required to implement ICD-10-CM on October 1, 2013.

Are there crosswalks available to map ICD-9-CM codes to ICD-10-CM codes?

CMS and the CDC have developed General Equivalence Mappings (GEMs) to show generally equivalent relationships between ICD-9-CM codes and ICD-10-CM codes. CMS has also created reimbursement mappings in an attempt to refine further the mappings developed in GEMs. However, the greater granularity and newness of ICD-10-CM in comparison to ICD-9-CM often result in one-to-many, one-to-none, and many-to-many mappings in addition to one-to-one mappings.

What steps should covered entities be taking now to prepare for ICD-10-CM?

Implementation planning for ICD-10-CM should begin immediately if not already underway, regardless of the size or function of the covered entity. ICD-10-CM implementation is not just a billing project or an IT project; for most covered entities, the organizational impact of the transition will be broad and deep. An impact assessment will need to be completed as soon as possible to enable timely planning, development, education, testing, and implementation. Several organizations provide implementation planning resources for ICD-10-CM. A timeline for ICD-10-CM implementation developed jointly by the North Carolina Healthcare Information and Communications Alliance, Inc. (NCHICA) and the Workgroup on Electronic Data Interchange (WEDI) is available at:

<http://www.nchica.org/HIPAAResources/icd10.htm>. Other helpful websites include:

General ICD-10 Information

<http://www.cms.hhs.gov/ICD10>

ICD-10-CM Coding System, Mappings and Guidelines

<http://www.cdc.gov/nchs/about/otheract/icd9/abtcd10.htm>

http://www.cms.hhs.gov/ICD10/03_ICD-10-CM.asp