



## 2015 ICD-10 Background and Frequently Asked Questions

### BACKGROUND

To maintain HIPAA compliance on claim submissions, providers are required to transition from using ICD-9-CM (International Classification of Diseases, 9th Edition, Clinical Modifications) diagnosis codes to **ICD-10-CM** diagnosis codes.

**Per the Centers for Medicare and Medicaid Services (CMS) website, as of October 1, 2015, ICD-9 diagnosis (and procedure) codes can no longer be used.** The compliance date is a federal government mandate with which every provider must comply. **The new ICD-10 codes are required as described below.**

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

The change does not affect CPT coding for outpatient or physician services.

The CMS recommends that providers implement ICD-10 readiness plans to determine the preparedness of both their internal staff and their affiliated external vendors such as billing services, clearinghouses, and practice management software companies. The new code sets can require changes in providers' practice software, business operations and workflows, training, and procedural materials.

### KEY POINTS

- The transition to ICD-10 impacts all healthcare payers and providers in the United States and is required for everyone covered by the Health Insurance Portability Accountability Act (HIPAA).
- ICD-10 deadline is October 1, 2015 and Magellan will transition to ICD-10-CM at that time
- ICD-10-CM uses 3 to 7 digits instead of 3 to 5 digits as in ICD-9
- ICD-10 does not affect CPT coding for outpatient procedures
- ICD-10-PCS may affect some inpatient procedures in behavioral health

## FREQUENTLY ASKED QUESTIONS

General	
QUESTION	ANSWER
Why is the transition from ICD-9 to ICD-10 occurring?	The CMS has stated that “the transition to ICD-10 is occurring because ICD-9 produces limited 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 ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice.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.”
Who is affected by these code changes?	Both payers and providers are impacted in all states. The use of ICD-10 is required for everyone covered by the Health Insurance Portability Accountability Act (HIPAA).
When does ICD-10 go into effect?	This transition will affect all covered entities as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Covered entities are required to adopt ICD-10 codes for services provided on or after the Oct. 1, 2015, compliance date. For inpatient claims, ICD-10 diagnosis and procedure codes are required for all stays with discharge dates on or after Oct. 1, 2015.
Will I be able to begin using the new codes <b>prior</b> to Oct 1, 2015?	No, for authorization dates post Oct. 1, 2015 ICD-10 codes can be submitted. Authorizations or claims with dates of service prior to Oct. 1, 2015 that have ICD-10 codes can not be submitted and will be denied.
Am I required to use the new ICD-10 codes?	Yes. You will be required to use ICD-10 for dates of service on or after Oct. 1, 2015.
Where can I find out more information about the new ICD-10 codes?	<p><i>To learn more about the code transition and timelines, visit the official CMS <a href="#">ICD-10 website</a>. On that page you will find practice transition tips, such as:</i></p> <ul style="list-style-type: none"> <li>• <i>ICD-10 email update messages</i></li> <li>• <i>ICD-10 continuing medical education modules, developed by CMS in partnership with Medscape</i></li> </ul> <p><i>Additional resources are available at the American Health Information Management Association (<a href="#">AHIMA</a>) website and at the <a href="#">Gateway EDI</a> claims clearinghouse website.</i></p>
What if I have additional questions regarding ICD-10?	Please check Magellan’s dedicated <a href="#">ICD-10 page</a> on <a href="http://MagellanHealth.com/provider">MagellanHealth.com/provider</a> under Getting Paid/HIPAA for supporting resources. This page will continue to be updated with additional information.

<b>Business Systems</b>	
<b>QUESTION</b>	<b>ANSWER</b>
How will the changes under ICD-10 affect the on-line authorization or electronic claims submission with Magellan?	Claims and authorizations submitted for services rendered post Oct. 1 will need to have ICD 10 codes. Claims and authorizations submitted with ICD 9 codes for services rendered post Oct. 1 will be rejected.
If I submit a claim with the new ICD-10 codes and I receive a denial or rejection, will the denial or rejection code give me a clear reason of why my claim denied or rejected?	Magellan has denial language in place that advises that all diagnosis codes billed must be valid, and under our guidelines claims cannot be considered with invalid diagnosis data. The description of the denial reason will be printed on the EOB/EOP.
When will Magellan's systems be ICD-10 compliant?	Magellan's systems are compliant, but we cannot accept ICD-10 codes on claims prior to Oct. 1, 2015.
What is the progress of the MCO's provider outreach activities including provider training?	Magellan maintains an ICD-10 dedicated section on our provider website to direct providers to all applicable ICD-10 information and resources (such as the CMS website and this FAQs document). We've also communicated relevant ICD-10 information through <a href="#">Provider Focus</a> , our online quarterly provider newsletter. Additionally, the field network staff members are addressing provider needs as they arise.
Please describe how you are monitoring the readiness of their providers?	Magellan's network staff is closely involved in the ICD-10 preparedness process. The field network staff members are in communication with providers to ensure they are using the resources we have provided and are preparing at their offices for training on workflow changes.
Will you do any testing directly with providers?	Magellan's testing phase is planned to begin in June 2015. Magellan plans to primarily test with clearinghouses, but also may test with larger providers who bill electronically.
What is the progress of your outreach activities with their trading partners and vendors?	Our account managers continue to engage our trading partners and vendors in an effort to ascertain all impacts of ICD-10; both from an operational and data transmission perspective. Magellan's project team responds to all vendor surveys, directing each entity to our <a href="#">ICD-10 conversion website</a> , which outlines our preparedness and impacts to all systems.
Please describe how you are monitoring the readiness of their trading partners and vendors.	Through continuous communication with our trading partners and vendors, both from our account teams and dedicated project team, Magellan is working to ensure the ease in transition based on the dates outlined and agreed upon, by both parties.

<b>Business Systems</b>	
<b>QUESTION</b>	<b>ANSWER</b>
Will you do any testing directly with their trading partners and vendors?	Yes, Magellan will be prepared to begin testing June 2015.