

# **NPRM: ICD-10**

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# Why ICD-10-CM/PCS?



**Federal Register**

Friday,  
August 22, 2008

- **Compliance:**
  - Oct. 1, 2011
  - For *all* covered entities

Part III

Department of Health and Human Services

Office of the Secretary

45 CFR Parts 160 and 162  
HIPAA Administrative Simplification:  
Modification to Medical Data Code Set  
Standards To Adopt ICD-10-CM and ICD-10-PCS; Proposed Rule

## ■ ICD-9-CM

- Running out of codes;
- Currently assigning codes to inappropriate sections which is error prone
- Not designed to meet level of detail for emerging needs
- In use for over 27 years; only country out of 138 using for morbidity reporting

## ■ TCS 5010 enables ICD-10-CM and ICD-10-PCS

# Why not . . .

- **Use unassigned codes in ICD-9-CM?**
  - This workaround denigrates the integrity of the hierarchy and creates an error-prone workaround
- **Use CPT for coding hospital inpatient procedures?**
  - Deemed inadequate for facility-based, non-physician services (NCVHS, AHA, AHIMA, GAO)
- **Wait and adopt ICD-11?**
  - No firm timeframes for completion of developmental work or testing puts implementation between 2016 and 2020

# Why Not Use SNOMED CT?

- College of American Pathologists (CAP) has a limited-scope ANSI-accreditation as a standard setting organization
- SNOMED is now supported by the International Health Terminology Standards Development Organization ([www.ihtsdo.org](http://www.ihtsdo.org))
- Not designed for carrying out health care transactions; requires mapping to a classification system
- Designed as an input system for documentation of care, not intended to meet reimbursement and other external reporting requirements – which could, in fact, negatively impact its use in patient care, development and use of decision support tools, and the practice of evidence-based medicine
- Number of terms and level of detail cannot be effectively managed without automation

# What Is Cost/Benefit?

## ■ Costs (2009 – 2023: \$1,640 million):

- Training
  - Full-time coders
  - Part-time coders
  - Code users
  - Physicians
- Productivity losses
  - Coders (inpatient)
  - Coders (outpatient)
  - Physician practices
  - Improper and returned claims
- System changes
  - Providers
  - Software vendors
  - Payers
  - Government systems

## ■ Benefits (2013 – 2023: \$3,951 million):

- More accurate payments for new procedures
  - Fewer rejected claims
  - Fewer improper claims
  - Better understanding of new procedures
  - Improved disease management
  - Better understanding of health conditions and health care outcomes
  - Harmonization of disease monitoring and reporting world-wide
- Cumulative Net Benefits 2023: \$2,311 million

# Comparison: ICD-9-CM to ICD-10-CM/PCS

- Same hierarchical structure
- I-10 codes are alphanumeric
- I-9's V and E codes are incorporated into main I-10 classification
- I-10 can be as long as 7 characters for greater specificity
- Significant improvements in coding primary care encounters, external causes of injury, mental disorders, neoplasms, and preventive health
- Codes with more detail on socioeconomic, family relationships, ambulatory care conditions, problems related to lifestyle, and results of screening tests
- Laterality accommodated
- More space for future expansion
- ICD-10-PCS has no relationship to the basic I-10, which does not include procedures. Its structure is totally different, accommodating complex medical procedures:

1	2	3	4	5	6	7
<b>Name of Section</b>	<b>Body System</b>	<b>Root Operation</b>	<b>Body Part</b>	<b>Approach</b>	<b>Device</b>	<b>Qualifier</b>