



# **CMS ICD-10 and 5010 Program Overview**

## **CMS ICD-10 Vendor Conference**

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# Agenda

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- **CMS' ICD-10 and 5010 Organization**
  
- **CMS' ICD-10 Activities**
  - ICD-10 Impact Analysis Project
  - ICD-10 Program Management Office
  - State Medicaid Agency Monitoring

## Overall Governance Approach

CMS' 5010 and ICD-10 Governance Strategy reflects the different natures of the 5010 and ICD-10 requirements

### 5010 Program

- CMS Organization: Office of Information Services (OIS)
- Executive Sponsorship: Chief Information Officer (CIO)

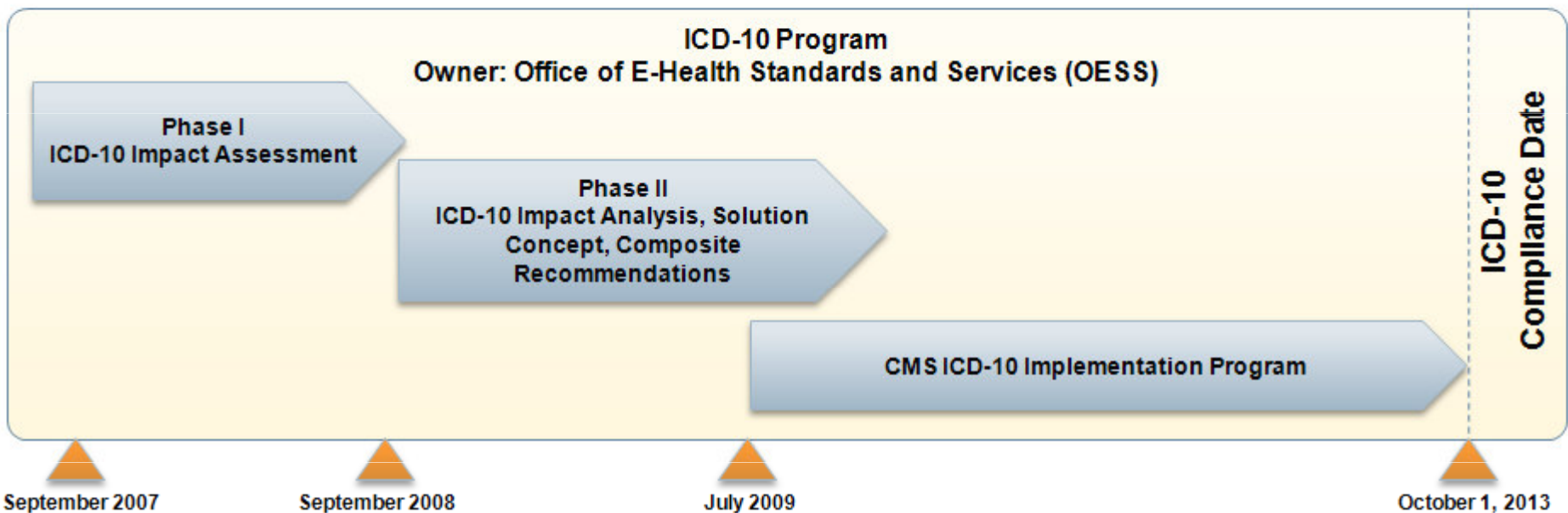
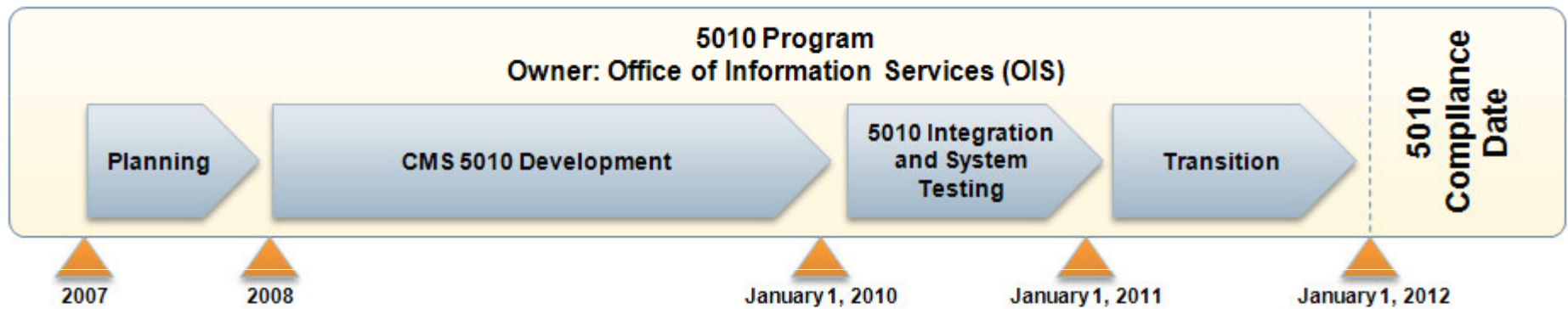
Primarily an IT Focus

### ICD-10 Program

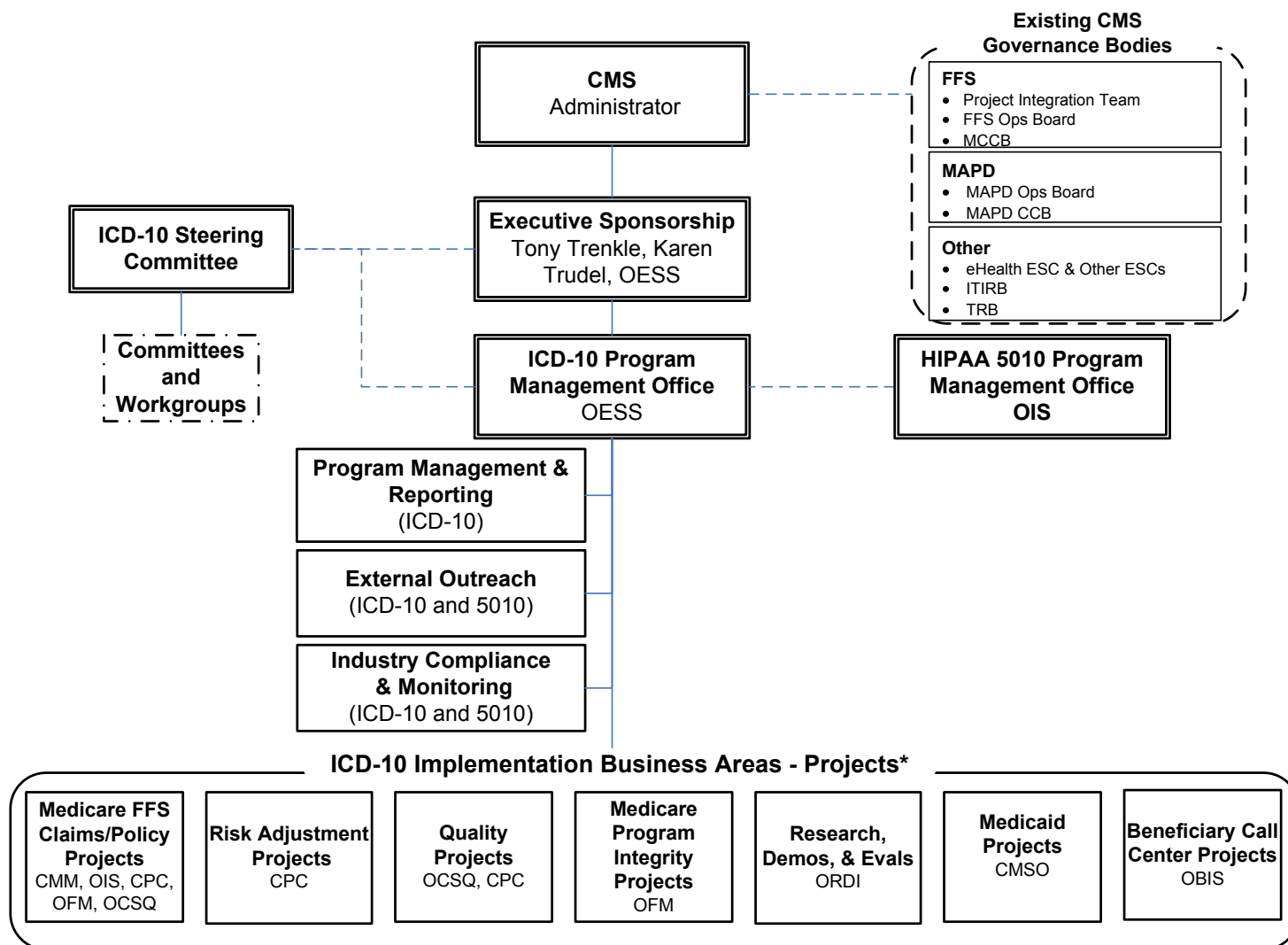
- CMS Organization: Office of E-Health Standards and Services (OESS)
- Executive Sponsorship: Director, OESS

Policy, Process, and IT Focus

# High Level Timelines



# ICD-10 Program Organization



# Key CMS ICD-10 Activities

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- **Impact Analysis Project**
  - ICD-10 Impact Assessment
  - Solution Concept / Concept of Operations
  - Recommendations
  
- **CMS ICD-10 Program Management Office**
  - Master Implementation Plan
  - Oversight and coordination of ICD-10 implementation projects
  
- **State Readiness Assessment**
  - Online ICD-10 State Readiness Assessment
  - ICD-10 State Readiness Dashboard and Benchmark Report

# Impact Analysis Goal and Scope

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## ■ Project Goals

- To establish the foundation for a successful CMS implementation of ICD-10-CM and ICD-10-PCS.
- To identify ICD-10 touch points in CMS and analyze risks and opportunities

## ■ In Scope

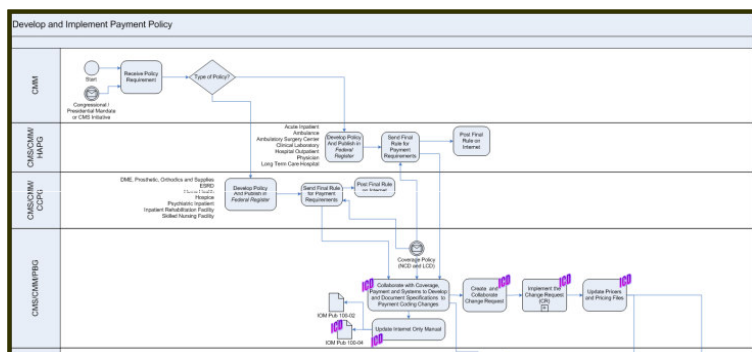
- Medicare, Medicaid, and CHIP
- Policies, processes, and systems managed by CMS

## ■ Out of Scope

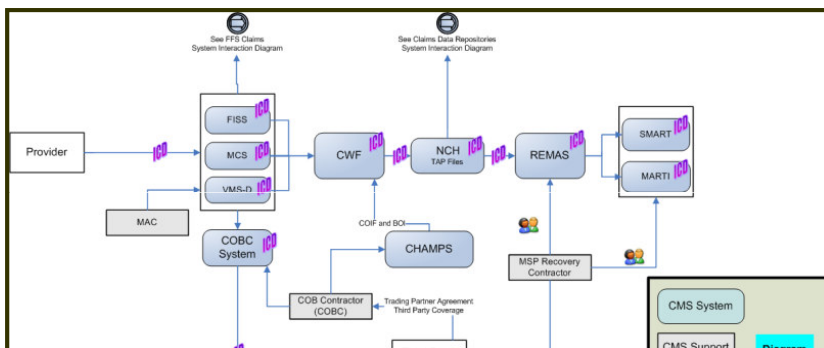
- Processes and systems managed by CMS business partners (e.g., States, other payers)

# Impact Analysis Components

## Business Process Models



## System Interaction Diagrams



## Risk Assessment

Table R-6: Description of Risk Adjustment Policy Risks

#	Risk Description	Transition Effort Required	Impact Level <sup>6</sup>	Risk and Work Effort Owner
POL #1	If CPC/MPPG creates new policies for risk adjustment that incorrectly address ICD coding, then algorithms, risk scores and payment calculation will be incorrect, leading to incorrect risk adjustments and payments to Part C and Part D plans. This could introduce uncertainty as to whether on average payments or premiums are accurate for beneficiaries at any given level of expected cost (i.e. risk) and result in overpayment or underpayment to MA and PDP plans. In addition, trend analysis of plan performance and beneficiary care may be	Update the ICD based grouping of diseases into the HCC and HCC-ESRD models.	High	CPC/MPPG

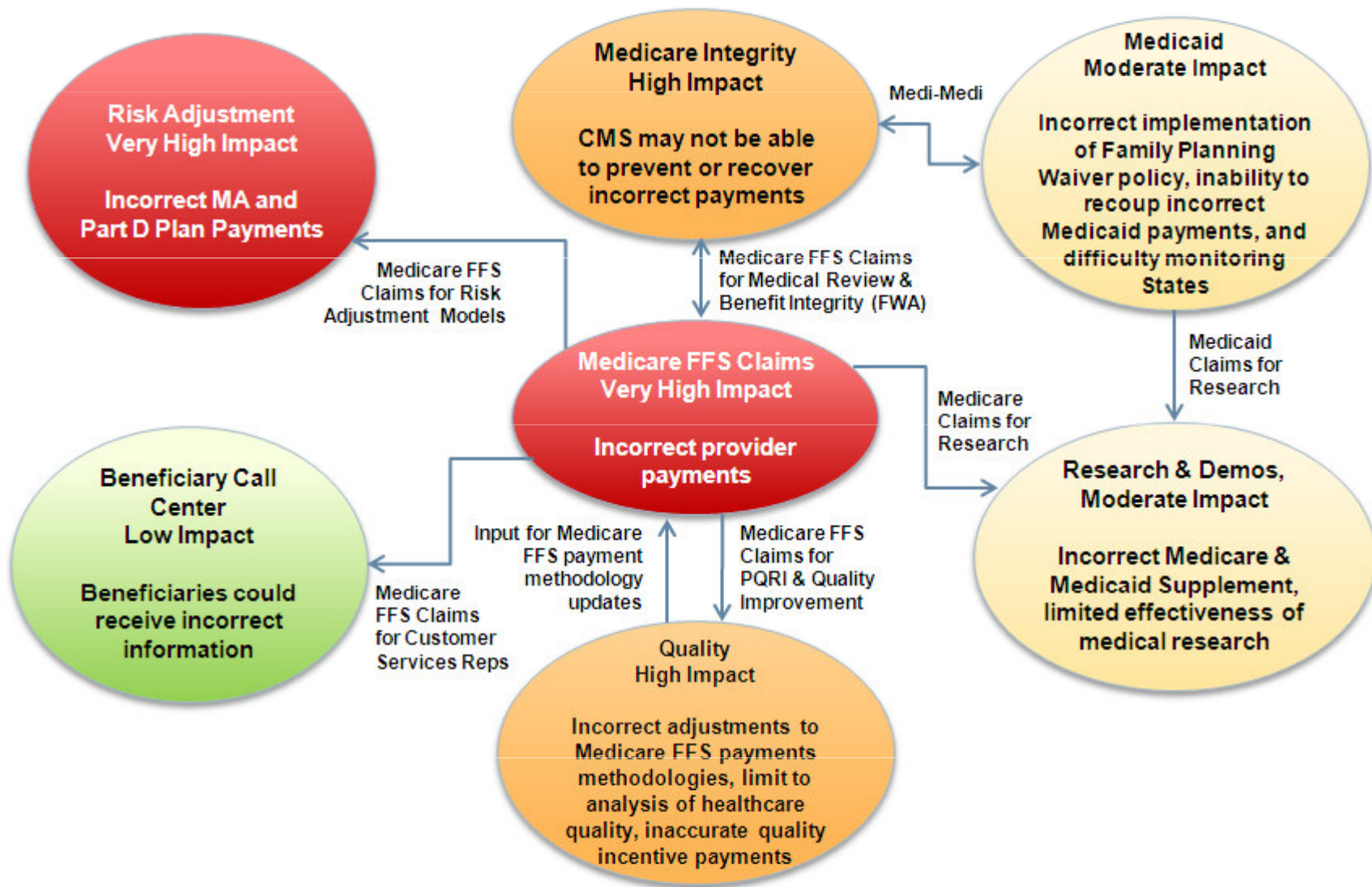
## Opportunity Assessment

Opportunities
Does the ICD-10 transition present opportunities for Risk Adjustment?: Yes
ICD-10 codes present an opportunity to improve the accuracy and efficiency of the Risk Adjustment process by:
<b>Improving HCC model accuracy:</b> The increased granularity of ICD-10 codes can improve the HCC models. Each HCC includes diagnosis codes that are related clinically and have similar cost profiles. The more precise diagnosis codes can allow for more accurate HCC models and risk adjustment. By providing more information on patient diagnoses, ICD-10 codes will provide CMS with more visibility into patients' health condition. Knowing more about diagnoses will allow the Risk Adjustment process to measure the relative health of enrollees more accurately and perform more precise risk adjustment to the capitated payments to MA plans.

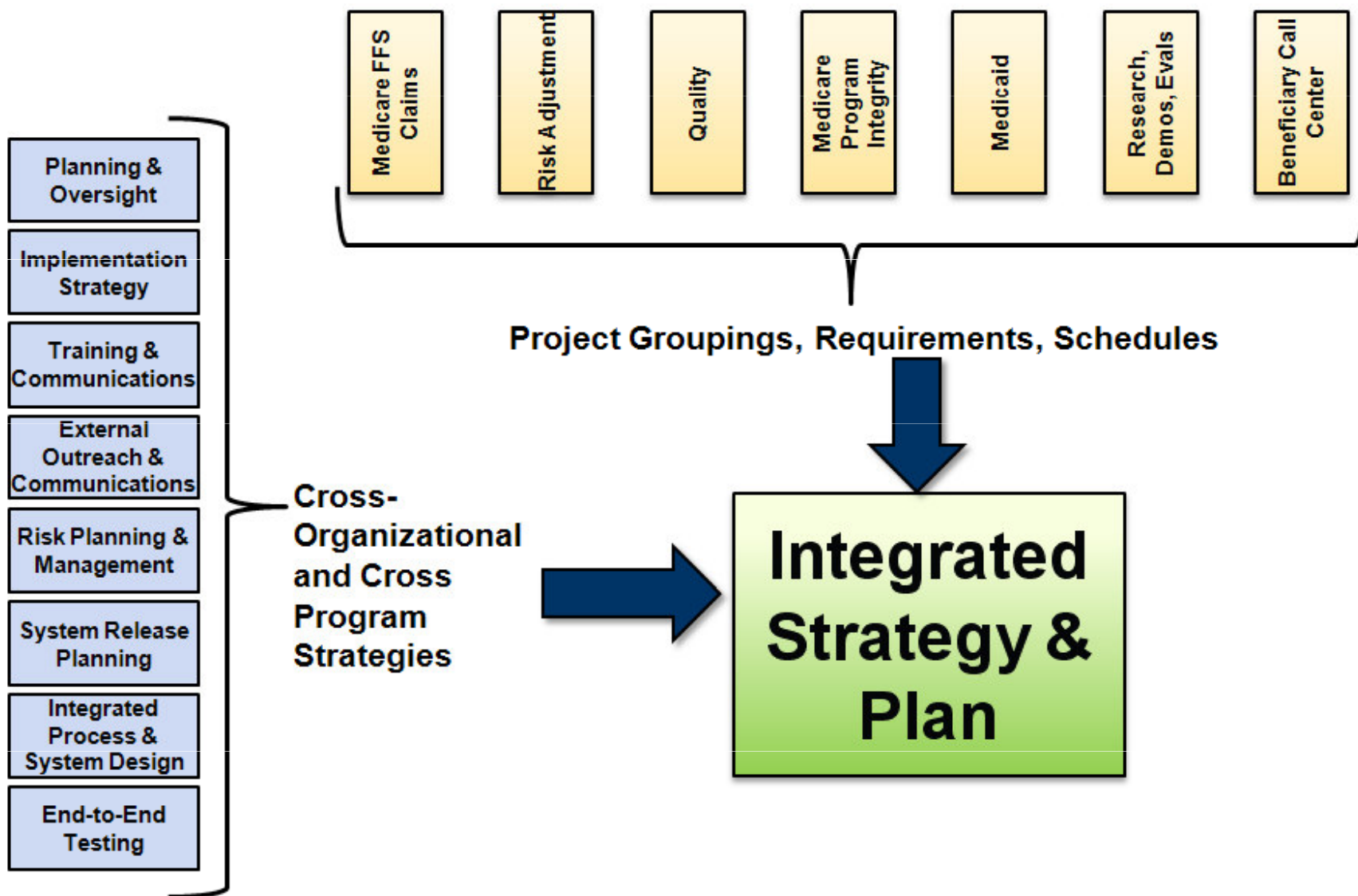
# Impact Analysis Findings

Business Areas	Associated Functional Areas
<b>Medicare Fee-for-Service (FFS) Claims</b> <b>Very High Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Payment Policy</b></li> <li>▪ <b>National and Local Coverage Determinations</b></li> <li>▪ <b>Medicare Administrative Contractor (MAC) Changes</b></li> <li>▪ <b>Medicare FFS Claims Processing</b></li> <li>▪ <b>Medicare as a Secondary Payer and Coordination of Benefits</b></li> <li>▪ <b>Manage Claim Data Repositories</b></li> <li>▪ <b>Provider Cost Reporting</b></li> <li>▪ <b>Appeals</b></li> <li>▪ <b>Contractor Provider Contact Centers</b></li> </ul>
<b>Risk Adjustment</b> <b>Very High Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Risk Adjustment</b></li> </ul>
<b>Quality</b> <b>High Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Quality Assessment Tools (MDS, SB-MDS, IRF-PAI, OASIS, CARE)</b></li> <li>▪ <b>Quality Measures and Payment Initiatives (PQRI, RHQDAPU, HOP QDRP, Home Health, CAHPS, HEDIS)</b></li> <li>▪ <b>Quality Improvement Activities (QIO) and ESRD Networks</b></li> </ul>
<b>Medicare Program Integrity</b> <b>High Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Medical Review</b></li> <li>▪ <b>Benefit Integrity (PSC/zPIC, RAC, Medi-Medi)</b></li> <li>▪ <b>Error Rate Measurement (CERT, PERM)</b></li> </ul>
<b>Research, Eval, and Demos</b> <b>Moderate Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Research, Demonstrations, and Evaluations</b></li> </ul>
<b>Medicaid</b> <b>Moderate Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Medicaid Policy</b></li> <li>▪ <b>Medicaid Operations</b></li> <li>▪ <b>Medicaid Program Integrity</b></li> </ul> <p style="text-align: right;"><i>Note: Only CMS controlled interactions &amp; information collections; Does not include State impacts.</i></p>
<b>Beneficiary Call Center</b> <b>Low Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Beneficiary Call Center Inquiry</b></li> </ul>

# Impact if CMS is Not Ready for ICD-10



# Solution Concept and Recommendations



# Key Decision Points

Agency Wide Decision Required	Key Questions
<b>Planning &amp; oversight</b>	How will CMS organize the implementation, manage resources, govern projects, track attainment of ICD-10 benefits, and communicate decisions?
<b>Mapping strategy</b>	Should CMS pursue an upgrade strategy or a crosswalk strategy? How should CMS handle historical data?
<b>Internal training &amp; communications</b>	What is the training content and curriculum, delivery strategy (e.g., train-the-trainer, computer based, or classroom)? What is the appropriate timing for the training?
<b>External outreach &amp; communications</b>	How extensive should CMS make its external outreach and communications program?
<b>Risk planning &amp; management</b>	What major risks require a response plan in the event of the risk occurring? What will CMS do if a critical risk occurs?
<b>System release planning</b>	How will CMS manage and track release progress and interdependencies? How will ICD-10 changes integrate with existing release cycles and change management processes?
<b>Integrated process &amp; systems design</b>	How will CMS develop an overall system design that reflects all system and process interactions?
<b>End to end testing strategies</b>	Will the end-to-end testing extend to external business partners (e.g., providers)? What are the test scenarios? How will CMS execute the end-to-end testing?

# Implementation Strategy - Key Terms and Definitions

## Processes

- **Coding**
  - Assignment of the most appropriate code based on medical record documentation
  - Occurs during operations in patient encounters
- **Mapping**
  - Assigning/linking code values from one code set to the equivalent code values(s) in the other code set
  - No consideration of patient medical record information
  - Occurs during implementation phase to prepare for ICD-10

## Tools/Files developed by CMS and in Public Domain

- **General Equivalence Mappings (GEMs)**
  - Reference mappings to help navigate between code sets. **Bi-directional** translation dictionary.
  - To aid in converting applications and systems from ICD-9 to ICD-10
  - Developed for use by ALL providers, payers, and data users.
- **Reimbursement Mappings**
  - To provide non CMS payers a temporary mechanism for mapping records containing ICD-10 codes to “reimbursement equivalent” ICD-9 codes
  - Developed at the request of other payers.
- **Alternate Terms: “Map”, “Crosswalk (noun)”**

# Implementation Strategies

## ■ Decision #1: Convert/Upgrade or Crosswalk/Neutralize Systems

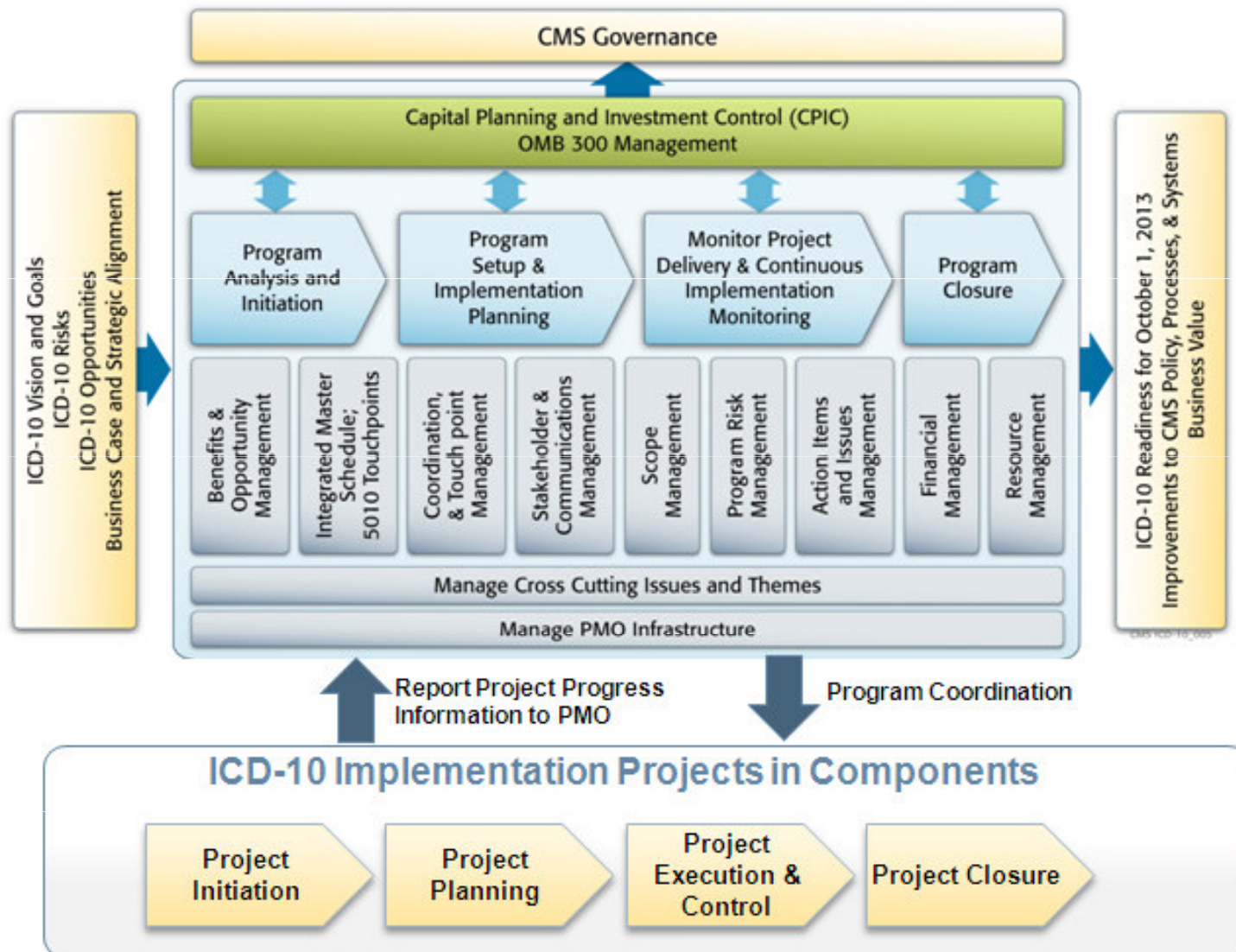
- Update the impacted systems to accept, use, and send ICD-10 codes natively
  - Terms used – “Convert”, “Upgrade”, “Remediate”, “Transform”
  - GEMs is designed to assist with selecting codes for system conversion
- Shield the impacted systems from accepting, using, or sending ICD-10 codes natively
  - Term used – **“Crosswalk (verb)”**, “Neutralize”
  - Reimbursement Mapping can assist health plans to implement this strategy

## ■ Decision #2: When converting systems

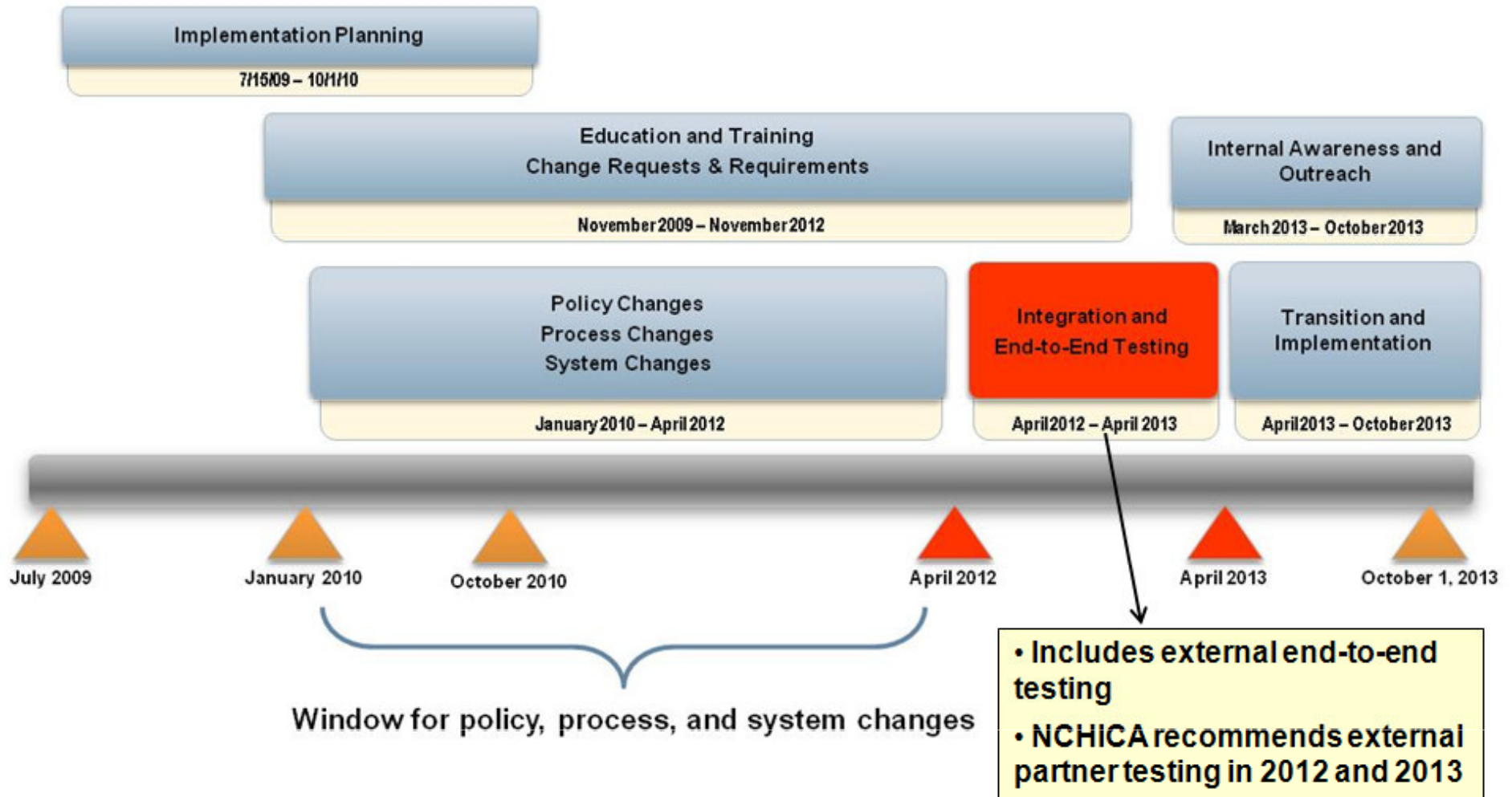
- Convert the systems so that the same general action is taken whether the encounter is coded in ICD-9-CM or ICD-10
- Improve the accuracy of the system by taking advantage of the increased accuracy of ICD-10 in application

**CMS is using the GEMs to convert its systems.**

# Program Management Approach



# Initial CMS ICD-10 Timeline



## ICD-10 State Readiness

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- **Online assessment with 187 questions to determine each of the 54 State Medicaid Agency's (SMA's) readiness for ICD-10**
  - Administered March 1st
  - Planned future administrations:
    - At a minimum semi-annually until 2012
    - Quarterly in 2012
    - Monthly for 2013
  
- **ICD-10 State Readiness Dashboard and Benchmark Report**
  - Dashboard is a graphical view to show risk level of each SMA based on the online assessment results
  - Benchmark report analyzes the online assessment results and provides suggestions moving forward

# Summary

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- **CMS has a large implementation program to manage and execute**
  - Over 70 IT systems and 200 projects
- **ICD-10 success cannot occur in isolation**
- **ICD-10 requires coordinated effort across organizations**
  - Significant interdependencies between Covered Entities
  - Substantial dependencies on vendors
- **Time is of the essence**
  - Individual organizations and the industry need all the time between now and October 2013 to prepare