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BULLETIN

No. 15-11 September 29, 2015

A new CWCI report examines the history, form and function of the ICD-10 coding system, which on October 1, will become the standard classification system for all healthcare delivery in the U.S., including group health, federal programs (Medicare, Medicaid, Veterans Administration), as well as workers' compensation.

The development, adoption and implementation of the 10th revision of the International Statistical Classification of Diseases and Related Health Problems (ICD-10) code set as a national standard has taken 21 years, but the upcoming transition will finally allow for the outdated ICD-9 system to be replaced with a more robust code set providing for greater flexibility into the future. The new classification system is composed of two main sections:

1. The ICD-10-CM Clinical Modifications; and

2. The ICD-10-PCS Procedure Coding System

The ICD-9 and ICD-10 medical condition codes are intended to describe a patient's clinical status as accurately as possible, while the procedure codes are used by hospitals to identify and track specific health interventions. The primary goal of the codes is to provide standard identifiers that can be used to facilitate communication between various medical providers, providers and payers, and government agencies, though they also provide researchers and analysts with statistically relevant groupings that allow for more accurate and precise utilization and cost trend analyses. In that regard, it is expected that after an initial transition/learning period, the ICD-10 code sets will yield more accurate descriptions of a patient's clinical status, enhancing the quality and the detail of the data used for many types of research, including:

- Analyses that track public health conditions, including world-wide patterns and trends

- Epidemiological research on the severity of illness and co-morbidities

- Assessments of the types and outcomes of care provided to patients, including the use and effects of new medical technology

The added detail also should provide more complete information on the nature of the injury, which can be used to correlate cause, treatment and outcome, and improve clinical decision-making -- including decisions based on consultations between medical providers. In addition, the more specific descriptions may reduce gray areas of coding, allowing claims organizations and investigators to more readily identify cases of fraud or abuse. At the same time, the enhanced detail should expedite the refinement of current payment systems such as the severity-adjusted DRG systems that are used to reimburse hospital services, as well as the development of new claims processing and payment systems, including emerging pay-for-performance programs.

In its analysis, the Institute outlines the similarities, as well as significant differences, in the coding structures of the ICD-9 and ICD-10 classification systems, as summarized in the following table:

Differences Between ICD-9 -CM and ICD-10 Code Sets*		
	ICD-9–CM	ICD-10 Code Sets
Procedure	3,824 codes	71,924 codes
Diagnosis	14,025 codes	69,823 codes
ICD-10 Code Structure Changes		
Diagnosis Structure	ICD-9-CM	ICD-10-CM
	3-5 characters	3 - 7 characters
	First character is numeric or alpha	Character 1 is alpha
	Characters 2-5 are numeric	Character 2 is numeric
		Characters 3 – 7 can be alpha or numeric
Example	724.2 – Lumbago	M54.5 - Low Back Pain
Procedure Structure	ICD-9-CM	ICD-10-PCS
	3 – 4 characters	ICD-10 PCS has 7 characters
	All characters are numeric	Each can be either alpha or numeric
	All codes have at least 3 characters	Numbers 0-9; letters A-H, J-N, P-Z
Example	54.72 - Other repair of abdominal wall	0WQF0ZZ - Repair Abdominal Wall, Open Approach
		0WQF3ZZ - Repair Abdominal Wall, Percutaneous Approach
		0WQF4ZZ - Repair Abdominal Wall, Percutaneous Endoscopic Approach
		0WQFXZZ - Repair Abdominal Wall, External Approach

* Centers for Disease Control & Prevention (**www.cdc.gov/nchs/icd/icd10cm_pcs_background.htm**)

Medical providers, payers, claims operations and others have expended significant resources preparing for the ICD-10 transition, but given the scope of the change, more will be required. At a minimum, the new code structure will require database modifications, adjustments to data sharing and transfer protocols and agreements, and changes to billing and adjudication forms. Among California workers' compensation stakeholders and entities affected by the transition:

- Medical service providers (physicians, hospitals, ancillary medical providers)
- Medical bill payers (claims administrators, bill review vendors)
- Electronic billing clearinghouses
- Medical dispute resolution organizations, including Utilization Review Organizations, Independent Medical Reviewers, Independent Medical Examiners/Qualified Medical Examiners
- The state-based workers' compensation reporting system (WCIS)
- Medicare secondary payers
- Public policy research databases

CWCI has published its analysis in a spotlight report, "**ICD-10s and the Workers' Compensation System"**, which members and subscribers can access in the Research section at (www.cwci.org).

SJ/by