



# What Healthcare Execs Need to Know about ICD-9 to 10 Conversion

(but Were Afraid to Ask)



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*The International Classification of Diseases, more affectionately referred to as the ICD, should be familiar to any healthcare executive. This comprehensive list of health condition classifications is the standard diagnostic tool for health organization management not just here in the United States, but around the world.*

Not only does the ICD include names and codes for virtually every health situation imaginable, using to classify and analyze disease and other health data associated with various population groups. The ICD classification system helps track health problems for clinical purposes as well for the contribution of vital statistical information to the World Health Organization (WHO). Domestically, ICD is used to help code insurance documentation used for billing and reimbursement. Using the tenth version of ICD (ICD-10) was officially endorsed by the World Health Assembly back in 1990, and was adopted for use by WHO Member States in 1994. Several countries today use ICD-10 for coding and diagnostics, and reporting mortality and morbidity rates. Consistent, objective coding helps transcend language barriers to ensure accurate tracking of health trends and crises worldwide.

In the U.S., the conversion from ICD-9 to ICD-10 was



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originally scheduled for completion by October 1, 2011, and was then extended to 2013. The current deadline has been pushed out to 2015. Although this may offer more time to complete the conversion process, the steps that must be taken probably feel no less overwhelming to healthcare executives despite being granted extra time to complete them.

This white paper gives the necessary overview that healthcare executives need to move forward with mandatory ICD-10 conversion.

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## Why Conversion Is Necessary

The first question nearly everyone asks when the subject of ICD-10 conversion comes up is “How necessary is conversion, really?” When looking at the extensive overhaul in coding, employee training, and adaptations in daily routine, it is hard to imagine that the associated benefits might outweigh the sheer work involved in making the switch. Yet, there are several compelling reasons ICD-10 is not just recommended, but could even be more beneficial to healthcare organizations in the long run.

Politics aside, the simple fact of the Affordable Care Act’s existence means a significantly increased number of insured persons, which in turn means healthcare organizations need a more efficient method of coding diagnoses, tracking patient records and filing insurance claims. One requirement of the ACA is for healthcare organizations to show “meaningful use” of electronic medical records (EMRs), while another requires outcome-based measurements. The ACA-mandated transition to ICD-10 is intended to help meet all of these concerns.

In addition, despite the undeniable commitment that the conversion process will require, there are clear benefits to upgrading as well:

- **ICD-10 offers more comprehensive diagnostic codes.** The diagnostic codes under ICD-9 total about 13,000, while there are around 3,000 procedural codes. Under ICD-10, these numbers increase to 68,000 and 87,000, respectively. ICD-10 will mitigate the significant

## Sign and Symptoms:

719.7 Difficulty walking

780.999 Other specified symptoms

7

7

7

7

781.3 Lack of coordination

781.92 Abnormal posture

limitations represented by ICD-9. As one example, if a patient breaks an ankle, ICD-9 codes do not designate left or right; this data must be added separately, which leads to higher risks of inaccurate medical records, a greater potential for inappropriate treatment and general confusion when submitting claims for reimbursement.

- **ICD-10 more accurately reflects today's current state of medical care.** Medical technology and the overall understanding of physical and mental health concerns have quite simply, outgrown the descriptions offered in ICD-9. Physicians are stuck inventing new codes—codes

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that are not used consistently among different practices or insurance providers—for diagnoses that weren't named or recognized and procedures that didn't exist (and weren't technically possible) at the time of ICD-9 adoption back in the 1970s.

- **ICD-10 can improve claim collection.** The lack of specificity in ICD-9 codes can lead to unnecessary insurance claim rejection; the increased accuracy and larger selection of ICD-10 codes will help eliminate ambiguity. ICD-10 also means more consistency across the board for healthcare provider and insurance company alike.
- **The U.S. healthcare system needs to catch up.** WHO endorsed the use of ICD-10 nearly 25 years ago, and ICD-10 has been in widespread use among other first-world nations for years. Much of the rest of the world is already using ICD-11. By upgrading to ICD-10, the United States is better positioned to interact in a meaningful way with worldwide health concerns, including tracking disease statistics and outbreaks, reporting mortality rates and any number of cooperative ventures that are made more difficult when using a different coding system.

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## Key Issues to Consider

No matter how compelling the benefits of conversion may be, there are still a few key issues that healthcare executives must consider throughout the conversion process: data security, HIPAA form processing and digitization of records.

First, the data security issue. According to the 2014 Verizon Data Breach Investigations Report, 46 percent of healthcare data breaches originated in physical loss or theft of unencrypted devices. This was the highest percentage of any industry surveyed in the report. With this basic concern over patient privacy already front and center, how can changing the entire diagnostic system be accomplished without further increasing these vulnerabilities?

The second issue, HIPAA form processing, is a case of playing policy leapfrog. HIPAA requires that all healthcare practices are using Version 5010; this is a necessary precursor to adopting ICD-10. Yet, some organizations are still struggling in the wake of their Version 5010 upgrades... and others have yet to make them, even though the mandate went into effect in January 2012.

Finally, the digitization of records is a massive undertaking that, nevertheless, is an essential part of helping the healthcare industry join the 21st century. For smaller practices with tight budgets—or for larger practices faced with a massive overhaul in moving to EHRs—dealing with ICD-10 on top of the challenge of digitization feels like a last straw scenario.



## Conversion Frustrations

The issues mentioned above are only peripheral to the considerable task that is the conversion process to ICD-10. Healthcare executives are frustrated with the shift from ICD-9 to ICD-10 for several reasons, not one of which is insignificant:

- **Impact to cash flow and reserves.** The estimated per-physician cost of conversion ranges from \$25,000 to \$50,000, depending on source of the information. At the same time, as health plans modify contracts, payment schedules are also likely to change. This means reimbursements could become erratic, which directly hampers cash flow.
- **IT capacity.** Most IT departments are already operating at full capacity handling already enormous projects like EHRs, data security and HIPAA compliance. Finding



the extra time or extra personnel to take on the ICD-10 conversion challenge is a major sticking point.

- **Uptraining costs.** For every single physician in a practice, there is about 10 admin staff. The estimated time required for uptraining in the much more complex coding system of ICD-10 is 16 hours for coding staff, 8 hours for administrative personnel and 12 hours for providers. That is a large investment in lost work hours, particularly in larger practices.

- **Data security.** Throughout the conversion process, HIPAA compliance must be maintained. There are several issues related to data security that can't fall by the wayside:

- Hacking into networks
- Email safety
- Lack of data encryption
- The many different points through which data access can be gained

Comprehensive monitoring of all systems and access logs for potential breaches is a must.

- **Form processing.** As mentioned briefly above, all HIPAA forms must be revised to reflect ICD-10 codes rather than ICD-9. This includes CMS and dental forms, and means that those practices still stubbornly using UB92 will actually have to make the upgrade to UB04.



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## The Bottom Line

Even a quick scan of this white paper reveals a significant hike in capital expenditures and man-hours, and even a possible increase in staff in order to comply with upgrading to ICD-10. Yet, the real quandary in ICD-10 conversion is that all this overhead investment must be made with absolutely no corresponding increase in revenue to help ease the blow to the operating budget. However, despite this significant “con” on the list of pros and cons, the pros of transition are not only convincing and far more numerous, but reflective of a national mandate that's not open to discussion. ICD-10 is not necessarily about today's healthcare practices, but needs to be adopted with an eye for ensuring future efficacy for managing healthcare on a global scale. Skilled, professional guidance can ease the transition to ICD-10. Whether by temporarily supplementing existing staff to aid conversion without needing to add new hires to the roster or helping to keep status quo cash flow, iBridge can help. As experts in resources and cash flow, iBridge is well versed in the steps that must be taken to successfully convert to ICD-10, and our team is ideally positioned to extend a helping hand toward healthcare organizations that can assist them in safely and cost-effectively crossing that gap.

**If you would like to learn more about  
how iBridge can help you with  
your ICD conversion,  
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