

# ICD-10 Taskforce Bulletin

A Newsletter from the NCHCA ICD-10 Taskforce

November 2011, No. 2

## ICD-10-PCS

In 1995, the Centers for Medicaid and Medicare Services (CMS) awarded the contract to 3M Health Information Systems to develop a new procedure coding system to replace ICD-9-CM (Clinical Modification) Volume 3. Since Volume 3 is a 30 year old system that focused on inpatient procedural reporting, it cannot accurately describe 21<sup>st</sup> century procedures. ICD-10-PCS (Procedure Coding System) is the result of 3M's development efforts and is the federally mandated replacement for ICD-9-CM Volume 3 as of October 1, 2013.

### Structure

**ICD-9-CM:** Three or four numeric digits  
**ICD-10-PCS:** Seven alphanumeric digits (characters)  
34 possible values for each character  
Digits: 0-9  
Letters: A-H, J-N, P-Z

	Section	Body System	Root operation	Body Part	Approach	Device	Qualifier
Characters:	1	2	3	4	5	6	7

Codes are not assigned; they are built character-by-character (*see Building section on next page for more details*). This build is dependent on the complexity of the procedure, and even more importantly, the comprehensiveness and clarity of the physician's documentation.

The first through fifth characters are always assigned a specific value, but the device (sixth) and the qualifier (seventh) are not applicable to all procedures (value Z is used when either are not applicable to the procedure).

It is important to clarify that physician practices will not use ICD-10-PCS because physician professional services, delivered in any setting, will continue to be coded using Current Procedural Terminology (CPT) and the Healthcare Common Procedure Coding System (HCPCS). However, physicians will be impacted, as hospitals will require detailed operative notes in order to accurately report inpatient procedures.

The lack of specificity in an operative or procedure report may very well have a financial impact on hospitals. At a basic level, revenue may slow down due to a delay in billing (if the service cannot be coded without a query to the physician for clarification).

### Opportunities for Collaboration

- Begin assessing current documentation of operative or procedure reports to determine if all information would be present under ICD-10-PCS.

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**RED ALERT  
COUNTDOWN**  
**679 Days**  
(As of November 21, 2011)

### ICD-10-CM Training

**Charlotte AHEC ICD-10-CM Training and Implementation Issues for the Provider Office**

November 30, 2011

<http://my.ncahec.net/education.php?d=a>

**Southeast AHEC ICD-10 Steps to Prepare Your Office**

December 6, 2011

<http://my.ncahec.net/education.php?d=a>

**NCCHCA's ICD-10 Training**

January 26, 2012

<https://m360.ncchca.org/calendar.aspx>

**North Carolina schools that offer ICD-10 training**

<http://www.nchima.org/services/services.html>

**AHIMA ICD-10 Distance Learning** (Membership not required for classes)

<http://www.ahima.org/continuinged/campus/default.aspx>

### **\*\*ICD-10 Reminders\*\***

#### **As of October 1, 2013:**

- **ALL** claims will use **ICD-10-CM** diagnosis codes.
- **ICD-10-PCS** will be used for inpatient hospital claims **ONLY**.
- **CPT** code usage will be unaffected.

- Work with clinical documentation staff to begin refining queries to start capturing missing/additional components required under ICD-10-PCS **now**.
- Partner with physicians and their office staff to provide specific examples of what is needed and ask for their help. The continued financial health of the hospital is very important to physicians who rely on hospital facilities to provide up-to-date services, equipment and technology.

The structure of ICD-10-PCS is designed in such a way as to easily allow for expansion of new procedures and technologies. However, a greater depth of clinical documentation and knowledge is required to build the codes.

In addition to the expandability attributes of ICD-10-PCS, its other goals were to incorporate a method to ensure:

- **Completeness:** All substantially different procedures have a unique code, much more complete than ICD-9-CM, allowing for greater specificity.
- **Standardized terminology:** Includes definitions of the terminology used; ICD-10-PCS defines a single meaning for each term used in the system. Standardized terminology will make it easier to use once the coder has undergone initial training.
- **Multi-axial:** The system has a multi-axial structure. Each character has the same meaning within a section and across sections (to the extent possible) making it easier to analyze.

For more information, visit [https://www.cms.gov/ICD10/11b\\_2011\\_ICD10PCS.asp](https://www.cms.gov/ICD10/11b_2011_ICD10PCS.asp) and select "2011 ICD-10-PCS Reference Manual and Slides."

ICD-10-PCS is not only fundamentally different from ICD-9-CM in its structure, organization and capabilities but also contains a large increase in the actual number of procedure codes (growing from around 3,800 in ICD-9-CM to more than 72,000 in ICD-10-PCS).

### Building Character-by-Character

- **Section (1<sup>st</sup> character)** - signifies the broad procedure category, or section, where the code is found.
- **Body System (2<sup>nd</sup> character)** – defines the body system, or the general physiological system or anatomical region involved.
- **Root Operation (3<sup>rd</sup> character)** - identifies the objective of the procedure, with 31 different root operation values.
- **Body Part (4<sup>th</sup> character)** – defines the body part, or specific anatomical site where the procedure was performed. The body system and body part values together provide a precise description of the procedure site.
- **Approach (5<sup>th</sup> character)** – defines the approach, or technique used to reach the procedure site. Seven different approach values, comprised of three components: Access Location, Method and Instrumentation.
- **Devices (6<sup>th</sup> Character)** – refers only to those left in place at the end of the procedure. Four basic categories: Grafts & Prostheses, Implants, Simple or Mechanical Appliances, and Electronic Appliances.
- **Qualifiers (7<sup>th</sup> character)** – specifies an additional attribute of the procedure, if applicable.

The ability of the coder to build the correct ICD-10-PCS code requires a greater knowledge of anatomy and physiology than under ICD-9-CM. Furthermore, coders will continue to be dependent on physician documentation included in the operative or procedure reports. It is imperative that physicians understand the impact of ICD-10-CM and ICD-10-PCS and willingly partner with hospital initiatives focused on improving documentation.

By beginning now, hospitals can slowly introduce the new level of specificity required without overwhelming physicians.

For tips on talking to your vendor, please see the CMS publication:

***Talking to Your Vendors about ICD-10 and Version 5010: Tips for Medical Practices***

<http://www.cms.gov/ICD10/Downloads/ICD10TalkingtoVendorforMedicalPractices20100409.pdf>

*Content provided by the NCHICA ICD-10 Taskforce. For more information on ICD-10 and to read past Bulletins, visit <http://www.nchica.org/HIPAAResources/icd10.htm>.*