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POV: ICD-10 IS HERE — HOW PHARMA
CAN HELP EASE THE PAIN

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OVERVIEW

Two years after it was slated for implementation in the United States, the tenth revision of the World Health Organization's International Statistical Classification of Diseases and Related Health Problems (ICD-10) is finally here. The codes are used to diagnose and categorize diseases, signs and symptoms, abnormal findings, complaints, social circumstances, and external causes of injuries or diseases, and are required when filing health insurance claims. Starting on October 1, 2015, [all HIPAA-covered U.S. healthcare providers \(HCPs\)](#) will be required to use ICD-10, which will replace the ICD-9 code set that has been in use for the past 36 years.



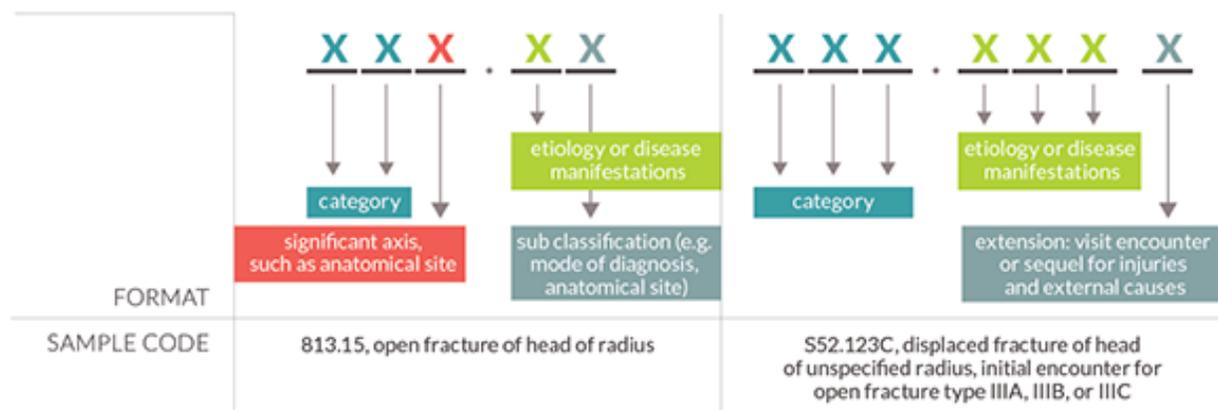
In the lead-up to implementation, healthcare providers, journalists and other stakeholders have wondered out loud — and frequently — whether ICD-10 will experience hiccups like the initially beleaguered HealthCare.gov did. The answer is most likely yes for all involved.

Once fully implemented, however, ICD-10 will benefit all stakeholders — HCPs, patients, insurance payers *and* pharmaceutical companies. In this POV, we'll look at the implications of transitioning to ICD-10; how patients, HCPs, and pharma will be affected; and how pharma can play a positive role in the process.

HOW WILL CODES BE DIFFERENT?

ICD-9 contains approximately 13,000 codes that are three to five characters long; ICD-10 contains approximately 68,000 codes that are three to seven characters long. The longer the code, the greater the specificity in documentation. Other differences include:

- + Use of alphanumeric characters in all positions instead of only in the first position
- + Ability to report right/left side of the body or limb
- + Restructuring of obstetric diagnoses



HOW WILL PATIENTS, PATIENT CARE AND PUBLIC HEALTH BE AFFECTED?

At least initially, as providers get up to speed on the new codes, patients will likely experience longer wait times at all points during an HCP visit, from check-in (e.g., forms, insurance information, patient copays) to intake, examination to signoff/payment, checkout and reimbursement. Explanations of benefits will probably also take additional time to sort through and verify because they will be more detailed, specific and directly aligned with covered services and treatments. Ultimately, patients will benefit from the switch to ICD-10, but they might not see it that way in the early stages of the transition.

Although it will take time for the advantages of the new coding system to become apparent, ICD-10 will be a step forward for patient health. **Patient care will be improved**, as will outcomes, because providers will have more information to utilize in to determining diagnoses, building treatment plans and tracking changes in patient health.

More detailed coding will benefit patients and populations in other ways, including:

- + Greater diagnosis specificity, resulting in more appropriate treatment plans
- + Enhanced understanding of the relationship between HCP performance and patient outcomes
- + Improved communication between collaborating care teams
- + Better data on outcomes, efficacy and costs of new medical technology





- + International comparisons of quality of care and global best-practice sharing
- + Improved public health reporting and research
- + Early detection of disease outbreaks
- + Better tracking of adverse drug events
- + Support for fair, innovative payment models that improve the overall quality of care
- + Decreased number of rejected insurance claims

HOW WILL PHYSICIAN PRACTICES BE AFFECTED?

The longer and more detailed ICD-10 codes mean that electronic health records systems must be upgraded, staff must be trained, and adjustments to the workflow must be made to accommodate the time it takes to record greater amounts of detail. As of August 3, 2015, as many as half of U.S. physicians said they [still weren't ready](#) to implement the new codes.

Although concern has been voiced about the significant increase in the number of codes in ICD-10, Jim Daley, director of IT at BlueCross BlueShield of South Carolina and co-chair of the nonprofit Workgroup for Electronic Data Interchange (WEDI), [says](#) that HCPs in practice settings won't use a majority of the codes, many of which are for hospital inpatient procedures.

MEDICARE

To make the transition more manageable for HCPs in practice settings, the Centers for Medicare and Medicaid Services (CMS) [will not deny or audit](#) Medicare claims based solely on the specificity of diagnosis codes, provided the codes are from the correct ICD-10 code family. Additionally, if Medicare contractors are unable to process claims because of problems with ICD-10, CMS will authorize advance payments to physicians.

MEDICAID

CMS will allow a workaround for Medicaid fee-for-service programs in California, Louisiana, Maryland and Montana, where claims processing systems are currently not equipped to perform payment calculations using the new ICD-10 codes.

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WORKERS' COMP

According to WEDI, as of February 2014, only 21 states had workers' compensation systems that were prepared to implement ICD-10. As of August 31, 2015, this number **had not changed**. States that have adopted ICD-10 for outpatient workers' comp claims include:

Alabama	Minnesota
California	Nevada
Florida	New Mexico
Georgia	New York
Hawaii	North Carolina
Idaho	Ohio
Illinois	Oregon
Louisiana	South Dakota
Maryland	Texas
Massachusetts	Washington
Michigan	

Three states, Indiana, Maine and South Carolina, are ready to use ICD-10 for hospital inpatient billing only.

HOW WILL PHARMA BE AFFECTED?

Pharma may feel the effects in ongoing, pre-transition clinical trials and longitudinal studies due to outdated protocols that do not make note of the switch from ICD-9 to ICD-10 codes. In addition, incorrectly coded insurance claims may delay reimbursement and potentially result in providers opting for products with easier reimbursement procedures. Payments may also be stalled if product indication language does not match ICD-10 codes for diagnoses.

BIG DATA = BIG INSIGHTS

In addition to helping practices navigate the transition, pharma research and development programs will benefit from the valuable insights gained from more detailed and comprehensive data collection. The specificity of the new code set will make it possible to
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more accurately track adverse events and outcomes, better understand complications, and plan for future clinical trials and retrospective studies.

The healthcare consultancy [No World Borders](#) has identified a number of other benefits pharma will see with the implementation of ICD-10, including:

- + “Reduction of payment errors to providers for pharmaceutical and medical device products used in medical procedures.
- + Increased competitive advantage through the creation of comparative effectiveness analytics programs.
- + Improved understanding of payer strategies.
- + More profitable pricing strategies as a result of data mining more accurate information.
- + Access to population health data to guide future R&D efforts focused on either high volume low dollar or high dollar low value diagnosis groups.”

GIVE A LITTLE, GET A LOT

Despite the challenges of moving from ICD-9 to ICD-10, opportunities exist for pharmaceutical manufacturers to nurture relationships with HCPs and office staff during the transition. Pharma can promote goodwill by providing:

- + **Transition guides** that include a practice's most commonly used diagnosis codes. This is also a good opportunity for pharma to identify ICD-10 codes required for their products to be approved and/or reimbursed and incorporate these into a transition guide.
- + **Reference websites or toll-free help lines** for HCPs and their staff who have questions about product approval or reimbursement.

Instead of waiting for the process to smooth itself out, pharma can capitalize on opportunities to build relationships with physicians by helping them become comfortable with ICD-10.

SUMMARY

The practice of medicine has changed significantly over the past 25 years, and the ICD-10 code set will better reflect the greater range of known conditions and the devices and treatments now being used. Patients and populations, HCPs and their staff members, payers *and* pharma will all be affected by the implementation of ICD-10. The good news is that, although it may sting proprietary



at first, everyone will eventually reap the benefits. Until then, it's critical to be ready for stalls, setbacks and stumbling blocks.

"Before anything else," said Alexander Graham Bell, "preparation is the key to success." Are you prepared?

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