



Roundtable: Adopting ICD-10 Code Sets: Is your lab ready?

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By: Kurt Woock

ICD-9 code sets are set to be supplanted by ICD-10 code sets. Although the new code's name sounds about as incremental as an update can get, ICD-10 codes actually have a completely different structure than ICD-9 codes. ICD-9 codes are mostly numeric and have three to five digits. ICD-10 codes are alphanumeric and contain three to seven characters. ICD-10 codes are able to capture more valuable information, such as "one-to-many" matches. The transition will go into effect in October 2014.

CLP sat down with three industry leaders to get their take on what the switch means and how labs can prepare.

With more than 30 years of laboratory experience encompassing clinical laboratory management, research and development, and product management, Sandy Laughlin brings valuable experience to CompuGroup Medical - Lab Division, LabDAQ, Boston, as its product manager.

Lâle White, CEO, XIFIN Inc, San Diego, is an expert in the field of health care financial management and regulatory compliance, with more than 25 years of experience in information systems development and medical billing.

Julie Pekarek, VP of solutions management, Merge Healthcare, Chicago, oversees Merge's efforts for Meaningful Use in radiology, orthopedics, eye care, and ob/gyn. She has spent 20 years in the health care industry, both on the provider side as a part of a health care system and on the vendor side.

CLP: How are clinical laboratories uniquely challenged by the transition to ICD-10 as indirect service providers?

Pekarek: As indirect service providers, clinical labs are dependent on the order received. If this order is done correctly and has sufficient detail, they are able to code and bill for the test more easily. In the move to ICD-10, the ordering clinician will be changing the condition/reason for the test to comply with ICD-10 codes. Labs will be dependent on these providers re-coding correctly and in sufficient detail. If this does not happen, they will need to spend time completing or correcting in order to get paid.

Laughlin: If the lab is currently checking for medical necessity, the laboratory staff will be responsible for training order entry personnel to ensure that the appropriate diagnosis codes are used for the procedures requested. Laboratories will also be impacted if they are exporting data electronically from the laboratory information system to a billing or practice management system. The exports must include ICD-10 codes for proper claim submissions to insurance carriers after Oct 1, 2014. If history is any indication, major changes in the charge export format to insurance carriers and clearinghouses will cause an increase in claim rejections and delayed payments, which will impact cash flow.

White: As indirect providers, clinical laboratories are completely dependent on ordering physicians to provide accurate ICD-10 codes required by payors to obtain reimbursement. Labs cannot code their own claims, or fill in the blanks without consulting the ordering physician, which could result in cash flow interruptions. This will be the single greatest challenge labs face in transitioning to ICD-10.

CLP: What can labs do to ensure compliance with ICD-10 technology changes required of their IT vendors and third-party payors?

Laughlin: Labs should be contacting their laboratory vendors to determine if software or hardware updates are required and when the update will be installed. They should also determine a timeline for updating the product and whether the software update will support both ICD-9 and ICD-10 to accommodate transactions for services performed prior to Oct 1, 2014 that are submitted after Oct 1, 2014. Labs should implement the software version that supports ICD-10 months in advance of the October 2014 deadline and allow for sufficient time to train and test all involved systems.

White: By now, labs should have contacted their billing and lab information system vendors to determine their plan, timelines, and costs for upgrading their systems to support ICD-10. Similarly, labs need to determine payor readiness and establish a testing schedule to ensure ICD-10 compliance. Labs must be persistent and proactive to ensure vendors and payors are able to process ICD-10 claims by the compliance date.

Pekarek: Labs will need to have the ability to search and apply the ICD-10 codes to tests. They will also need to be able to select ICD-9 or ICD-10, since not every payor is going to move at the same time. Both code sets will need to exist and be selected as needed. They will need a crosswalk between code sets that allows them to search in ICD-9 and find the related ICD-10 code(s). Laboratories should be contacting their vendors to determine their ICD-10 readiness and vendor contingency plans that accommodate both compliant and noncompliant payors. Not all payors will be ICD-10 compliant at the same time.

CLP: Describe three to five important steps labs should take now to mitigate ICD-10's impact on operations and reimbursement.

White: As labs transition to ICD-10, the key to success is identifying and resolving problems quickly and effectively to avoid interruptions to accounts receivable. A critical first step is to make sure the ordering physician or clinic staff are educated on ICD-10 data and documentation

requirements, which may mandate the collection of additional data. Labs should also evaluate surveillance tools, such as revenue cycle management systems with automated edits, to help minimize the number of front-end coding errors to ensure the highest clean claim submissions possible. It is also very important that labs carefully scrutinize claims payments as they are received to make sure they are being paid accurately. And it is always a good idea to establish good rapport with every contracted payor to ensure that issues can be escalated appropriately and quickly resolved.

Pekarek: 1) Understand the program timing, logistics, and objectives. This will go far in the lab's ability to develop an ICD-10 transition plan. 2) Name an ICD-10 "champion" in the organization, so there is one person who will have the knowledge and leadership to enact the plan. 3) Talk with major referral sources about what will change in their technology and what they see as any new workflow steps. 4) Talk with the LIS and billing vendor(s) to understand proposed product changes to accommodate, plus any services (updating HL7 integrations, for example) or software fees for ICD-10.

Laughlin: 1) The most important step for the lab to take now is to be involved in the planning process. 2) Make sure that the laboratory information system update and interfaces are included in the planning and testing phases for a medical practice to ensure a smooth transition to ICD-10. 3) It will be important to schedule the LIS update early to ensure that the system is in place to test with practice management software. 4) The HL7 interfaces between systems must be tested and validated once the new software updates are implemented. 5) All staff must be trained on ICD-10.

CLP: How will ICD-10 benefit labs in the long term?

Pekarek: As an indirect service provider, labs often do not get face-to-face contact with the patient to get more detailed information on why the test is needed and any additional conditions they may be experiencing. As a more detailed code set to describe the condition, ICD-10's will bring better information to the lab. This will help in the overall care of the patient.

White: Through use of ICD-10, labs will be better able to conduct quality review and claims analysis to promote efficiencies, contain costs, and measure performance. ICD-10 will also help to detect and monitor fraud and implement comprehensive claims' editing procedures to assess efficacy of treatment.

Laughlin: While the benefits won't impact the laboratory directly, ICD-10 will provide increased data for measuring care provided to patients, more specific diagnostic information to share with other health care providers, and detailed information for public health reporting.

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