Arizona Providers Prepare for Oct. 1 ICD-10 Deadline

The Hertel Report

Providers nationwide are bracing for a major shift in how they document medical procedures and diagnoses, a change that could cause significant payment delays, depending on their readiness.

The switch to the new coding system, ICD-10, has been on the horizon for years. It was delayed so many times by the federal government, some providers considered the situation to be like the boy who cried wolf. Now, with implementation just weeks away, those procrastinators could be in for a rude awakening.

Industry experts contend Arizona is a "mixed bag" of preparedness.

"The ICD-10 implementation is tending to hurt the smaller practices and solo practitioners, especially those in the rural areas who were used to doing their own billing and were comfortable," said Phoenix healthcare consultant Jean Rice. "If the practice is a large one, there seems to be more preparation and readiness."

The International Classification of Diseases (ICD) is overseen by the World Health Organization. It is the international standard for defining and reporting diseases and health conditions. Used by more than 100 countries, ICD allows the world to compare and share health information using a common language.

The medical codes used for diagnosis and billing in the United States have not been updated in more than 35 years and contain outdated, obsolete terms. However, the switch from ICD-9 to ICD-10 means providers and insurers are replacing 14,000 codes with 69,000 codes.

Although every provider doesn't use every code, that's still a lot to learn. Medicare claims with a date of service on or after Oct. 1, 2015, will be rejected if they do not contain a valid ICD-10 code.

In July, the Centers for Medicare and Medicaid Services (CMS) offered physicians and other healthcare providers additional flexibility to assuage fears that a lack of ICD-10 fluency would create a landslide of denied claims. "While diagnosis coding to the correct level of specificity is the goal for all claims, for 12 months after ICD-10 implementation, Medicare review contractors will not deny physician or other practitioner claims billed under the Part B physician fee schedule through either automated medical review or complex medical record review based solely on the specificity of the ICD-10 diagnosis code as long as the physician/practitioner used a valid code from the right family," stated the agency.

Claims already get rejected for a range of reasons due to human error, including incomplete information or incorrect codes. However, providers should expect denial rates to increase after Oct. 1, especially if they handle billing in-house, said Chris Asterino, chief executive officer of revMD.com, a Phoenix-based billing firm that works with 200 physicians in 11 states.

"This is a material change to the reimbursement system," he said. "It is highly likely that claims will be delayed and there will be a higher denial rate after Oct. 1."

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