



**News Flash** - The Medicare Learning Network's (MLN) Learning Management System (LMS) that hosts our web-based training courses and product ordering page will be unavailable for a period of approximately 7 to 10 days starting the week of September 22, 2008 while we perform system maintenance and upgrades. If you need MLN products or need to complete a web-based training course, it is recommended that you do so before September 17, 2008. Thank you for your interest in the Medicare Learning Network. If you have any questions, please send them to [MLN@cms.hhs.gov](mailto:MLN@cms.hhs.gov).

MLN Matters Number: SE0832 **Revised**

Related Change Request (CR) #: N/A

Related CR Release Date: N/A

Effective Date: N/A

Related CR Transmittal #: N/A

Implementation Date: N/A

## The ICD-10 Clinical Modification/Procedure Coding System (CM/PCS)—The Next Generation of Coding

**Note:** This article was revised on October 3, 2008, to include a link to the ICD-10 Notice of Proposed Rulemaking. The link is in the "Additional Information" section of this article. All other information remains the same.

### Provider Types Affected

This article is informational only for all physicians, providers, and suppliers who submit claims to Medicare contractors (carriers, Medicare Administrative Contractors (A/B MACs), durable medical equipment Medicare Administrative Contractors (DME MACs), fiscal intermediaries (FIs), and regional home health intermediaries (RHHIs)) for services provided to Medicare beneficiaries.

### Provider Action Needed

This Special Edition article (SE0832) outlines general information for providers detailing the International Classification of Diseases, 10<sup>th</sup> Edition (ICD-10) classification system. Compared to the current ICD-9 classification system, ICD-10 offers more detailed information and the ability to expand specificity and clinical

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information in order to capture advancements in clinical medicine. Providers may want to become familiar with the new coding system.

**The system is not yet implemented in Medicare's fee-for-service (FFS) claims processes so no action is needed at this time.**

## Background

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A number of other countries already use ICD-10, including:

- United Kingdom (1995);
- France (1997);
- Australia (1998);
- Germany (2000); and
- Canada (2001).

ICD-10-CM/PCS consists of two parts:

- ICD-10-CM – The diagnosis classification system was developed by the Centers for Disease Control and Prevention for use in all United States of America health care treatment settings. Diagnosis coding under this system uses a different number of digits and some other changes, but the format is very much the same as International Classification of Diseases, 9<sup>th</sup> Edition, Clinical Modification (ICD-9-CM); and
- ICD-10-PCS – The procedure classification system was developed by CMS for use in the U.S. for inpatient hospital settings ONLY. The new procedure coding system uses 7 alpha or numeric digits while the ICD-9-CM coding system uses 3 or 4 numeric digits.

ICD-10-CM/PCS:

- Incorporates much greater specificity and clinical information, which results in:
  - Improved ability to measure health care services;
  - Increased sensitivity when refining grouping and reimbursement methodologies;
  - Enhanced ability to conduct public health surveillance; and
  - Decreased need to include supporting documentation with claims.
- Includes updated medical terminology and classification of diseases.
- Provides codes to allow comparison of mortality and morbidity data.
- Provides better data for:
  - Measuring care furnished to patients;
  - Designing payment systems;
  - Processing claims;
  - Making clinical decisions;

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- Tracking public health;
- Identifying fraud and abuse; and
- Conducting research.

### *Structural Differences Between the Two Coding Systems*

#### 1. Diagnoses Codes

ICD-9-CM diagnoses codes are 3 – 5 digits in length with the first digit being alpha (E or V) or numeric and digits 2 – 5 being numeric. For example:

- 496 – Chronic airway obstruction not elsewhere classified (NEC);
- 511.9 – Unspecified pleural effusion; and
- V02.61 – Hepatitis B carrier.

ICD-10-CM diagnoses are 3 – 7 digits in length with the first digit being alpha, digits 2 and 3 being numeric and digits 4 – 7 are alpha or numeric. The alpha digits are not case sensitive. For example:

- A66 – Yaws;
- A69.21 – Meningitis due to Lyme disease; and
- S52.131a – Displaced fracture of neck of right radius, initial encounter for closed fracture.

#### 2. Procedure Codes

ICD-9-CM procedures are 3 – 4 digits in length and all digits are numeric. For example:

- 43.5 – Partial gastrectomy with anastomosis to esophagus; and
- 44.42 – Suture of duodenal ulcer site.

ICD-10-PCS procedures are 7 digits in length with each of the 7 digits being either alpha or numeric. The alpha digits are not case sensitive. Letters O and I are not used to avoid confusion with the numbers 0 and 1. For example:

- 0FB03ZX – Excision of Liver, Percutaneous Approach, Diagnostic; and
- 0DQ107Z – Repair, esophagus, upper, open with autograft.

Note that ICD-10-CM/PCS would not affect physicians, outpatient facilities, and hospital outpatient departments' usage of Current Procedural Terminology (CPT) codes on Medicare FFS claims as CPT use would continue.

### **Additional Information**

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The Centers for Medicare & Medicaid Services (CMS) has developed a dedicated webpage for ICD-10 information. That page is at <http://www.cms.hhs.gov/ICD10> on the CMS website.

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Details on the ICD-10-PCS Coding System and a related training manual may be found at [http://www.cms.hhs.gov/ICD9ProviderDiagnosticCodes/08\\_ICD10.asp](http://www.cms.hhs.gov/ICD9ProviderDiagnosticCodes/08_ICD10.asp) on the CMS website.

The ICD-10 Notice of Proposed Rulemaking is available at <http://edocket.access.gpo.gov/2008/pdf/E8-19298.pdf> on the Internet.

ICD-10-PCS Files may be found at [http://www.cms.hhs.gov/ICD10/02\\_ICD-10-PCS.asp](http://www.cms.hhs.gov/ICD10/02_ICD-10-PCS.asp) on the CMS website.

Many private sector professional organizations and businesses have resources available that may help with ICD-10-CM/PCS implementation planning.

**Please note that the International Classification of Diseases, 9<sup>th</sup> Revision, Clinical Modification (ICD-9-CM) is published by the United States Government. A CD-ROM, which may be purchased through the Government Printing Office, is the only official Federal government version of the ICD-9-CM. ICD-9-CM is an official Health Insurance Portability and Accountability Act (HIPAA) standard. The dedicated CMS ICD-10 page also has links to these resources in the "Related Links Outside of CMS" at the bottom of the page.**

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