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## 70,000 Ways to Classify Ailments

Enormous expansion of codes doctors use will change paperwork, insurance, monitoring



'We're hoping [the switch to the new codes] will be like Y2K,' when computer systems managed the date switch to 2000, says Dr. Robert Wergin, president of the American Academy of Family Physicians, shown with a patient in 2014. *PHOTO: DAN LITTLE/LINCOLN JOURNAL STAR/ASSOCIATED PRESS*

By **MELINDA BECK**

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Doctors, hospitals and insurers are bracing for possible disruptions on Oct. 1 when the U.S. health-care system switches to a massive new set of codes for describing illnesses and injuries.

Under the new system, cardiologists will have not one but 845 codes for angioplasty. Dermatologists will need to specify which of eight kinds of acne a patient has. Gastroenterologists who don't know what's causing a patient's stomachache will be asked to specify where the pain is and what other symptoms are present—gas? eructation (belching)?—since there is a separate code for each.

In all, the number of diagnostic codes doctors must use to get paid is expanding

from 14,000 to 70,000 in the latest version of the International Classification of Diseases, or ICD-10. A separate set of ICD-10 procedure codes for hospitals is also expanding, from 4,000 to 72,000.

Hospitals and physician practices have spent billions of dollars on training programs, boot camps, apps, flashcards and practice drills to prepare for the conversion, which has been postponed three times since the original date in 2011.

Some coding experts warn that claims denials could double as providers and payers get used to the new, more specific codes.

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### Which Medical Codes Are Real?

The U.S health-care system will switch to a massive new set of codes for describing illnesses and injuries known as ICD-10 on Oct. 1. Which of these is an actual diagnostic code in the new ICD-10 system?

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#### 1. Injured using a hand-held interactive electronic device

 Real

 Fake

**Next Question »**

Others are more sanguine. “We’re hoping it will be like Y2K,” when the switch to 2000 dates was expected to crash computers world-wide, says Robert Wergin, president of the American Academy of Family Physicians. “Everybody will worry, and the claims will go through fine.”

The real upshot won’t be apparent immediately. “Any problems that crop up will be far more evident on Oct. 15 than Oct. 1, because it takes that long to process claims,” says William Rogers, an emergency physician who is the Center for Medicare and Medicaid Service’s ombudsman for ICD-10 conversion.

ICD codes are an international system for recording diseases, injuries and other

conditions set by the World Health Organization; federal agencies developed the far more elaborate version for the U.S. To get paid, doctors submit such diagnosis codes along with separate procedure codes that describe the service performed. Private and government insurers scrutinize the ICD codes to judge whether the service was medically necessary.

The new coding system is needed, many health-care experts say, because modern medicine has outgrown the old one, adopted in the U.S. in 1979. The ICD-9 doesn’t differentiate between Type 1 and Type 2 diabetes, for example, or distinguish Ebola from “other diseases spread by viruses.”

ICD-10 will help researchers better identify public-health problems, manage diseases and evaluate outcomes, proponents say. Over time, it will create a much more detailed body of data about patients' health—conveying a wealth of information in a single seven-digit code—and pave the way for changes in reimbursement as the nation moves toward value-based payment plans.

“A clinician whose practice is filled with diabetic patients with multiple complications ought to get paid more for keeping them healthy than a clinician treating mostly cheerleaders,” says Dr. Rogers. “ICD-10 will give us the precision to do that.”

### A Code For What Ails You

Search through the database of 70,000 medical diagnoses codes.



The multitude of codes for external causes of injuries have gotten most of the attention to date. Hurt in a prison swimming pool? That's Y92.146. Crushed by a human stampede while resting or sleeping? That's W52.04. But insurers and Medicare officials say that, in most cases, they won't require doctors to include such external-cause information for billing, although it is useful for research purposes.

Clinicians will need to document enough detail about patients' conditions to support the new codes, including what side of the body is affected, how severe the problem is and whether it has occurred before.

ICD-10 also offers different codes for ailments depending on myriad circumstances, such as whether respiratory diseases are due to tobacco use and whether obesity is due to consuming excess calories or some other reason. In many cases, doctors readily know such information; in other cases, it could require more discussion and longer visits.

Medicare officials say they won't deny claims solely for lack of specificity for the first 12 months, as long as providers supply the correct general category of illness. But that doesn't apply to hospital procedure codes, and most commercial insurers aren't offering such a grace period.

To what extent insurers will require doctors to use the most specific codes, or use them to adjust reimbursement rates, isn't clear. "In the first few months, the goal is simply to get the ICD-10 codes into the system and make sure providers are using them," says Clare Krusing, a spokeswoman for the America's Health Insurance Plans.

Cost estimates for the ICD-conversion vary widely. Dueling studies have estimated the cost from less than \$10,000 to more than \$225,000 for small practices. Some large hospitals systems say they have spent millions on training and other preparations.

"This affects literally every single system in a hospital, except maybe the cafeteria," says Ed Hock, managing director of revenue cycle solutions for the Advisory Board Co., a consulting firm that has warned its hospital clients to expect their accounts-receivable days to increase by three to five, on average. "That can mean millions of dollars in cash flow."

ICD-10 codes will affect Medicare payments for some conditions because the added specificity moves them to a different severity tier, which changes how they are reimbursed. For example, in ICD-9, there is only one code for hepatic encephalopathy, a severe brain disorder that can occur with liver failure, which is considered a major complication. ICD-10 asks whether the patient is in a coma and if not, the condition is downgraded to a regular complication and the hospital is paid, on average, \$2,800 less, according to an analysis by the Advisory Board.

But ICD-10 does give providers and health plans a chance to increase payments by recording patients' conditions in more detail. In Medicare Advantage and other plans that receive per-member, per-month fees to provide care, payments are adjusted to reflect the severity of patient illnesses, so the more secondary diagnoses providers record, the more they may be paid.

"Hospitals leave millions of dollars on the table today through incomplete documentation or coding errors," says Mr. Hock. "There's a revenue opportunity in doing this right."

Some patients will be affected, too. Those getting regular tests or infusions at outpatient centers will need to bring new orders bearing ICD-10 codes starting Oct. 1, says Kevin Lenahan, chief financial officer at Atlantic Health Systems, which owns five hospitals in New Jersey.

Atlantic plans to have personnel armed with ICD-10 code books stationed at every registration desk that day. "We won't turn patients away. We'll either call their doctor,

covert the code for them or, in the worst case, we'll put the bills on hold until we get the right information," says Mr. Lenahan.

Insurers will have to work with both ICD-9 and ICD-10 codes for months or years until all the claims for tests, treatments and doctor visits before Oct. 1 are cleared. "If someone had a service in August that doesn't get billed until December, that will still have an ICD-9 code," says Debra Cotter, director of ICD-10 implementation for Pittsburgh-based Highmark Inc. Insurers generally give patients two years to submit out-of-network claims. "If someone has stashed a bill in a shoebox, it might be a year or more before they realize they're owed some money," Ms. Cotter says.

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