



## MultiPlan's ICD-10 Remediation Project

June 2011

This document is applicable to the following MultiPlan network brands: PHCS, MultiPlan, Beech Street and HealthEOS.

### Background

As you know, the Federal Government, through the Centers for Medicare and Medicaid Services (CMS), is driving the healthcare industry to upgrade core HIPAA transactions to 5010 standards by January 1, 2012 and update diagnosis and procedure coding standards to ICD-10 by October 1, 2013.

ICD-10 is important to the healthcare industry because it allows for greater specificity and therefore the opportunity to significantly expand codes.

One of the greatest differences is that ICD-10 codes allow for "laterality." For example, an ICD-9 code may identify a broken arm, but ICD-10 codes identify a broken right or left arm. ICD-10 codes also allow the addition of trimesters on obstetric codes and can identify combined diagnosis/symptoms such as type II diabetes with diabetic retinopathy. Consequently, there are 14,019 ICD-9 diagnosis codes compared to 68,103 ICD-10 diagnosis codes. The increase in procedure codes is even more pronounced, with 3,824 ICD-9 codes compared to 72,589 ICD-10 codes<sup>1</sup>. The expansion will allow for better analysis of disease patterns and treatment outcomes. In addition, ICD-10 codes allow for this increased specificity because they contain three to seven alpha-numeric characters while ICD-9 codes contain only three to five, and are mostly numeric.

### MultiPlan's Approach to ICD-10 Remediation – With Clients

MultiPlan is already prepared to accept 5010 files and is in the process of testing 5010 files with our clients. We have also begun communicating with clients about ICD-10 and will continue to do so to help ensure a smooth transition. We plan to distribute a survey to familiarize ourselves with clients' ICD-10 plans and identify any opportunities where we can offer assistance.

### MultiPlan's Approach to ICD-10 Remediation – Repricing

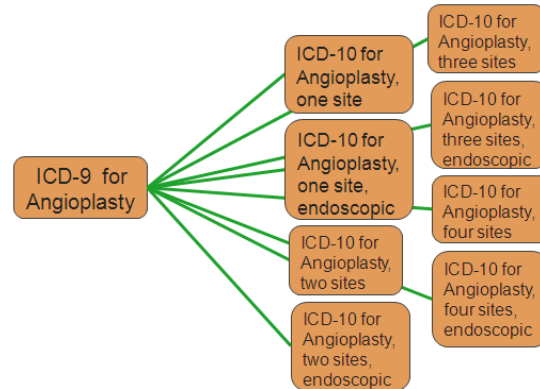
MultiPlan understands our clients are concerned about increasing medical costs and network providers are concerned about losing revenue. As such, our goal in ICD-10 remediation is to maintain your reimbursement level during the transition from ICD-9 to ICD-10. To accomplish this goal, we have decided not to crosswalk inbound claims with ICD-9 codes to ICD-10 or vice versa. Instead, we will make changes to our systems and processes that enable us to reprice each claim based on the code with which it is submitted, making our ICD-9/ICD-10 repricing dependent on the claim data clients send us.

The industry's greatest challenge with the move to ICD-10 will be the co-existence of ICD-9 and ICD-10. CMS has developed general equivalence mappings (GEMs), also known as crosswalks. The difficulty arises because there are often not one-to-one exact or even approximate matches in the crosswalk of ICD-9 codes to ICD-10. In fact, 27% of diagnosis codes and 92% of procedure codes can't be automatically mapped when going from ICD-9 to ICD-10. Crosswalking from ICD-10 to ICD-9 is easier. Only 12% of diagnosis codes and 7% of procedure codes can't be automatically matched<sup>1</sup>.

1. Source: PricewaterhouseCoopers LLP and WEDI ICD-10 Forum

Accurate mapping is important for several reasons, including the impact on rates and therefore repricing. Consider the ICD-9 code for a suture artery, which can map to more than 200 possible ICD-10 codes as diverse as a repair of an artery in the right hand to repair of the thoracic aorta.

As part of the updates to our systems and processes, we will use GEMs as a starting point to revise the code groups/rate terms on our rate sheets to accommodate ICD-10. That is, wherever our rate sheets utilize ICD-9 to qualify a claim, we will add the appropriate ICD-10 codes. For example, we have one rate for angioplasty that corresponds to the ICD-9 code for angioplasty. We will apply this rate to the eight ICD-10 codes that map to the one ICD-9 code for angioplasty (as shown on the right). In this way, whether the claim comes in with ICD-9 or ICD-10, the angioplasty rate will be applied.



### Testing

Unfortunately at this time, there is no industry-standard methodology to test ICD-10's impact on rates. Because appropriately coded claims start with the providers, MultiPlan will work with certain providers to submit ICD-10 coded test claims. We have also scheduled rate testing with clients for 2013. These tests will involve clients sending ICD-9 and ICD-10 files for repricing comparisons.

We are confident that our approach will lead to the greatest accuracy/price neutrality because GEMs provide a one-to-one approximate or exact mapping of ICD-10 back to ICD-9 for 88% of procedure and 93% of diagnosis codes<sup>1</sup>.

We have advised clients that they should submit claims with providers' original coding intact and not crosswalk ICD-10 to ICD-9 to ensure the most accurate repricing results.

### MultiPlan's ICD-10 Team

Like our clients and providers, MultiPlan is busy preparing for ICD-10. Since fall 2010, approximately 40 employees throughout the organization have been participating on various ICD-10 teams that focus on specific operational areas. Additionally, several executives are part of an ICD-10 Review Group, overseeing the project's overall strategic objectives.

### ICD-10 Communication

We will provide regular communications about our ICD-10 project through our provider newsletter *Partnership*. If you are not receiving our newsletter and would like to, please send an email to [partnership@multiplan.com](mailto:partnership@multiplan.com).

### Questions

Please email [5010.Implementation@multiplan.com](mailto:5010.Implementation@multiplan.com) with any questions.