

ALERT

Section 111 Bulletin: “Struck by a Duck:” P&C Insurers Confront New ICD-10 Codes

November 24, 2015

Effective October 1, 2015, the Centers for Medicare & Medicaid Services (CMS) requires Responsible Reporting Entities (RREs) to include ICD-10 diagnosis codes in their reports to CMS of claim settlements, judgments or other payments to a Medicare beneficiary in connection with a date of injury (DOI) on or after October 1, 2015. Claims with a DOI before October 1, 2015 may still be reported using ICD-9 codes. See CMS Technical Alert: ICD-10 Reminder – October 1, 2015 Reporting Requirements (July 16, 2015); see *also* CMS Technical Alerts of May 18, 2015, April 8, 2015 and January 28, 2015. CMS’s move to ICD-10 codes, which represents the largest revision to claims coding in nearly three decades and the latest change to the Section 111 reporting process under the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), was previewed in our last Section 111 Bulletin, which can be viewed [here](#).

The new ICD-10 regime vastly expands the number and specificity of codes available to health care providers and suppliers when filing Medicare claims for payment, with approximately 68,000 ICD-10-CM diagnosis codes and 87,000 ICD-10-PCS inpatient procedure codes to sort through at <https://www.cms.gov/Medicare/Coding/ICD10/2016-ICD-10-CM-and-GEMs.html>, as compared to approximately 13,000 diagnosis codes and 3,000 procedure codes under the former ICD-9 classification. ICD-10 codes also are more descriptive and require greater provider/supplier documentation than ICD-9 codes.

Text and Excel files containing the *slightly shorter* list of valid ICD-10-CM diagnosis codes available to RREs for Section 111 reporting are available for download on the Benefits Coordination & Recovery Center (BC&RC) website at <https://www.cob.cms.hhs.gov/Section111/help/icd10.dx.codes.htm>. RREs may use this list to validate the ICD-10

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codes they submit in Field 15 of their Claim Input File Records for the "Alleged Cause of Injury, Incident or Illness" and in the fields requesting "alleged injury/illness" beginning with Field 18. It is important to note that certain ICD-10 codes have been excluded from the Section 111 reporting system. Claim Input Records that contain excluded codes (e.g., "Z" codes) will be rejected. Refer to the NGHP User Guide at Chapter IV (Section 6.2.5 – ICD-9 and ICD-10 Codes) for more instruction.

CMS believes that use of the more detailed ICD-10 codes will lead to more accurate coordination of benefits among government health plans and private payers. Stated another way, some observers are hopeful that the use of ICD-10 codes will reduce the number of overbroad Section 111 reimbursement demands and streamline resolution of any related beneficiary or NGHP challenges, by providing more specificity regarding alleged injuries and related medical services.

Not surprisingly, the new ICD-10 codes have not been well received in some parts of the medical profession and insurance communities due to the complexity and sheer number of new codes and the added administrative burden of applying them to the satisfaction of scrutinizing government auditors. *See, e.g.,* WSJ (Oct. 8, 2015) (letters to the editor from physicians, all critical of new ICD-10 codes); WSJ at A-15 (Oct. 14, 2015) (noting the inclusion of codes such as "struck by a duck;" "bizarre personal appearance;" "sucked into jet engine;" "accident while knitting or crocheting;" and "burn due to water skis on fire." As Dr. R.J. Petrella observed, "ICD-10 solves the age-old problem of how to code for all those duck related injuries we see in the ER It's also a great system for doctors and patients who are interested in spending less time with each other." *Id.* WSJ (Oct. 8, 2015).

What To Expect: An increase in medical claim coding errors, discrepancies, and confusion, as medical providers and suppliers adapt, sometimes reluctantly, to the new system.

Practice Tip for RREs and Their Claim Handlers: Always obtain all existing medical records relating to the alleged injury, including both medical bills and Medicare benefit/payment notices sent to the beneficiary. Generally consider reporting the codes assigned by the medical profession in Claim Input Files unless they are excluded by CMS for Section 111 reporting.

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Our Section 111 Team routinely covers CMS's Section 111 NGHP Town Hall Teleconferences, and we send periodic Section 111 Bulletins to our clients addressing notable Town Hall discussions and other Section 111 developments. We also maintain a searchable electronic database of Town Hall transcripts back to October 2008. Please let us know if you would like more information about any of the Section 111 topics discussed in this Section 111 Bulletin. You also may access our Section 111 webpage and other Section 111 Bulletins and articles we have published at www.wileyrein.com/section111.