



Center for Medicaid, CHIP and Survey & Certification

CMCS Informational Bulletin

DATE: July 20, 2011

FROM: Cindy Mann
Director
Center for Medicaid, CHIP and Survey and & Certification (CMCS)

SUBJECT: Updates on Medicaid/CHIP

This Informational Bulletin is to update States and other interested parties on two important items:

- A reminder about program integrity related to Medicaid eligibility workers; and
- Information on ICD-10 Implementation.

Medicaid Eligibility Workers and Program Integrity

CMCS and our partners at the Center for Program Integrity would like to remind States about the important role played by Medicaid eligibility workers in both assisting individuals and families who need and qualify for coverage and in ensuring that State and Federal Medicaid dollars are protected against abusers, scam artists, and criminals. Every dollar lost to fraud or abuse is a dollar that could have been used to provide high quality care to eligible beneficiaries and to fairly compensate the providers delivering that care. Both the Federal and State governments take many measures to protect taxpayers from such losses, including ensuring that systems are in place to accurately assess eligibility, strengthen provider enrollment procedures, engage auditors to review claims and applications, conduct post payment analysis of claims and encounters, and measure errors through our Payment Error Measurement Program.

These program integrity tools--many of which rely on data and technology--are key to ensuring that all eligible individuals, and only eligible individuals, receive coverage. It is also critical that all communications that occur between applicants and eligibility workers are consistent with State and Federal policies. It is of utmost importance that information conveyed by such workers to the public is accurate and delivered with the highest degree of honesty and integrity. Accordingly, we recommend that State Medicaid programs periodically remind employees about their ethical and legal obligations with respect to Medicaid applications and related communications. We also note that in any case in which a Federal or State employee facilitates or perpetrates crimes against the program, Federal and State civil and criminal penalties may be applicable.

We know that States have spent significant time and resources in ensuring that eligibility workers have appropriate ongoing training, and that the vast majority of such workers act with professionalism and integrity. We encourage States to continue that important investment and

also to take advantage of the free training available through the Medicaid Integrity Institute. Information about the Institute can be found at <http://www.justice.gov/usao/eousa/ole/mii/>

5010/ICD-10 Implementation

The Center for Medicare & Medicaid Services (CMS) wants to remind State Medicaid Agencies of upcoming deadlines for 5010 conversion and ICD-10 implementation and the availability of Federal resources to assist States. On January 16, 2009, the Department of Health and Human Services published the final regulation on ICD-10. [74 FR 3328] This rule requires all “covered entities” as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to adopt ICD-10 codes for use in all HIPAA transactions related to services provided on or after the October 1, 2013 compliance date. The compliance deadline is October 1, 2013.

Prior to processing ICD-10 claims, States must first implement the “Version 5010” electronic health care transaction standards required by HIPAA, as the existing HIPAA “Version 4010/4010A1” transaction standards do not support the use of the ICD-10 codes. States must install Version 5010 in their systems and test with all vendors and trading partners by January 1, 2012. Coordination is necessary between the Version 5010 and ICD-10 implementations to identify impacted transactions and systems to support Version 5010 and ICD-10. If States are not prepared to accept 5010 claims by the compliance date, they may experience a large increase in provider customer service inquiries affecting their operations. In addition, it will cause financial hardships for providers since it will increase the likelihood of delayed payments. For more information on Version 5010, go to the CMS website at <https://www.cms.gov/ICD10> and click on the “Version 5010” link on the left side of the page

The move from ICD-9 to ICD-10 is a significant change for the States and, unlike previous HIPAA efforts, ICD-10 impacts the providers and processes of Medicaid as much as the technology systems. ICD-10 implementation is much more than a code set update as diagnosis and inpatient procedure codes are a large part of the foundation of policy and processes in Medicaid operations. Implementing ICD-10 requires States to redefine their policies to align with the new code set. For example, States will need to update how they determine both coverage and payment for products and services. Since ICD codes are used in almost every clinical and administrative process and system, implementation will impact nearly every aspect of a State’s Medicaid operations.

CMCS understands the magnitude of work involved in implementing ICD-10 and is offering a variety of technical assistance resources. For example, CMCS developed the ICD-10 Implementation Assistance Navigation Tool to help States understand and implement ICD-10. The ICD-10 Implementation Assistance Navigation Tool is located at <https://medicaidcd10.noblis.org/>. There are two types of assistance material on this site: 1) the Medicaid ICD-10 Implementation Assistance Handbook and 2) the training modules presented at the Regional Office ICD-10 Training Workshops.

The Medicaid ICD-10 Implementation Assistance Handbook contains information on the following core topics:

- Limitations of the current ICD-9-CM code set and benefits of implementing ICD-10;
- Strategies and activities to implement ICD-10 during the five implementation phases; and,
- ICD-10 milestones, key activities, inputs, and outputs.

States should already be underway with their ICD-10 implementation. As of the end of June 2011, each State should have completed the assessment phase, which includes planning activities, performing an impact analysis, developing a remediation strategy, and establishing both internal and federal funding levels. States should be starting the remediation phase, which includes developing requirements; implementing policy, process, and system updates; and executing system testing. A high-level ICD-10 implementation timeline and a more detailed timeline can be found in the ICD-10 Implementation Assistance Navigation Tool.

We hope these resources and tools will assist you with your ICD-10 implementation. In addition, CMCS has compiled a list of resources for ICD-10, which can be found on the ICD-10 Implementation Assistance Navigation Tool and we will be performing site visits to many States during the next three months to assist States on a one-on-one basis.

States with additional questions or comments about ICD-10 or the technical assistance provided by CMCS may email MedicaidICD-10@noblis.org.

I hope you find this information helpful.