

ARKANSAS REGISTER

Transmittal Sheet



Mark Martin
Secretary of State
State Capitol Room 026
Little Rock, Arkansas 72201-1094
(501) 682-3527

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AR. REGISTER DIV.
15 SEP 25 PM 2:15
STATE OF ARKANSAS
BY

For Office

Use Only: Effective Date _____ Code Number _____

Name of Agency Department of Human Services

Department Division of Medical Services

Contact Cathy Coffman E-mail cathy.coffman@dhs.arkansas.gov Phone 537-1670

Statutory Authority for Promulgating Rule Arkansas Code Annotated 20-76-201

Rule Title: Notice of Rule Making 001-15 – International Classification of Diseases, 10th Revision

Intended Effective Date

Date

☐ Emergency

Legal Notice Published..... 07/15/15 – 07/17/15

☒ 10 Days After Filing

Final Date for Public Comment..... 08/13/15

☐ Other _____

Reviewed by Legislative Council..... TBA

Adopted by State Agency..... 10/01/15

☒ Electronic Copy of Rule Provided (per Act 1478 of 2003)

☒ Electronic Copy of Rule to be e-mailed from: Becky Murphy becky.Murphy@arkansas.gov
Contact Person Email Address

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with Act 434 of 1967 As Amended

Dawn Stehle

Signature

(501) 682-8292

Phone Number

dawn.stehle@dhs.arkansas.gov

E-mail Address

Director

Title

Date

FILED
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15 SEP 25 PM 3:11
MARSHALL
SECRETARY OF ARKANSAS
BY

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services
DIVISION Division of Medical Services
PERSON COMPLETING THIS STATEMENT Brian Jones
TELEPHONE NO. 501-537-2064 FAX NO. 501-404-4619 EMAIL: brian.jones@dhs.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Notice of Rule Making 001-15

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☐ No ☒
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes ☒ No ☐
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☒ No ☐

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;

- (b) The reason for adoption of the more costly rule;

- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

- (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

- (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue \$0
Federal Funds \$0
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Next Fiscal Year

General Revenue \$0
Federal Funds \$0
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

There is no budget impact for (diagnosis verbiage) coding update changes from code set ICD 9 to code set ICD 10.

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes ☐ No ☒

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

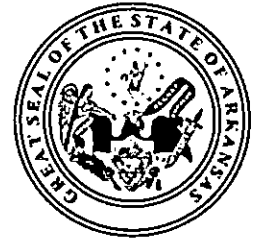
- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:

- (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.



Division of Medical Services
Program Development & Quality Assurance

P.O. Box 1437, Slot S295 · Little Rock, AR 72203-1437
501-320-6428 · Fax: 501-404-4619
TDD/TTY: 501-682-6789



NOTICE OF RULE MAKING

TO: Health Care Providers – All Providers

DATE: October 1, 2015

SUBJECT: International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM)

I. General Information

The U.S. Department of Health & Human Services released a final rule that includes the new ICD-10 compliance date of October 1, 2015. This final rule implements Section 212 of the Protecting Access to Medicare Act of 2014 by changing the compliance date for the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) and Procedure Coding System (ICD-10-PCS) from October 1, 2014 to October 1, 2015. It also requires the continued use of the International Classification of Diseases, 9th Revision, Clinical Modification, Volumes 1 and 2 (diagnoses), and 3 (procedures) (ICD-9-CM) through September 30, 2015. The final rule was published in the Federal Register on August 4, 2014 and is available at <http://www.gpo.gov/fdsys/pkg/FR-2014-08-04/pdf/2014-18347.pdf>. Please visit the Arkansas Department of Human Services website at <http://humanservices.arkansas.gov/dms/Pages/ICD-10.aspx> for up-to-date information on provider remediation and testing, as well as frequently asked questions and other pertinent information.

II. Claims Processing Information

All Arkansas Medicaid providers using ICD-9 on a claim today will be required to use ICD-10 on a claim for dates of service starting October 1, 2015. There is no transition period; October 1, 2015 is a hard date for compliance. The compliance date is based on: date of service for outpatient and professional services and date of discharge for inpatient hospital services. ICD-9 codes will continue to be used on claims with dates of service or discharge prior to October 1, 2015. Providers cannot bill ICD-9 and ICD-10 codes on the same claim; only one code set per claim will be accepted into the MMIS claims processing system. If your organization typically bills span dates and your span crosses the October 1, 2015 compliance date, split the claim into two claims: one claim through September 30, 2015 and another claim from October 1, 2015 to the last date of the span. Paid claims that need to be adjusted will follow the same compliance date guidelines. If the claim is originally filed with the date of service or discharge prior to October 1, 2015, ICD-9 will be required. If the claim is originally filed with the date of service or discharge on or after October 1, 2015, ICD-10 will be required.

Claims for all health care services on or after October 1, 2015, and inpatient hospital stays with a date of discharge on or after October 1, 2015, must use ICD-10 diagnosis and inpatient procedure codes.

For professional claims, if a global OB procedure code is present and the date of service spans October 1, 2015, the entire claim will require ICD-10 coding. The global OB procedure codes are as follows:

59400	59510	59610	59618
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III. **Prior Authorization Information**

Prior authorization requests that will span the October 1, 2015 compliance date will accept ICD-10 codes prior to October 1, 2015. Be sure to select the appropriate ICD version indicator (ICD-9 or 10). **Claims that do not use the ICD-10 codes for dates of service or discharge on or after October 1, 2015 will deny.**

Prior authorization requests for **Inpatient Psychiatric Services and Rehabilitative Services for Persons with Mental Illness (RSPMI) using DSM codes will use DSM-4 or DSM-5** when requesting services prior to October 1, 2015 and DSM-5 for dates of service on or after October 1, 2015.

IV. **Readiness**

International Classification of Disease (ICD) codes are used in virtually every healthcare setting, including inpatient and outpatient hospital settings and physician offices, as well as in professional medical services. As the 10th edition, ICD-10 will replace the current ICD-9 code set. All HIPAA covered entities are required to comply with the new code set regulations.

ICD-10 offers a number of benefits to Arkansas Medicaid, some of which include:

- Enhanced code specificity,
- Improved ability to measure the quality of health care services,
- Enhanced accuracy of data analytics and reporting,
- Improved processes to identify fraud and abuse,
- Improved ability to identify populations and members for targeted outreach and case management.

Arkansas Medicaid is on schedule to meet the ICD-10 implementation compliance date of October 1, 2015.

Links to provider manuals with ICD-10 changes incorporated are available at:
<https://www.medicaid.state.ar.us/InternetSolution/Provider/ICD10info.aspx>.

Providers will also receive all appropriate manual page changes under separate cover.

End-to-end testing in Arkansas's Medicaid program is available now; testing in this environment is being used to verify that inbound and outbound transactions have been processed correctly. Information regarding this type of testing is available at:
<http://icd10cvt.com/moodle/>.

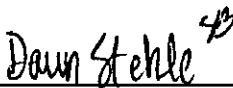
Continue to visit the Department of Human Services and the Arkansas Provider webpages for updates related to ICD-10 and its implementation in Arkansas.

If you have questions regarding this notice, please contact the HP Enterprise Services Provider Assistance Center at 1-800-457-4454 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 376-2211.

If you need this material in an alternative format, such as large print, please contact the Program Development and Quality Assurance Unit at (501) 320-6429.

Arkansas Medicaid provider manuals (including update transmittals), official notices, notices of rule making and remittance advice (RA) messages are available for download from the Arkansas Medicaid website: www.medicaid.state.ar.us.

Thank you for your participation in the Arkansas Medicaid Program.



Dawn Stehle
Director

