DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

TO: All Part D Plan Sponsors

FROM: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Electronic Correspondence Reporting System (ECRS) Changes Implementing the
              10th Edition of the International Classification of Diseases (ICD-10) Coding

DATE: September 3, 2013

In the final rule published in the Federal Register on September 5, 2012 (77 FR 54664), CMS
established a new compliance date by which covered entities must implement the 10th Edition of
the International Classification of Diseases (ICD-10). Thus, ICD-10 coding is required
beginning with dates of service on or after October 1, 2014. The purpose of this memorandum is
to announce upcoming changes to ECRS associated with CMS' implementation of ICD-10
diagnosis coding.

These changes are necessary to accommodate not only the new ICD-10 coding structure, but also
its greater coding specificity. Unlike ICD-9 coding which consists of three to five mostly
numeric digits, ICD-10 consists of seven to nine digits that are alphanumeric. The greater
coding specificity associated with ICD-10 resulted in a more than fivefold increase in the number
of codes; there will be approximately 68,000 ICD-10 codes compared to the approximately
13,000 ICD-9 codes in existence today.   As a result, changes are needed to permit a greater
number of codes to be reported, stored and displayed for a beneficiary. As appropriate, file
layouts also will be revised to accommodate a diagnosis code version indicator.

ECRS transactions capture diagnosis codes related to a No-Fault, Worker's Compensation, or
Liability Medicare Secondary Payer (MSP) case. Although only Medicare Advantage-
Prescription Drug (MA-PD) plans can submit ECRS change requests, all Part D plans may
submit inquiries concerning possible MSP coverage and use the diagnosis codes reported on the
inquiry response and on the Medicare Advantage Prescription Drug (MARx) COB file to
identify prescription drug claims that may be subject to MSP payment rules.

CMS has directed all of its contractors to fully implement all ICD-10 related system changes no
later than October 1, 2013.   In order to implement changes for ECRS batch file processing,
changes are needed to the file formats used. These changes include modification to the file
layout- to capture, store, and display up to 20 different diagnosis codes (ICD-10 or ICD-9) and a
diagnosis code version indicator. These changes will be made within the existing file length.
Changes to the ECRS batch file processing will be made only in the testing environment in
October 2013 system's release and will be implemented in production in January 2014.

An updated ECRS User Guide reflecting the changes related to ICD-10 implementation will be available on the CMS Web site at http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/msp105c05_att1.pdf.

If you have any questions concerning this memorandum, please contact Deborah Larwood at 410-786-9500 or via email at Deborah.Larwood@cms.hhs.gov.