



**Statement for the Record by
Mr. Chris Powell
Chief Executive Officer
Precyse**

**For the
U.S. House of Representatives
Committee on Energy and Commerce
Subcommittee on Health
Hearing on: "Examining ICD-10 Implementation"**

Wednesday, February 11th, 2015

Chairman Pitts, Ranking Member Green, and Members of the Subcommittee:

Thank you for the opportunity to submit testimony for the record of this Subcommittee's hearing, "Examining ICD-10 Implementation." I value this opportunity to deliver to the Subcommittee the message that ICD-10 is a step forward for our health care system and that industry has made a great investment in effort, time, and resources to prepare for the ICD-10 transition and is ready for the current implementation deadline of October 1st, 2015. Further delays to implementation would cause more harm than good for the health care industry, the patients in our system and for health care outcomes.

Who We Are

By way of background, Precyse is a health information management organization that is an industry leader in health performance management and technology. We have enabled nearly 4,000 healthcare facilities and systems nationwide to improve efficiency and deliver tangible clinical and financial outcomes. Our industry-leading expertise and technologies empower health care organizations to most effectively capture, organize, secure, and analyze clinical data so that it becomes more than numbers and statistics; it becomes powerful information that improves financial performance and, most importantly, ensures a healthy organization to promote a health population.

Precyse employs nearly 1,500 colleagues in all 50 states. More than 150 of our colleagues are based in Pennsylvania, our largest state, followed by Florida, Georgia, and Ohio. Across the country, we have colleagues embedded within more than 100 hospitals and provide services and technology for thousands more.

In Pennsylvania, some hospitals that we partner with are Hahnemann in Philadelphia, Sacred Heart in Allentown, Geisinger Health System in Danville and St. Joseph Regional Health Network in Reading. We are also particularly proud of our work with Aria Health, with three leading-edge community hospitals and a strong network of outpatient centers and primary care physicians. We partnered with Aria to help them implement a quality-driven Clinical Documentation Improvement program (CDI). The program paid for itself within the first month of implementation and helped the network save \$800,000 in just eight months.

Additionally, we currently work with the Naples Community Health System (NCHS), a 680 bed system in southwestern Florida. Working with Precyse to implement a Clinical Documentation Improvement (CDI) program and to train its staff and increase its documentation quality and coding competency. NCHS has been able to substantially reduce the number of accounts where a patient has been discharged but the charges have not been processed and the reimbursement bills have not been submitted. Additionally, NCHS' coding accuracy has improved to a 98% success rate.

Precyse has approximately 130 colleagues who reside in Georgia. These colleagues support our company's corporate operations housed in Alpharetta, GA as well as deliver remote, travelling



and on-site services and support to hospital clients including Meritus Health in Hagerstown, MD, Prince William Hospital in Manassas, VA and St. Mary's Hospital in Waterbury, CT.

Precyse has approximately 20 colleagues who reside in Vermont, including the company's Chief Executive Officer, Chris Powell and the company's Chief Technology and Strategy Officer, Debra Stenner. These colleagues support our company's technology development efforts, specifically building our health information management automation platform that combines clinical documentation improvement, case management, utilization review, coding, abstracting, core measures, and auditing functions into a single integrated platform. Recently, Precyse announced that it has partnered with Vermont HITEC to fill Precyse's current and future medical coding workforce development needs in Vermont. This program is a collaborative effort involving the U.S. Department of Labor, the Vermont Department of Labor, the Vermont Agency of Commerce, Vermont HITEC, and Precyse. Sixteen individuals have been selected for a ten-week education program with Precyse. Upon graduation from the program, participants will fill open medical coder apprentice positions. All positions will receive full wages and benefits.

Additionally, Precyse offers an ICD-10 learning tool known as Precyse University, currently used by 1.8 million learners across the healthcare industry. Precyse University is revolutionizing healthcare education with the most innovative and complete education solution to ease providers' ICD-10 conversion. We provide industry-leading on-demand eLearning and mobile content for all populations impacted by the ICD-10 transition. This includes ICD-10 readiness training for physician groups of all sizes via the Web and in a digestible \$600-\$1,500 per practice investment. Precyse University helps learners prepare for ICD-10, support their Clinical Documentation Improvement initiatives, enhance their coding and reimbursements, and more. Precyse University helps ensure success with a robust, one-of-a-kind learning system that is customized to fit a provider's needs.

The Benefits of ICD-10

Under current law, entities covered by HIPAA must transition from ICD-9 to ICD-10 by October 1st, 2015. The transition to ICD-10 is occurring because ICD-9 produced limited data about patients' medical conditions and hospital inpatient procedures. ICD-9 is more than 30 years old, has outdated medical terms, and has not kept up with modern medical practices.

ICD-10 enables healthcare efficiency and improves patient outcomes. ICD-9 is a reimbursement system that provides minimal tracking data on what procedures, devices, and treatments are effective. ICD-9 has limited ability to track the impact and cost implications of chronic conditions and their treatments. Better medical information allows major refinements to reimbursement systems, including the design and implementation of pay-for-performance programs. ICD-10, on the other hand, provides more precise and comprehensive medical data, which will improve medical performance, create efficiencies, and better contain costs. ICD-10 reduces the need for providers and payers to provide burdensome supporting documentation; it leads to fewer erroneous and rejected reimbursement claims; and it facilitates the development of better tools for detection of questionable billing practices and suspected fraud.

Medical care has advanced significantly in recent decades. As a result, ICD-9 is an antiquated system that does not reflect advances in technology or care. ICD-10 is a more precise system of medical coding for assessing quality of care and tracking diagnosis for diseases, signs and symptoms, abnormal findings, complaints, social circumstances, and external causes of injury or diseases. ICD-10 codes were requested by medical specialty societies and clinicians who needed the additional specificity that could not be met by ICD-9.

Physicians will benefit from ICD-10's greater specificity, more accurate reimbursements, and fewer claims denials. ICD-10 enables physicians to capture important details, such as laterality and the severity of patients' conditions. ICD-10 also provides physicians with greater opportunities for appropriate reimbursement. For example, ICD-9 has no way of coding for a Crohn's Disease patient with rectal bleeding, which is a far more serious condition. Being able to capture severity will enable physicians to get appropriately compensated for treating more serious conditions. Another example is laterality: doctors may have claims denied when treating chronic conditions that spread to various areas of the body – claims may be mistakenly denied for the same condition that now appear on the other side of the body. ICD-10 enables physicians to accurately classify laterality, thus minimalizing medical payment errors and streamlining payments.

Ultimately, ICD-10 helps protect and improve public health and will improve outcomes for your constituents. ICD-10 helps the public health system detect, rapidly verify, and respond appropriately to epidemic-prone and emerging disease threats – such as Ebola – to minimize their impact on the population's health and economy. The newer codes' specificity more fully captures nationally reportable public health diseases, diseases related to the top ten causes of mortality, and diseases related to terrorism.

ICD-10 will track injuries and treatments, such as traumatic brain injuries (TBI), of importance to population groups such as military veterans and student athletes. ICD-10 enables physicians to code for severity of trauma, track repeat injuries, and to link concussions to other life-altering and debilitating conditions. ICD-9 lacks the means to even code for repeat concussions.

ICD-10 accurately captures the cost of healthcare and readmissions. Today, we have no way of knowing why a patient is not taking medications, yet under-dosing is a leading cause of hospital readmissions. Understanding and addressing the circumstances that lead to under-dosing will reduce costs and waste.

The Health Care Industry is Ready

The United States' health care industry has already spent billions of dollars preparing for the implementation of ICD-10. Hospitals and most doctors are ready for ICD-10 today. ICD-10 should have been implemented more than three years ago, but several delays have already occurred. Meanwhile, the nation's health care industry moved forward, diligently preparing and making investments for ICD-10, with many physicians taking advantage of free preparation resources from the Centers for Medicare & Medicaid Services (CMS).

Additional delays to ICD-10 implementation would be wasteful and punish the majority of the industry that dutifully prepared and are ready to implement. The U.S. Department of Health and Human Services (HHS) estimates that the cost to delay the implementation could potentially reach \$6.8 billion. Thousands of workers (approximately 60,000 in the coding community) have trained on ICD-10 and stand ready to apply their skills. Most colleges and training centers have already shifted their focus to teaching ICD-10 in expectation of this transition. As a result, there is a pool of newly trained graduates who are not able to enter the workforce until the transition to ICD-10 is made.

As I recently wrote, it is difficult to argue that you can build a modern structure of significance on a crumbling foundation. ICD-9 is that crumbling foundation. Perhaps more important than the monetary assessment of additional delays is the lost opportunity that will result when an antiquated, 20th century coding scheme hobbles America's ability to build a 21st century health care system.

I appreciate the opportunity to submit remarks to this Subcommittee. Precyse looks forward to the implementation of ICD-10 this October, and we offer to serve as a resource for the members and staff of this Subcommittee.

Very Respectfully,

A handwritten signature in black ink, appearing to read "Chris Powell".

Chris Powell
Chief Executive Officer
Precyse