



**3M Health Information Systems, Inc.**

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The Honorable Joseph R. Pitts  
Chairman  
Subcommittee on Health  
2125 Rayburn House Office Building  
Washington, DC 20515-6115

Dear Chairman Pitts,

Thank you again for the opportunity to testify at the February 11, 2015 hearing entitled "Examining ICD-10 Implementation." We greatly appreciate the Committee's attention to this important coding upgrade for our health care system.

Thank you also for sharing questions for me to respond to from Committee Members as follow up. I am pleased to provide these responses to the Committee.

Should you need any additional information, please contact Megan Ivory Carr at 202.414.3042 or [mmivory@mmm.com](mailto:mmivory@mmm.com).

Sincerely,



Richard F. Averill

Cc: The Honorable Gene Green, Ranking Member, Subcommittee on Health

## **Questions from The Honorable Frank Pallone, Jr.**

### **1. Can you help us understand the effect each time implementation is delayed? Who does the delay affect?**

The impact of a delay cascades throughout the entire healthcare industry. Because of the long lead times involved in transitioning major payer, vendor and provider software systems to ICD-10, the vast major conversion work has already been completed and is the final acceptance testing phases. At the same time the existing ICD-9 version of these systems have to be kept fully operational. Maintaining parallel systems in ICD-9 and ICD-10 is very labor intensive and costly. In addition, the October 2015 update not only implements ICD-10 but will also contains many other scheduled and required regulatory and system updates. These October regulatory and system updates have all been developed and tested based on ICD-10. Since ICD-9 will not be used after October 1, 2015, an ICD-9 version containing the October 2015 regulatory and system updates are not being developed. If ICD-10 is delayed, there would have to be an unplanned and unreasonably short development and testing effort to updated the ICD-9 version for the October 2015 regulatory and system updates. The unplanned update to the ICD-9 version would be a significant effort plus it would mean another year of incurring the cost of maintaining parallel ICD-9 and ICD-10 systems.

In addition to the direct costs of the delay, significant ongoing costs are being incurred by the failure to replace the ICD-9 code set. Continued use of the out-of-date and imprecise ICD-9-CM code set results in costs associated with:

- Inaccurate decisions or conclusions based on faulty or imprecise data
- Administrative inefficiencies due to reliance on manual processes
- Coding errors related to code ambiguity and outdated terminology
- Worsening imprecision in the ICD-9-CM code set due to the inability of the structure to adequately accommodate requested modifications
- Ongoing maintenance of both the ICD-9-CM and ICD-10 code sets.

Each delay adds substantially to the cost of ICD-10 conversion - the last one year delay is estimated to have cost the health care sector \$6.5 billion dollars. CMS has estimated that \$20 billion will be spent getting ready for ICD-10. Because of the long lead times involved in transitioning major software systems, the vast major of those costs have already been incurred and grow with each additional delay.

During the E&C hearing, a dual coding system approach was proposed in which providers would be allowed to submit claims coded in either ICD-10 or ICD-9 during a transition period. While a dual coding system may sound straightforward, it would require extremely complex and costly changes to major payment, clearinghouse and provider systems that are not practical or feasible. Even more troubling, the communication of health information between providers would be compromised,

adversely impacting the quality of patient care and increasing the potential for patient harm.

The entire data infrastructure of the healthcare industry has been designed to take advantage of the standardization on a single coding standard for electronic health care transactions mandated by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). This standardization has dramatically improved the overall efficiency and effectiveness of the healthcare system. Dual coding would undo this standardization requiring payment, clearinghouse and provider systems to be able to switch back and forth on a claim-by-claim basis between ICD-9 and ICD-10. This would necessitate a complete redesign, restructuring, reprogramming and testing of these systems.

Reengineering on such a massive scale would inevitably lead to payment errors and discrepancies and communication breakdowns due to inaccurate processing and linking of claims across providers. This could leave patients bewildered and faced with either paying bills themselves that should not be their responsibility or trying to sort out the confusion with their providers and payers. Dual coding would actually increase not decrease, the likelihood of payment errors and communication disruptions. Organizations with networks of providers, such as accountable care organizations, would be unable to efficiently communicate across healthcare providers or effectively analyze costs, outcomes of care, and patient safety.

A dual coding system is fraught with difficulties that have the potential to undermine the data infrastructure of the healthcare industry. It will confuse claims processing and negatively impact the handling of important patient clinical information and possibly patient care.

## **2. What types of training and resources go into preparing for ICD-10 implementation? What is the cost of delaying?**

Many professional organizations as well as commercial vendors offer extensive resources for education and implementation preparation. Training is available in a variety of formats – face-to-face, online, videos or podcasts, etc. CMS also offers extensive training and other resources – YouTube videos, “Road to 10” initiative aimed at providing training to small physician practices, timelines, checklists, fact sheets, etc.

Organizations such as the American Health Information Management Association (AHIMA) and the American Academy of Professional Coders (AAPC) offer comprehensive education for coding staff. AHIMA also has trained thousands of ICD-10 trainers that train coders in all provider settings in their local communities. AHIMA has chapters in every state that are reaching out to physicians and physician practices in their states to provide ICD-10 education and implementation guidance. Many AHIMA members are providing ICD-10 education at their institutions for their medical staff.

AHIMA, AAPC, the AMA, medical specialty societies, and many other organizations provide both face-to-face and on-line education for physicians to help them assess and improve clinical documentation.

The ICD-10 code sets themselves are available electronically free of charge from CMS and the National Center for Health Statistics. Coding software is also available at a variety of price points. Low-cost mobile apps and other electronic tools are available to facilitate the coding process as well as provide documentation tips for ICD-10. Technology is also available to provide “real time” documentation improvement tools to facilitate documentation capture at the point of care, including documentation “prompts” in electronic health record systems.

Regarding the cost of delay, the total cost is noted in the answer to question #1 above. Any ICD-10 delay is disruptive and costly for healthcare delivery innovation, payment reform, public health, and healthcare spending. Since the final rule adopting the ICD-10 code sets was published in 2009, the healthcare industry has made significant investments in the ICD-10 transition. Considerable time and resources have been invested in financing, training, and implementing the necessary changes to workflow and clinical documentation. Implementation costs continue to increase considerably every year of a delay. These costs include:

- ICD-9-CM versions of systems will have to be updated to remain current and usable.
- Each delay requires ICD-10 conversion work already performed to be updated, retested, and reintegrated – greatly increasing the cost of conversion.
- Maintaining coders’ ICD-10 coding skills through either additional education or ongoing ICD-10 coding practice.
- Adjusting academic curricula according to changes in the compliance date so that students are educated in the coding system in use at the time of their graduation.
- Re-educating graduates of students in health information management associate, baccalaureate, and coding certification educational programs that received ICD-10 education only but are now faced with a healthcare system still using ICD-9.
- Decreased employment opportunities for graduates of health information management and coding programs who were educated only in ICD-10 but ICD-9 is still in use at the time of their graduation due to a delay in the ICD-10 transition.
- Costs associated with the inability to effectively use healthcare data to improve quality of care, patient safety, and patient outcomes because the quality of healthcare data is progressively deteriorating as long as the US continues to rely on the outdated and imprecise code set.

Additionally, as has been observed with previous delays in ICD-10 implementation, those entities that were behind in their implementation preparation continued to lag behind in spite of the delay, as they did not use the additional time to their advantage. And entities that were on track for the established compliance date prior to announcement of a delay began to lag behind after the delay, due to loss of organizational momentum and focus, diversion of funding and personnel to other, more pressing projects, and growing skepticism as to the “firmness” of a compliance date. The fact that there have been two delays since the final rule was published, and each of these delays has cost the healthcare industry billions of dollars, has increased industry caution in expending resources on ICD-10 preparation until closer to the compliance date, when the risk of another delay seems small. Thus, delays have not proven beneficial to anyone in terms of achieving greater industry readiness.

*Resources listed below are a samples of some of the key ICD-10 resources for physicians available:*

#### **AMA: ICD-10 Resources**

<http://www.ama-assn.org/ama/pub/physician-resources/solutions-managing-your-practice/coding-billing-insurance/hipaahealth-insurance-portability-accountability-act/transaction-code-set-standards/icd10-code-set.page>

- Medicare Testing and Payment
- ICD-10 FAQs
- ICD-10 Implementation Planning (these are AMA member-only resources)
- Educational Resources (some of these are member-only resources)
  - [Free Educational Resources](#) - White papers and practice tools on the following:
    - Revised CMS-1500 Health Insurance Claim Form: Understanding the Changes in Version 02/12
    - ICD-10 Action Plan: Your 12-Step Transition Plan for ICD-10
    - “Achieving the Benefits Promised by Administrative Simplification, ICD-10, and EHRs”
    - “What You Need to Know for the Upcoming Transition to ICD-10-CM”
- [AMA Training and Events](#)

#### **CMS: Provider Resources**

*CMS many free resources to assist physician practices and other providers with the ICD-10-CM transition, including fact sheets, implementation guides, checklists, timelines, webinars, and provider teleconferences.*

<http://www.cms.gov/Medicare/Coding/ICD10/ProviderResources.html>

- [Road to 10: The Small Physician Practice's Route to ICD-10](#)
  - ICD-10 Overview

- Physician Perspectives (hear from physicians on the value of ICD-10)
- Webcasts (Specialty Documentation and Road to 10 series)
- Specialty References
  - Specialties: Family Practice, Pediatrics, OB/GYN, Cardiology, Orthopedics, Internal Medicine, Other Specialty
  - References: common codes, documentation needs, clinical scenarios, resources
- Build your Action Plan (customized action plan for physician offices)
- Fact Sheets
  - [ICD-10-CM/PCS Myths and Facts](#)
  - [ICD-10 Basics for Medical Practices](#)
  - [ICD-10 Basics for Small and Rural Practices](#)
- [Talking to Your Vendors About ICD-10: Tips for Medical Practices](#)
- [Online ICD-10 Implementation Guide](#)
- YouTube Videos
  - [ICD-10 Coding Basics](#)
  - [Coding for ICD-10-CM: More of the Basics](#)
  - [ICD-10 and Clinical Documentation](#)

### **AHIMA: ICD-10 for Physicians & Clinicians**

<http://www.ahima.org/topics/icd10/physicians>

- Why ICD-10 Matters
- Documentation Improvement
- Implementing ICD-10
- Training
  - [Clinical Documentation Training for ICD-10 by Specialty](#)
- Free resources for physicians include:
  - [Top 10 ICD-10-CM/PCS Questions](#)
  - [Electronic Documentation Templates Support ICD-10-CM/PCS Implementation](#)
  - [ICD-10-CM/PCS Documentation Tips](#)
  - [Setting the Facts Straight About ICD-10: What Physicians Need to Know About the Transition](#)
  - [Cost of Converting Small Physician Practices to ICD-10 Much Lower than Reported](#)

### **Other Resources**

- The ICD-10-CM coding system is available free of charge from [CMS](#) and the [National Center for Health Statistics](#) (NCHS). The *ICD-10-CM Official Guidelines for Coding and Reporting* are available free of charge from [NCHS](#).
- [American Academy of Professional Coders](#)

- [ICD-10 training for coders](#)
- [ICD-10 documentation training for physicians](#)
- [Professional Association of Health Care Office Management \(PAHCOM\)](#)
  - [PAHCOM/CMS Partnership Webinar Recordings](#)
- The "[Rural ICD-10](#)" web site offers information and free resources to assist rural health providers in transitioning to ICD-10.

### **Medical Specialty Societies and State Medical Societies**

Many medical specialty societies and state medical societies offer ICD-10 education and implementation resources, such as:

- [AAFP: FAQs on ICD-10](#)
- [Wisconsin Medical Society: ICD-10 Education & Resources](#)
- [American College of Physicians: ICD-10 Resources](#)
  - [Commonly-Used ICD-10-CM Codes](#)
- [American College of Surgeons: ICD-10 Information and Training](#)
- [American Academy of Orthopedic Surgeons: Practice Management Center \(ICD-10 Resources\)](#)
- [American Congress of Obstetricians and Gynecologists: ICD-10](#)
  - [Training](#)
  - [ICD-9 to ICD-10 Obstetrics Crosswalk](#)
- [American Academy of Pediatrics: ICD-10-CM - Coming October 2015](#)
  - [ICD-10-CM Webinars](#)