

Summary of Joint Position on Adoption of ICD-10

Key Point #1: ICD-9-CM* is obsolete and the new version is ready for implementation

ICD-9-CM coding system is obsolete. Developed in the 1970s for a more limited purpose, it is no longer adequate to describe modern medicine or support the information requirements of the US Healthcare Industry.

- The need to replace ICD-9-CM was identified more than 10 years ago. Continued use of ICD-9-CM will adversely impact the value of healthcare data including the accuracy of decisions based on faulty or imprecise data.
- Any further delay in adoption increases the cost of implementation of a new code set and of the investment in EHRs.

Key Point #2: ICD-10** is needed to improve the quality of health information

- ICD-10 provides better data needed to meet the demands of an increasingly global and electronic healthcare environment. It provides a significant opportunity to improve the capture of information about the increasingly complex delivery of healthcare
- ICD-10 will provide better data to support:
 - Quality measurement and medical error reduction/patient safety improvement activities
 - Pay-for-performance initiatives
 - Improved public health and bio-terrorism monitoring
 - More accurate reimbursement rates

Key Point #3: ICD-10 is needed to support interoperable EHRs and a NHIN

- Adoption of national electronic health records (EHRs) and interoperable information networks requires a modern classification system like ICD-10 for summarizing and reporting data
 - The anticipated benefits of EHR systems cannot be fully achieved by using the 30-year old ICD-9-CM classification system
- ICD-10 must be incorporated into EHR systems with SNOMED-CT to achieve information interoperability and the benefits of a national health information network (NHIN)
 - Together, ICD-10 and SNOMED-CT represent a common medical language that will allow data to be shared between EHR systems

Key Point #4: The groups call for action now that creates the benefits of improved data by the end of the decade.

- An October 2009 implementation date reflects a compromise between today's increased demand for better data and the size and complexity of the transition
 - Only with a "date certain" declared can the industry begin to dedicate resources required to complete detailed planning and development
 - To continue to delay the positive impact of improved data based on an unwillingness to tackle the required planning now is shortsighted

*ICD-9-CM stands for International Classification of Diseases, Ninth Revision, Clinical Modification—a US version of ICD-9 developed by the World Health Organization (WHO). ICD-9-CM is divided into three volumes. Volumes I and II relate to diagnoses classification, while Volume III relates to inpatient procedure classification

**ICD-10-CM stands for International Classification of Diseases and Related Health Problems, 10th Revision, Clinical Modification. This is a US version of ICD-10 developed by the World Health Organization-for use in reporting morbidity data in all healthcare settings. ICD-10-CM is maintained by the National Center for Health Statistics (NCHS) and the Centers for Disease Control (CDC). ICD-10-PCS is a procedural coding system designed by the Centers for Medicare and Medicaid to replace the current inpatient procedural coding system included in ICD-9-CM.

Setting the Record Straight on ICD-10

Claim: *ICD-10 implementation by 2009 would lead to fraud.*

Fact: The use of ICD-10-CM and ICD-10-PCS will help reduce the opportunities for fraud and improve fraud detection capabilities. While the transition to a revised coding system could present a short-term opportunity for error while individuals are learning to use it, field testing has shown that ICD-10's greater specificity results in improved data accuracy. ICD-10 reduces ambiguity and misinterpretation, and offers the opportunity for improved coding accuracy and the ability to effectively audit claims. An anti-fraud study conducted for the Office of the National Coordinator for Health Information Technology (ONC) concluded that a standardized reference terminology and up-to-date classification systems are essential to the adoption of electronic health records and the associated information technology enabled healthcare fraud management programs. The improved logic and increased specificity in ICD-10-CM and ICD-10-PCS will facilitate the development of sophisticated tools for detection of questionable patterns and suspected fraud, whereas continued use of ICD-9-CM inhibits the development of computer-assisted coding systems which can reduce fraud.

Claim: *ICD-10 will require a massive overhaul of contractors systems for fighting fraud.*

Fact: Changes are needed to our fraud management systems that will require an investment. These systems, which are based on an ambiguous 30-year old classification system (ICD-9), are largely ineffective as shown by fraud estimates indicating that only a fraction of healthcare fraud is ever recovered or identified. A study conducted for ONCHIT on fighting fraud concluded that a standardized reference terminology and up-to-date classification systems are essential to the adoption of electronic health records and the associated information technology enabled healthcare fraud management programs. However, the fraud management systems do not need to be updated before ICD-10 is implemented as cross walks can be used to translate ICD-10 data back to ICD-9 until the requisite data analysis and system redesign can be accomplished.

Claim: *HIPAA would prohibit ICD-10 from being adopted by 2009.*

Fact: The Johnson-Deal bill eliminates the NPRM process for upgrading software versions of ICD-10 as required by HIPAA to allow adoption by October 1, 2009. A process for public notice and comment for software upgrades to version 5010 and beyond has been ongoing for over a year, already generating significant public comments.

Claim: *ICD-10 should be pilot tested.*

Fact: Transition to implementing ICD-10 has been under careful consideration for more than 10 years. The NCVHS first recognized the need to replace ICD-9 in the early 1990's and made a formal recommendation to implement ICD-10-CM and ICD-10-PCS in November 2003. Some formal testing of ICD-10-CM has been conducted by the Clinical Data Abstractions Centers, an NCVHS contractor, and the AHA and AHIMA. Testing involved coding actual medical records using both ICD-9-CM and either ICD-10-CM or ICD-10-PCS. The testing of ICD-10-PCS focused on hospital inpatient records (since that is where it is intended to be used), whereas the testing of ICD-10-CM involved medical records from multiple types of healthcare settings. The testing showed that it was easier to use than ICD-9 and lead to more accurate coding and billing.

Claim: *ICD-10 is too complex.*

Fact: ICD-10 is more precise and allows coders to more easily select the appropriate code to use helping improve coding accuracy. This new system is also very user friendly, allowing coders to avoid unnecessary data sections when not needed—similar to how Turbo Tax skips all of the dependent tax credit questions for a taxpayer without children. Examples like “smothering with a pillow” are pulled from a small subset of the code set (known as “e-codes”) and were picked because they are extreme examples of information in the coding system to meet state requirements for worker compensation claims. The “e-codes” have nothing to do with the vast majority of the claims that will be entered.

Claim: *ICD-10 is too expensive to adopt.*

Fact: The benefits of ICD-10 outweigh the costs. A comprehensive, independent study by the Rand Corporation, commissioned by NCVHS, estimated that the total costs of implementation were estimated at about \$425 million to \$1.15 billion in one-time costs for training and systems changes for providers, payers, and vendors, plus between \$5 to \$40 million per year in lost productivity. Estimated benefits total between \$700 million to \$7.7 billion due to more accurate payments, fewer miscoded and rejected claims, better understanding of the value of new procedures, and improved disease management. The longer the transition is delayed, the more it will cost to adopt the system for providers.

Claim: ICD-9 is not running out of codes.

Fact: ICD-9 codes are running out in many important categories including cardiac and orthopedic procedures. CMS has been placing these procedures in completely unrelated categories for procedures performed on ears and eyes. Finding these cardiac and orthopedic codes would be like trying to find your favorite fiction book in the stacks at the Library of Congress that someone haphazardly placed in the autobiography section.

This document supporting the adoption of ICD-10 with an implementation deadline of October 2009 has been endorsed by the following organizations:

AdvaMed

AdvaMed member companies produce the medical devices, diagnostic products and health information systems that are transforming health care through earlier disease detection, less invasive procedures and more effective treatments. Our members produce nearly 90 percent of the health care technology purchased annually in the United States and more than 50 percent purchased annually around the world. AdvaMed members range from the largest to the smallest medical technology innovators and companies. For more information, visit www.advamed.org.

American Health Information Management Association (AHIMA)

AHIMA is the premier association of health information management (HIM) professionals whose more than 50,000 members are dedicated to the effective management of personal health information needed to deliver quality healthcare to the public. Founded in 1928 to improve the quality of medical records, AHIMA is committed to advancing the HIM profession in an increasingly electronic and global environment through leadership in advocacy, education, certification, and lifelong learning. For information about AHIMA you can visit www.ahima.org.

American Medical Informatics Association (AMIA)

AMIA is an organization of leaders shaping the future of health information technology in the United States and abroad. AMIA is dedicated to the development and application of medical informatics in support of patient care, teaching, research, and health care administration. Complete information about AMIA is available at: www.amia.org.

Medical Device Manufacturers Association (MDMA)

MDMA is a national trade association representing the entrepreneurial, innovative sector of the medical device industry. MDMA's mission is to promote public health and improve patient care through the advocacy of innovative, research-driven medical device technology. For more information, visit www.medicaldevices.org.