



## news

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## **ICD-10 Conversion Costs for Small Physician Offices 'Dramatically Lower Than Initially Estimated'**

*New Data Featured Online at Journal of AHIMA*

**CHICAGO – Nov. 13, 2014** – New data published [online](#) in the *Journal of AHIMA* suggests that the estimated costs, time and resources required by physician offices to convert to ICD-10 are “dramatically lower” than initially estimated. The evidence also suggests that physicians and their office staff, vendors and health plans have made considerable progress on ICD-10 implementation with fewer resources than previously estimated.

The article estimates that the ICD-10 conversion costs for a small practice are in the range of \$1,900-\$5,900. This is in stark contrast to a 2014 update of a widely referenced 2008 report by Nachimson Advisors to the American Medical Association (AMA), which estimated the cost for a small practice to implement ICD-10 was in the range of \$22,560-\$105,506.

The authors of the *Journal of AHIMA* article –Thomas C. Kravis, M.D., Susan Belley, M. Ed, RHIA, Donna M. Smith, RHIA and Richard F. Averill, M.S., 3M Health Information Systems – based their estimates on results from recent surveys, published reports and ICD-10 conversion experience with hospitals and physicians. The authors defined a small practice as three physicians and two impacted staff members such as coders and/or office personnel.

“This research confirms that the ICD-10 conversion for small practices is not only highly achievable but far less onerous than many have suggested,” said AHIMA CEO Lynne Thomas Gordon, MBA, RHIA, CAE, FACHE, FAHIMA. “AHIMA remains committed to helping small practices with their transition to ICD-10, a modern and robust coding system that will lead to improved patient care and better health outcomes at reduced costs.”

In the article, the authors examine the costs for training, software upgrades, superbill conversion, end-to-end testing and productivity. They attribute the lower estimates to the industry’s increased knowledge and readiness for ICD-10 combined with the availability of low cost ICD-10 activities and resources.

REQUIREMENT	PROGRAM COST	TIME	COST OF TIME	TOTAL
2 Code Books	\$0 - \$600	\$0	\$0	\$0-\$600
Staff Training 1-2 Days	\$400- \$1500/person	16-32 Hours @ \$50/hour	\$800-\$1600	\$1200-\$3100
3 MD Online 3 Hours	\$50-\$300	9 Hours @ \$81- \$194/hour	\$720-\$1900	\$760-\$2200
End To End Testing	\$0	\$0	\$0	\$0
Super Bill	\$0	\$0	\$0	\$0
<b>Total</b>				\$1960-\$5900

Some additional findings in the study include:

- Costs related to electronic health record (EHR) adoption and other healthcare initiatives such as meaningful use are not directly related to the ICD-10 conversion and were sometimes included in previous estimates.
- Online clinical documentation and coding training can be purchased for \$50-\$300 for three hours of training in a particular specialty.
- ICD-10 diagnoses code books can be downloaded for free or purchased for between \$70-\$300. An ICD-10 iPhone app for \$1.99 is available with a word search function to find an ICD-10 code.
- Many vendors are including the ICD-10 software update as part of their routine annual software update. Physician office costs are not expected to be charged for basic software services.
- For those physician offices that use a superbill -- an itemized form reflecting rendered services -- an ICD-10 superbill conversion is not substantially more involved than the current ICD-9 update process. AHIMA converted a primary superbill and reported that it can be easily done in less than a day.
- Since the primary responsibility for end to end testing is on the billing, electronic medical record (EMR) and clearing-house vendors, physician participation in this is minimal.
- Previous estimates of additional documentation requirements and associated reduction in productivity were based – not on studies of physicians' offices – but primarily on data from inpatient hospital documentation coding and billing activities and the potential risk of disruption in a hospital environment. Improved documentation is not simply an added cost but can increase revenue for physicians.

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The American Health Information Management Association (AHIMA) represents more than 71,000 health information management and health informatics professionals in the United States and around the world. AHIMA is committed to promoting and advocating for research, best practices and effective standards in health information and to actively contributing to the development and advancement of health information professionals worldwide. AHIMA's enduring goal is quality healthcare through quality information. [www.ahima.org](http://www.ahima.org)