



**Testimony of Meryl Bloomrosen, MBA, RHIA, FAHIMA
On Behalf of the
American Health Information Management Association
To the
Standards Subcommittee
National Committee on Vital and Health Statistics
February 19, 2014**

Dr. Suarez, Mr. Soonthornsima, members of the subcommittee, ladies and gentlemen; good morning. I am Meryl Bloomrosen, Vice President, Thought Leadership, Practice Excellence and Public Policy for the American Health Information Management Association (AHIMA), and I have been asked to comment this morning on the topic of achieving a successful transition to ICD-10-CM and ICD-10-PCS which are often jointly referred to as ICD-10.

Since 1928 AHIMA, has been the premiere association of professionals, educated, trained, certified and working in the field of health information management (HIM) and health informatics. AHIMA is recognized as the leading source of HIM knowledge, a leader in assuring that health information is valid, accurate, complete, trustworthy, and timely, and a respected authority for rigorous professional education and training. With more than 71,000 members in the United States, HIM professionals work in over 40 employment settings associated with our nation's healthcare industry in some 50-plus job types.

AHIMA and its members have been involved in various aspects of classification and terminology standards and systems and use of these standards and systems for many decades. Our work has also included the integration of terminology and classification standards into transactions and communication standards and operating rules. AHIMA and its members are active in a variety of standards development organizations including Health Level 7 International (HL7), ISO 215 Technical Committee for Health Informatics (ISO 215) and the US Technical Advisory Group (US TAG), the International Health Terminology Standards Development Organization (IHTSDO), and the World Health Organization Family of International Classifications (WHO-FIC).

Since the 1960s, AHIMA has been a member of the Cooperating Parties for US use of ICD classification systems along with the American Hospital Association (AHA), the Centers for Disease Control and Prevention (CDC), and the Centers for Medicare and Medicaid Services (CMS). AHIMA also serves on the editorial boards for ICD-9-CM, ICD-10-CM/PCS, HCPCS, and CPT®. In addition, AHIMA is the designated secretariat for the ISO-215 and the US-TAG.

Today, you have invited AHIMA to address several questions:

- What are the key findings from the latest large-scale industry surveys regarding transition planning and implementation of ICD-10? What do these key findings tell us and what should we be doing in response to these findings?
- What is the current status of testing of ICD-10? What are some of the key initial testing results?
- What should be the industry focus for the remaining 9 months prior to the compliance date?

ICD-10 Readiness and Implementation Challenges

AHIMA is hearing from our members and seeing several pieces of data that confirm that many stakeholders are committed to being ready for the ICD-10 compliance date. Hospitals and health plans appear to be on track for ICD-10 implementation. For example, an AHA survey conducted last year showed that the vast majority of hospitals, including critical access hospitals and hospitals with 100 or fewer beds, expect to be ready by the compliance date.¹ A Blue Cross Blue Shield Association survey of Blue Cross Blue Shield Plans found that all are actively engaged in ICD-10 projects and expect to be ready by October 1, 2014.²

However, other data indicated that some non-hospital providers, especially small providers, are behind in their ICD-10 preparation. There are also implementation challenges and potential risks that healthcare organizations must effectively manage in order to transition successfully. Some of the differences in extent of industry progress revealed by various ICD-10 readiness surveys may be due to the lack of a standard meaning for the term “ready.”

The cost of ICD-10 implementation, especially for physician practices, has been raised as a significant challenge. Extensive development and evaluation of ICD-10 as a replacement for ICD-9-CM has occurred over many years. Activities included testing, completion of a comprehensive cost/benefit analysis, and hundreds of hours of testimony by experts who examined all sides of the issue. Providers, payers and other stakeholders throughout the healthcare system have already invested considerably in the ICD-10 transition.

Previous studies and analyses have concluded that the benefits of transitioning to ICD-10 outweigh the costs.^{3,4} As the Department of Health and Human Services (HHS) has stated,

¹ American Hospital Association Issue Brief, *Hospitals Widely Expect to Meet ICD-10 Requirements by October 2014*, July 2013

² Letter from American Hospital Association and Blue Cross Blue Shield Association to members of Congress. July 10, 2013. <http://www.aha.org/advocacy-issues/letter/2013/130711-let-aha-blue-sen-icd10.pdf>; <http://www.aha.org/advocacy-issues/letter/2013/130711-let-aha-blue-rep-icd10.pdf>.

³ Department of Health and Human Services. “HIPAA Administrative Simplification:

significant opportunity costs associated with the delay in transitioning to ICD-10, including a delay in taking advantage of improved code sets that support the improvement of quality and outcomes data, cost-effective approaches to delivering care, and information for better research.⁵ Continued use of an antiquated code set results in an erosion of data quality, leading to inaccurate decisions based on faulty or imprecise data. Outdated terms and ambiguous code descriptors negatively impact coding accuracy and productivity. The ability to accurately analyze healthcare services and whether care is fairly reimbursed will be compromised.

AHIMA, in partnership with TrustHCS, conducted an ICD-10 survey (“AHIMA survey”) in the fall of 2012 of more than 300 HIM professionals representing 293 healthcare facilities that included academic medical centers, teaching and non-teaching community hospitals, and critical access hospitals (CAHs).⁶ The goal of this survey was to identify the HIM themes and best practices that are emerging as the ICD-10 compliance date approaches. This research revealed four preparedness patterns most important to AHIMA members—education, staffing, computer-assisted coding (CAC), and clinical documentation improvement (CDI). The AHA survey identified competing initiatives (e.g., Meaningful Use, quality reporting), timely testing with payers, and vendor readiness as top implementation challenges.

Risks to Achieving Successful ICD-10 Transition

AHIMA has identified several risks to the smooth transition to ICD-10. Not all risks can be eliminated, but many of them can be mitigated through adequate training and education and advance planning and preparation.

Potential risks include:

- Underestimation of scope (and lack of a sense of urgency)
- Inadequate medical record documentation
- Insufficient education
- Decreased coding productivity
- Increased coding errors

Modification to Medical Data Code Set Standards To Adopt ICD–10–CM and ICD–10–PCS.” *Federal Register* 73, no. 164 (August 22, 2008). <http://www.gpo.gov/fdsys/pkg/FR-2008-08-22/pdf/E8-19298.pdf>.

⁴ RAND Corporation. “The Costs and Benefits of Moving to the ICD-10 Code Sets.” March 2004. http://www.rand.org/content/dam/rand/pubs/technical_reports/2004/RAND_TR132.pdf.

⁵ Department of Health and Human Services. “Administrative Simplification: Adoption of a Standard for a Unique Health Plan Identifier; Addition to the National Provider Identifier Requirements; and a Change to the Compliance Date for the International Classification of Diseases, 10th Edition (ICD–10–CM and ICD–10–PCS) Medical Data Code Sets; Final Rule.” *Federal Register* 77, no. 172 (September 5, 2012). <http://www.gpo.gov/fdsys/pkg/FR-2012-09-05/pdf/2012-21238.pdf>.

⁶ Barnhouse, Torrey; Rudman, William. “YOU ARE HERE—ICD-10-CM/PCS Status Check: Three Hundred HIM Professionals Report.” *Journal of AHIMA* 84, no.6 (June 2013): 38-40.

- Non-compliance with reimbursement requirements
- Increased fraud and abuse allegations
- Excessive coding backlogs
- Increased claims denials/rejections
- Reduced revenue
- Lower quality ratings
- Increased cost and administrative burden associated with managing varying code reporting requirements by non-covered entities (e.g., non-covered entities that choose not to transition to ICD-10 or require ICD-10-PCS procedure codes for outpatient encounters)

Significant implementation challenges that have been identified by our members are coder education, workforce shortages, and clinical documentation improvement. To be sure, preparation for this type of change requires thoughtful project management and planning.

Coder Education

Ensuring high-quality, comprehensive ICD-10 education is critical to increasing coding accuracy and lessening the expected productivity decline. While the actual impact of ICD-10 on coder productivity is not clear (and some of the available estimates are based on the Canadian experience, which is not entirely comparable to that of the US), estimates of anticipated productivity decline of 20 to 50 percent for at least some period of time after ICD-10 implementation have been suggested.⁷ Because of the similarities between ICD-10-CM and ICD-9-CM, we would expect less impact on outpatient productivity than inpatient productivity.

We have observed during our ICD-10 training programs that coders and others involved in the coding process are, for the most part, embracing ICD-10 implementation and are preparing themselves and others to develop their ICD-10 skills well in advance of the October 1st implementation date.

Coder Shortage

Coder shortages are expected to worsen and contribute to backlogs in coding records for payment with the implementation to ICD-10. Respondents to the AHIMA survey said they are expecting to increase their coding labor needs by 23 percent over the next two years. Specifically, HIM professionals surveyed expect a spike in coding needs from the second quarter of 2013 through the first quarter of 2014. Since a 30 percent coder shortage already exists,

⁷ Minnette Terlep, *Practice Makes Perfect When It Comes to ICD-10*, JOURNAL OF AHIMA, October 1, 2012, <http://journal.ahima.org/2012/10/01/practice-makes-perfect-when-it-comes-to-icd-10>.

addressing additional coder staffing requirements is essential.⁸ Among facilities expecting to expand coding labor for ICD-10, 63 percent of respondents said they will directly hire additional coders. Fifty-two percent of survey respondents said they will hire more inpatient coders, and 59 percent will bring additional outpatient coders on board. A quarter of respondents plan to outsource.

Clinical Documentation Improvement

Clinical documentation improvement is seen as a major challenge of the ICD-10 transition. However, as was noted in the 2009 final regulation adopting the ICD-10 code sets, improved documentation is being driven by multiple initiatives, including quality reporting, value-based purchasing, and patient safety. Accurate and appropriately accessible data is also needed for health services research, comparative effectiveness, and population and public health. The move to ICD-10 may have heightened awareness of the need to improve clinical documentation deficiencies; and with or without ICD-10, there is an increasing demand for better documentation and achieving high-quality documentation is a significant challenge for healthcare organizations.⁹

Risk Mitigation Strategies

Providing Adequate ICD-10 Education

Ensuring coding staff receive comprehensive ICD-10 education, including foundational education in the biomedical sciences and plenty of opportunities for coding practice, is critical for many of the identified risks – productivity, accuracy, compliance, quality ratings, revenue, fraud and abuse. After initial training, there is also a need to assess comprehension and provide additional targeted education to address areas of weakness. Although ICD-10 education is one of the largest expenses associated with the transition, it is not an area where an organization can afford to trim costs, as the costs of under-training may be even higher. If coders are not adequately trained, claims denials, revenue take-backs, compliance issues, and lower quality ratings may all result.

Since July 2009, AHIMA has conducted ICD-10 Academies for 8,500 participants; these academies train individuals who intend to provide coding training to others (similar to a “train the trainer” concept). According to our records, we currently have 6,040 active AHIMA-approved ICD-10 Trainers (a designation earned upon successful completion of both the

⁸ Barnhouse, Torrey; Rudman, William. "YOU ARE HERE—ICD-10-CM/PCS Status Check: Three Hundred HIM Professionals Report." *Journal of AHIMA* 84, no.6 (June 2013): 38-40.

⁹ Caitlin M Cusack, George Hripcsak, Meryl Bloomrosen, S Trent Rosenbloom, Charlotte A Weaver, Adam Wright, David K Vawdrey, Jim Walker, Lena Mamykina. The future state of clinical data capture and documentation: a report from AMIA's 2011 Policy Meeting J Am Med Inform Assoc doi:10.1136/amiajnl-2012-001093 <http://jamia.bmj.com/content/early/2012/09/07/amiajnl-2012-001093.full>

Academy training program and a proficiency assessment). Since 2010, we have also been working with health care organizations and payers to provide private ICD-10 training, either in the form of “train the trainer” or coder workforce training. Many of the individuals who have completed the “train the trainer” academy have gone on to train others in ICD-10. This includes training in individual organizations, training offered through state HIM Associations, and individual consulting for specific entities. Through this process, AHIMA has developed thousands of trainers who are actively participating in training and readiness for coders across the country. Many also have developed training for non-coders including physicians and other clinical staff. AHIMA also provides products specifically adapted for physician education

In addition to the ICD-10 training Academies I mentioned earlier, AHIMA also offers on-line ICD-10 training programs – training in the use of the ICD-10 code sets as well as foundational education (e.g., anatomy and physiology, pathophysiology and pharmacology) and clinical documentation for ICD-10 by specialty.

We would also like to note that CAHIIM which is an independent accrediting organization whose Mission is to serve the public interest by establishing and enforcing quality Accreditation Standards for Health Informatics and Health Information Management (HIM) educational programs has accredited 258 associate and 56 baccalaureate programs. CAHIIM estimates that by Fall 2014, over 36,000 students across all levels of educational programs will have full or significant knowledge of ICD-10 according to their academic level and competency requirements. By fall 2014 all programs accredited or in progress must be teaching ICD-10-CM and ICD-10-PCS. Further, we understand that the CAHIIM Annual Report later this year will confirm that all programs have ICD-10 in their curriculum (see: <http://www.cahiim.org/>).

A number of healthcare organizations have instituted a dual coding program, whereby at least some encounters are coded in both ICD-9-CM and ICD-10 (often for the primary goal of assessing the financial risks of the transition). One of the advantages of dual coding is that coding staff have an opportunity to increase their familiarity with the ICD-10 coding system, and hone their ICD-10 coding skills, well in advance of ICD-10 implementation.

A timeline for launching the ICD-10 versions of our professional certification exams has been developed, with the first one expected to launch at the end of March, to ensure AHIMA-certified individuals are fully prepared for ICD-10. Continuing education specific to ICD-10 is required for those individuals already certified by AHIMA.

Addressing Expected Coder Shortage and Productivity Decline

To address the issue of a coder shortage and expected declines in coder productivity, a combination of internal hiring and outsourced services will likely be used. Budgeting for overtime after the compliance date should be considered. Clearing up coding backlogs prior to

the ICD-10 compliance date is also recommended. Declines in coder productivity can be mitigated through ensuring coders receive sufficient training, use of computer assisted coding (CAC) technology, and addressing documentation inadequacies in advance of the compliance date. Strategies to retain good coders across the transition should be considered. For example, we have heard anecdotally from members that some organizations are offering bonuses if coders stay a certain period following ICD-10 implementation, or requiring coders to pay back the cost of ICD-10 training if the coder leaves within a defined period of time.

There may be ways to streamline the workflow process to mitigate some of the potential productivity losses that are expected to come with ICD-10 implementation. Designing workflows now may reduce the need for coding staff to initiate physician queries for missing or additional information in order to code a patient record.

High-Quality Documentation and Coding Accuracy Go Hand-in-Hand

CAC and clinical documentation improvement (CDI) are key risk mitigation strategies for ensuring high-quality coding and reducing the negative impact on coding productivity. It has been suggested that CAC may increase inpatient coding productivity by more than 20 percent.¹⁰ CAC and CDI can also reduce compliance risks, negative impacts on revenue, and the potential for claims denials and rejections. CDI obviously improves the quality of medical record documentation. Because CAC, CDI, and proper ICD-10 education improve the quality of coding and documentation, the reliance on non-specific codes will decrease.

In the AHIMA survey, 11 percent of the hospitals who responded already have implemented a CAC system and 75 percent plan to have CAC in place by 2015. Two-thirds of surveyed hospitals already had a CDI initiative in place, and 41 percent of the rest expected to start a CDI program in 2013.

A lot of valuable time and effort is expended today on resolving clinical documentation issues on the back end (after patient discharge). As organizations are increasingly challenged to stretch limited resources, coupled with the increased demand ICD-10 will place on an already-stretched and scarce coder workforce, a new paradigm for addressing physician documentation is needed. AHIMA recommends using technology to facilitate improved documentation capture, at the point of care, such as the use of computer-assisted coding technology and EHR documentation templates and prompts.

Benefits of EHR templates and documentation prompts that facilitate documentation capture to support the level of specificity in the ICD-10 code set include:

¹⁰ Dougherty, Michelle; Seabold, Sandra; White, Susan E. "Study Reveals Hard Facts on CAC." *Journal of AHIMA* 84, no.7 (July 2013): 54-56.

- Produces better clinical documentation to support patient care as well as all internal and external initiatives that rely on the quality of documentation
- Bridges gap between languages of physicians and coders
- Provides ongoing learning loop for physicians regarding needed documentation at the time care is recorded
- Allows greater coding accuracy, productivity, and coder and physician satisfaction
- Eases ICD-10 transition and lessons both coder and physician frustration.

Improving clinical documentation in advance of ICD-10 implementation has the added benefit of improving the quality of today's coding and documentation.

Communicating with Non-Covered Entities

Healthcare providers should discuss ICD-10 transition plans with non-covered entities they do business with (e.g., worker's compensation plans, state agencies to which coded data is reported). AHIMA has developed a resource titled "[Universal Use of ICD-10-CM/PCS in the US](#)" to assist in communicating the value of transitioning to the ICD-10 code sets even if the entity is not covered by HIPAA.

Adequate External Testing

Planning for sufficient testing with external partners prior to the compliance date is essential for achieving a smooth transition. Timely vendor readiness, well in advance of the ICD-10 compliance date, is a necessary step to ensure healthcare organizations have sufficient time for testing.

AHIMA's Involvement in Achieving a Successful Transition to ICD-10

AHIMA is committed to helping the healthcare industry successfully transition to ICD-10 on October 1, 2014. In addition to the ICD-10 training I mentioned earlier, AHIMA has also produced a wide range of resources to assist with this transition and implementation – resources that are helpful to the HIM community as well as other sectors of healthcare. Since 2009, AHIMA has had a dedicated ICD-10 web site that offers a variety of tools and resources. AHIMA has also participated in several of the Centers for Medicare and Medicaid Services' (CMS) ICD-10 teleconferences and in a CMS YouTube educational video on ICD-10. The video is being used by CMS to educate the industry as well as members of Congress on the basics of ICD-10-CM and to demonstrate the new code set is not difficult to learn or use.¹¹

¹¹ http://www.cms.gov/Medicare/Coding/ICD10/Latest_News.html

We have reached out to our Component State Associations in all 50 states, Puerto Rico and Washington DC and asked them to work with the physician community in their areas to provide implementation assistance. Since 2009, we have held annual ICD-10 Summits, the premier healthcare industry event dedicated to the exploration of the challenges and opportunities represented in the transition to ICD-10. This event brings together thought leaders from all segments of the healthcare industry, including providers, payers, vendors, consultants, and secondary data users.¹²

AHIMA has also convened Annual Clinical Coding Community meetings in conjunction with our Annual Convention. In 2014, we are holding national coding community events twice- once in New Orleans in May and then again in San Diego in September. There will be a National Coding Update and smaller breakout sessions to address significant trends and issues.¹³

AHIMA is participating in the ICD-10 Implementation Success Initiative, comprised of a coalition of ICD-10 stakeholder organizations, including CMS and WEDI. The purpose of this initiative is to ensure successful ICD-10 implementation for all healthcare industry stakeholders including healthcare providers, payers, clearinghouses and vendors. It will serve as a hub to field questions regarding ICD-10 and develop a coordinated education effort regarding implementation.

As one of the Cooperating Parties for ICD-10-CM/PCS, we actively participate in the ongoing development of official coding guidelines and official coding advice to support the proper use of the ICD-10 code sets. We also recommend revisions to ICD-10-CM and ICD-10-PCS, and comment on proposed modifications, in order to continually improve these code sets.

Conclusion

The healthcare landscape is changing as a result of multiple external influences, including healthcare reform, EHR adoption, Meaningful Use, value-based purchasing, and ICD-10 implementation. Amidst this changing environment, healthcare providers face a growing number of clinical documentation and coding challenges, including declines in reimbursement, coder shortages, increasing demands for better medical record documentation and greater coding specificity, payment audits, and fraud and abuse investigations. Ongoing coding challenges include the clinical complexity of patient encounters; inadequate, missing, or conflicting documentation; complexity and variety of payment policies and billing rules; and tougher productivity requirements.

The convergence of healthcare reform, ICD-10, coder shortages, and increasing demands for high-quality healthcare data set the stage for opportunities for innovation and transformation. To

¹² <http://www.ahima.org/events/2014April-ICD-10-CAC>

¹³ <http://www.ahima.org/education/onlineed/Programs/ICD10>

be successful, healthcare organizations must find ways to work smarter, not harder. EHR and CAC technologies can be leveraged to automate and improve documentation, coding, data extraction, and ultimately patient care. The effective use of technology as well as other risk mitigation strategies I mentioned earlier will help to ensure that healthcare organizations transition to ICD-10 smoothly, with minimal disruption, and realize the benefits of better healthcare data earlier.

ICD-10 implementation is critical to the healthcare industry and is an essential component of national healthcare initiatives because the goals cannot be achieved without up-to-date, detailed healthcare data. AHIMA's focus will remain on helping the industry meet the deadline and begin receiving the benefits. As we have for many years, AHIMA will continue providing support and guidance to providers so they can reap the benefits of this more modern, more robust coding system. AHIMA stands ready to assist HHS and other ICD-10 stakeholders in providing guidance, education, tools, or other resources that would help all healthcare organizations transition successfully and smoothly to ICD-10 on October 1, 2014.

Thank you for the opportunity to discuss this critical topic. I am happy to answer any questions.

Meryl Bloomrosen, RHIA, MBA, FAHIMA

Vice President, Thought Leadership, Practice Excellence, Public Policy

AHIMA | American Health Information Management Association

1730 M Street NW | Suite 502 Washington, DC 20036

Phone: (202) 659-9440 | Cell: (312) 502-1513

mery.bloomrosen@ahima.org

AHIMA: Driving the Power of Knowledge

ahima.org