

March 12, 2014

Marilyn Tavenner, Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Administrator Tavenner:

We are writing to express our continued support for the October 2014 adoption of the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) for reporting diagnoses by all healthcare providers and the International Classification of Diseases, Tenth Revision, Procedure Coding System (ICD-10-PCS) for hospital reporting of inpatient procedures, collectively referred to as ICD-10.

We applaud your announcement at the Health Information and Management Systems Society (HIMSS) 2014 Annual Conference on February 27th where you stated, “We have already delayed the adoption standard, a standard the rest of the world has adopted many years ago, and we have delayed it several times, most recently last year. There will be no change in the deadline for ICD-10.”

We completely agree and stand with you in opposing any actions to further delay full compliance with the planned adoption of ICD-10.

ICD-10 was developed as an improvement to ICD-9, to allow for more specific and accurate representation of current and future medical diagnoses than is possible with the 30-year old ICD-9 system. Although many of the signatories to this letter were at odds over the timing of implementation when the National Committee on Vital and Health Statistics (NCVHS) and HHS embraced ICD-10 –which has already been adopted outside the U.S. worldwide – we are now in agreement that any further delay or deviation from the October 1, 2014 compliance date would be disruptive and costly for health care delivery innovation, payment reform, public health, and health care spending.

ICD-10 is the next generation coding system that will modernize and expand the capacity of public and private payers to keep pace with changes in medical practice and healthcare delivery. Thus, ICD-10 will provide higher quality information for measuring service quality, outcomes, safety, and efficiency.

By allowing for greater coding accuracy and specificity, ICD-10 is key to collecting the information needed to implement health care delivery innovations such as patient-centered medical homes and value-based purchasing. Data is critical to supporting these new payment and delivery models, which depend on accurate data to help providers improve the effectiveness of treatments. ICD-10 will enable better patient care through better understanding of the value of new procedures, improved disease management, and an improved ability to study and understand patient outcomes.

Moreover, any further delays in adoption of ICD-10 in the U.S. will make it difficult to track new and emerging public health threats. The transition to ICD-10 is time-sensitive because of the urgent need to keep up with tracking, identifying, and analyzing new medical services and treatments

available to patients. Continued reliance on the increasingly outdated and insufficient ICD-9 coding system is not an option when considering the risk to public health.

We believe that the one year delay to October 1, 2014 struck a sensible balance that provided sufficient time for small providers and small hospitals to become compliant while minimizing the financial burden on those entities that had been actively planning and working toward being compliant on October 1, 2013 and moved this country to a modern diagnosis and procedure coding system within a reasonable time period. We agree with the position of the NCVHS that there should be no further delay beyond the October 1, 2014 implementation date.

The healthcare industry has made significant investments in the ICD-10 transition. If there is any further delay, ICD-9-CM versions of systems will have to be updated to remain current. This will require any ICD-10 conversion work already performed to be updated, retested, and reintegrated. A large part of the cost of conversion is the setup time associated with computer system conversion issues and the training of staff to be proficient in ICD-10. Further delay would necessitate that much of that training and setup investment be repeated --- greatly increasing the cost of conversion.

In addition to the direct costs of any further delay, significant ongoing costs are being incurred because of the failure to replace the ICD-9-CM 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, exacerbated by the code freeze that has been in effect for the past couple years in preparation for the ICD-10 transition
- Ongoing costs of maintenance of both the ICD-9-CM and ICD-10 code sets.

The diagnosis and procedure coding systems must keep pace with the rapid changes that are occurring in payment and regulatory systems. All of these changes are interrelated and interdependent. The enormous investment that is being made in Accountable Care Organizations (ACOs), meaningful use of electronic health records and value based purchasing are all predicated on having a more precise and comprehensive diagnosis and procedure coding system that is up-to-date with the rapid changes in practices and technologies utilized in today's health care system.

The undersigned organizations, having already expended an enormous amount of time, effort and resources in preparing for the transition in accordance to the timeline given by HHS, are concerned that any further delays will add significant demands on limited resources as well as measurably increase the overall cost of completing the transition.

We remain in full agreement with your recent remarks and with CMS's prior statement, made when adopting the one year extension, that any delays beyond that time period would have exponentially greater negative impacts --- namely greater overall cost and loss of benefits to be derived from use of the new code sets.

We would be happy to meet with you and your staff at any time to discuss this process, or to respond to any specific questions or concerns you have about the ICD-10 system.

Sincerely,

Advanced Medical Technology Association (AdvaMed)
American Health Information Management Association (AHIMA)
American Hospital Association
American Medical Informatics Association (AMIA)
BlueCross BlueShield Association
College of Healthcare Information Management Executives (CHIME)
Health IT Now Coalition
Medical Device Manufacturers Association (MDMA)
3M Health Information Systems
Roche Diagnostics Corporation
Siemens Health Services
WellPoint