



Statement for the Record

House Ways and Means Health Subcommittee

Hearing on Options to Improve Quality and Efficiency Among Medicare Physicians

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Statement Submitted by

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Chairman Stark and Members of the Ways and Means Subcommittee on Health, thank you for holding a hearing on “Options to Improve Quality and Efficiency Among Medicare Physicians.” This is a critical issue and the American Health Information Management Association (AHIMA) is honored to provide the subcommittee with information that we believe directly impacts the questions noted in your hearing announcement.

As you know, the emergence of health information technology as a key policy issue has helped move the healthcare quality issue to the forefront of healthcare policy discussions. To obtain more information for quality monitoring, healthcare claims forms have been changed to collect more information on the care provided to individuals. This has been done to improve the delivery of quality healthcare and to insure fair and equitable reimbursement for services provided.

As the Subcommittee considers the hearing testimony, we urge you to consider how upgrading the ICD-9-CM classification system to ICD-10-CM and ICD-10-PCS could improve the information and knowledge contained in the Medicare system, improve the efficiency of data collection and therefore reduce the cost of obtaining the information needed for Medicare processes. This will also reduce the costs incurred by the providers who must supply data to various contractors of the Centers for Medicare and Medicaid Services (CMS) for healthcare claims and other healthcare reporting requirements.

In 2005, AHIMA testified before the Ways and Means Health Subcommittee on the need for and advantages of US adoption and implementation of the ICD-10-CM (diagnoses) and ICD-10-PCS (inpatient procedures) classification systems. These systems were designed and produced by the Department of Health and Human Services (HHS) in the mid 1990’s and are still awaiting formal adoption and implementation. To date, neither the Congress nor the Secretary has taken action that would result in the actual implementation and use of these classification systems. Yet, in the case of physicians and in contrast to ICD-9-CM, ICD-10-CM adoption would provide the government with more accurate information to determine quality, severity, and payment. In addition, if quickly adopted, ICD-10-CM would allow physicians to implement new health information technology without the threat of having to make retroactive changes (much more expensive) to their HIT systems at some undetermined time in the future.

Briefly, adoption of ICD-10-CM now would improve the situation for Medicare and its physicians by:

- Providing the detail related to diagnoses that would allow CMS to judge the severity of the patient, which in turn would better identify the proper Evaluation/Management (E/M) level of care reported on the Medicare claim.
- Providing the detail related to diagnoses that would point to the necessary medical services not easily identified in the very vague and incomplete descriptions provided by ICD-9-CM, due to the rationing of ICD-9-CM codes that has had to occur in recent years because of the limited number of codes remaining. If CMS accepted all diagnoses codes that can be submitted electronically, then in many complicated situations – generally higher cost encounters and admissions – complications and co-morbidities could be identified without the need to request additional information from the provider (usually in paper form). This would also alleviate the need to review such data manually.
- Providing the detail necessary to identify not only complications, co-morbidities, or present on admission diagnoses, but also enough detail to permit more automated processing. The additional

detail provided in ICD-10-CM will actually make it easier to identify fraud and abuse than currently because coders will not have to guess on what codes to enter and the additional detail will more clearly support or not support other codes and items on the claim form.

- Providing more detail in the claim so that physicians will incur less costs by not having to provide additional information, either with the claim or in response for more information from the Medicare contractor.

As members of the Health Subcommittee recognize, the detail behind the ICD-9-CM upgrade and the need to implement the ICD-10-CM and ICD-10-PCS, is significant. Had ICD-10-CM and ICD-10-PCS been implemented, the changes now being made to the Medicare inpatient prospective payment system would have been significantly easier for Medicare and the provider community to adopt. Costs will continue to increase for the Medicare program each year the implementation of ICD-10-CM and ICD-10-PCS is delayed. In 2002, CMS testified to the National Committee on Vital and Health Statistics (NCVHS) that it desired to move to ICD-10 as soon as possible. The NCVHS in turn recommended adoption at the end of its hearing review of the Rand study on the issue in 2003. The subcommittee needs to consider that our nation has dedicated funding to maintain ICD-10-PCS and ICD-10-CM since the mid 1990's—CMS maintains ICD-10-PCS while the CDC has responsibility for ICD-10-CM—and yet we have received no benefit from the detail because of the implementation delays.

The ICD-10 codes possess many additional and beneficial uses beyond the subcommittee's current discussion. AHIMA would be happy to respond to questions on these uses as well as address any questions or concerns the subcommittee members might have with our comments. We urge the subcommittee to consider recommending the adoption and implementation of the ICD-10 classifications either as a stand alone legislation, or as a part of any health information technology or Medicare legislation Congress may consider. It is also important that the subcommittee ensure the adoption and implementation of the upgraded versions of the HIPAA transactions necessary to insure that such data can be carried in the claims system. Again, additional detail can be provided if the committee needs it.

Action by the subcommittee and the Congress before the fall recess will allow the US to make the conversion to ICD-10 classifications by October 1, 2011. Moving to ICD-10-CM and ICD-10-PCS is already long overdue. Please take the necessary steps to ensure this date is not delayed any further.