July 24, 2008

Jim Nussle
Director
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Re: **RIN: 0938-AN25**, Revisions to HIPAA Code Sets

Dear Director Nussle:

This letter expresses our deep concerns regarding the U.S. Department of Health and Human Services' (HHS) plan to mandate the rapid implementation of the International Statistical Classification of Diseases and Related Health Problems, 10th revision (ICD-10). To date, the Administration has not adequately analyzed the magnitude of transitioning to ICD-10, which would increase the number of possible codes to describe diagnoses and treatments from roughly 24,000 to more than 200,000. Given that the adoption of ICD-10 will be an extremely complex and costly endeavor for all industry stakeholders, we strongly urge you to closely review the Notice of Proposed Rule Making (NPRM) that HHS recently submitted to your office to ensure that the proposed plan accurately estimates the impact that the ICD-10 implementation would have on all covered entities, is consistent with the recommendations of federal advisory groups, and most importantly, does not adversely impact our health care delivery system.

Moving to ICD-10 is a change reminiscent of the scale of effort associated with transitioning the industry to a standard electronic transactions environment mandated under the Health Insurance Portability and Accountability Act of 1996 (HIPAA); an ongoing effort which continues even twelve years after the passage of the legislation. As you know, the transition to the HIPAA electronic transactions and the national provider identifier (NPI) involved significant investment and workflow changes for all covered entities. The protracted and costly process that the industry and health care system have experienced with HIPAA could be avoided if an appropriate implementation plan is developed that recognizes the challenges and requirements associated with transitioning to ICD-10.

We believe that the following key steps are necessary for establishing a constructive implementation process and timetable for moving to ICD-10:

Require a comprehensive impact analysis of all covered entities: The transition to the ICD-10 system will increase the number of possible codes ten fold. Physicians, and other stakeholders, including health plans and payers, clearinghouses, and software vendors, need adequate time to successfully plan the move to a new diagnostic coding system. In addition to incurring significant costs for implementing a new coding system, physician practices will also face additional challenges transforming their practices, including upgrades or replacements of practice management and billing systems and software, adjustments to

current operational protocols, and staff education and training costs. Private and public payers will also have to upgrade or replace their own payment processing and data management systems to accommodate the significant body of data generated by this extensive transition. The Office of Management and Budget should require HHS to fully document the impact that the conversion to ICD-10 will have on all public and private sector stakeholders. This comprehensive analysis is critical for ascertaining the budgetary impact on all covered entities and for developing an appropriate implementation timeline.

Currently, CMS has contracted with American Health Information Management Association (AHIMA) to analyze and report on the effect that a move to ICD-10 would have on the Medicare program. However, it is our understanding that the report has not been finalized, nor has there been an analysis of what effect ICD-10 will have on the Department of Defense, the Department of Veterans Affairs, the Indian Health Service, state Medicaid agencies, Community Health Centers, contractors for the Federal Employees Health Benefits Plan (FEHBP) and other federal health care programs. In addition, a group of health care organizations has contracted with a consulting group in order to fully realize the impact of moving to a drastically new coding system and their analysis is forthcoming.

Adoption, testing, and verification of Version 5010 of HIPAA Electronic Transactions Standard prior to moving to ICD-10: The current HIPAA electronic transactions standard version 4010 is not compatible with ICD-10. Moreover, version 5010 significantly differs from 4010. A proposed regulation adopting 5010 as the next HIPAA transactions standard is currently under review by your office, a standard most in the industry agree needs to be adopted first in order to accommodate a move to ICD-10. As the National Committee on Vital and Health Statistics (NCVHS), an advisory body to the HHS on health data, statistics and national health information policy, recommended in their September 26, 2007, letter to HHS Secretary Leavitt, implementation of ICD-10 should not take place simultaneously with the adoption of the version 5010. NCVHS concluded that, **"The implementations of Version 5010, ICD-10 and claims attachments should be sequenced so that no more than one implementation is in (internal testing) Level 1 at any time. HHS should also take under consideration testifier feedback indicating that for Version 5010, two years will be needed to achieve Level 1 compliance."** Moving to Version 5010 will not be without costs including upgrades and/or replacements of current practice management systems, software upgrades, staff training, workflow disruptions, as well as other related costs.

Implementation of a comprehensive pilot testing of ICD-10 prior to national roll-out: HHS should pilot test ICD-10 in order to identify potential issues and problems early on, allow time to develop solutions, and gather feedback from pilot participants that will assist in the national transition process.

Incorporation of adequate time in the transition process and timeline to train coders: A transition from ICD-9 to ICD-10 will require an appropriate supply of coders. Training coders for ICD-10 will require the development of a new curriculum, publication of curriculum materials, and most importantly, adequate workforce training to support the

providers and billers under ICD-10; a system with approximately 10 times more codes than are in ICD-9.

Pursuit of an aggressive outreach strategy to covered entities and vendors: An important lesson from the transition to version 4010 and the current transition to the NPI is the essential need to begin educating the covered entities and vendors—especially the smallest practices and software vendors—as early and as often as possible.

While the move to the 4010 version of the electronic transactions standards has been extremely difficult and resource intensive, as an industry we have learned what a change of this magnitude requires in terms of timing and process. Given the significant resources, administrative complexities, and advance planning that are required to retool or replace systems and processes that depend on ICD-9 logic, it is critical that we apply lessons learned from previous HIPAA experiences to the implementation of ICD-10.

We appreciate the opportunity to provide input on this critical industry transition and we look forward to working closely with you to ensure that the transition to all new standards goes as smoothly as possible.

Sincerely,

American Academy of Dermatology Association
American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Family Physicians
American Academy of Hospice and Palliative Medicine
American Academy of Neurology Professional Association
American Academy of Ophthalmology
American Academy of Otolaryngology- Head and Neck Surgery
American Association of Clinical Endocrinologists
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Cardiology
American College of Chest Physicians
American College of Gastroenterology
American College of Osteopathic Surgeons
American College of Surgeons
American Gastroenterological Association
American Medical Association
American Osteopathic Academy of Orthopedics
American Osteopathic Association
American Society for Clinical Pathology
American Society for Gastrointestinal Endoscopy
American Society of Anesthesiologists
American Society of Hematology
American Society of Plastic Surgeons
American Thoracic Society

American Urological Association
Association of American Medical Colleges
Child Neurology Society
College of American Pathologists
Congress of Neurological Surgeons
Heart Failure Society of America
Heart Rhythm Society
Infectious Diseases Society of America
Medical Group Management Association
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society of Interventional Radiology
The Endocrine Society