HHS Finalizes Plans for Transition to ICD-10

BY MARY ELLEN SCHNEIDER

In less than 5 years, physicians and other health care providers will be required to begin using a new system of code sets to report health care diagnoses and procedures.

Under a final rule published in the Federal Register last month, the Health and Human Services department is replacing the International Classification of Disease, 9th Edition, Clinical Modification (ICD-9-CM) code sets now used with significantly expanded ICD-10 code sets. Providers and health plans will have until Oct. 1, 2013, to implement them.

The HHS also issued a final rule adopting new standards for certain electronic health care transactions. The rule requires health care providers to come into compliance with the updated X12 standard, Version 5010, which includes updated standards for claims, remittance advice, eligibility inquiries, referral authorization, and other administrative transactions. Use of the updated standard is necessary to use the ICD-10 code sets, according to the HHS. Providers and health plans must be in compliance with the updated transaction standard by Jan. 1, 2012.

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At press time, the Obama administration was in the process of reviewing and approving all new and pending regulations written under the previous administration, including the ICD-10 rules. A spokesman for the Centers for Medicare and Medicaid Services said that until the review is complete, it is not possible to determine which regulations are affected.

The move to the new code sets was necessary, according to the HHS, to replace the outdated ICD-9. The ICD-9-CM contains about 17,000 codes, compared with 155,000 codes in the ICD-10 code sets.

"These regulations will move the nation toward a more efficient, quality-focused health care system by helping accelerate the widespread adoption of health information technology," Mike Leavitt, HHS Secretary, said in a statement. "The greatly expanded ICD-10 code sets will fully support quality reporting, pay-for-performance, biosurveillance, and other critical activities."

The final rule gives providers and plans almost 2 years to implement the Version 5010 transaction standard and a full 2 years to switch to ICD-10.

Officials at the American College of Physicians said that they believe that the benefits of switching to the ICD-10 code sets in the ambulatory setting do not outweigh the collective costs, said Brett Baker, director of regulatory affairs. The costs and administrative burdens related to adopting ICD-10 could slow adoption of health information technology and make it more difficult for physicians to engage in quality improvement efforts, according to the ACP.

The ACP is urging the HHS to explore alternatives to the implementation plan outlined in the final rule. For example, the department could delay implementation of ICD-10 in the outpatient setting until a certain percentage of physicians adopted interoperable electronic health record systems. Since EHRs would ease the adoption burden for physicians, it makes sense to wait until adoption of health information technology reaches a certain threshold point, Mr. Baker said.

The Medical Group Management Association also expressed concern that physician practices will struggle to implement the new code sets. The association is calling on the federal government to develop an implementation assistance program to help physicians, especially those in small practices and rural communities. If the value to the health system is as significant as the HHS estimates, government officials should be prepared to invest that savings early on to ensure implementation runs smoothly, said Robert Tennant, senior policy adviser at the MGMA. ■