

POLICY & PRACTICE

Obama Gets Health Team in Place

President Obama has filled several of the major positions on his health care team. They include former Kansas governor Kathleen Sebelius as Health and Human Services secretary, former New York City health commissioner Dr. Thomas Frieden as Centers for Disease Control and Prevention director, and another former New York City health commissioner, Dr. Margaret Hamburg, as Food and Drug Administration commissioner. Ms. Sebelius, a former insurance commissioner, was chosen in part for her health insurance expertise, while Dr. Frieden is well known as a crusader for various public health causes, such as decreasing the number of people who smoke and removing trans fats from restaurant food. Dr. Hamburg is respected for her work on a multidrug-resistant tuberculosis outbreak in New York. Acting FDA commissioner Dr. Joshua Sharfstein has been nominated as deputy chief of the agency.

Feds Launch Disease Program

The National Institutes of Health has launched a \$24 million drug development program to produce new treatments for rare and neglected diseases. The Therapeutics for Rare and Neglected Diseases program, funded by Congress this spring, creates a drug development pipeline within NIH and is intended to stimulate research collaborations with academic scientists researching these diseases, NIH said. The NIH Office of Rare Diseases Research will oversee the program. NIH estimates that more than 6,800 rare diseases affect more than 25 million Americans, but effective pharmacologic treatments exist for only about 200 of these illnesses. In addition, many neglected diseases—uncommon in the United States but more common in parts of the world where people cannot afford expensive therapies—also lack treatments, NIH said.

AHRQ: Quality Improving Slowly

U.S. health care quality continued to improve at a slow pace in 2008, but many Americans still do not receive recommended care, the annual quality report from the Agency for Healthcare Research and Quality found. Quality varies widely throughout the system, AHRQ found. For example, patients hospitalized with a heart attack receive 95% of recommended services, but only 15% of patients on dialysis are registered on a kidney transplant waiting list, the report found. A median of 59% of patients received needed care across the core measures tracked, AHRQ said. In addition, reporting of hospital quality measures is propelling improvement in those measures, but patient safety lags, the report said, adding that one in seven adult hospitalized Medicare patients experiences one or more adverse events. AHRQ urged more work in the area of patients' ex-

periences, saying that "patients see problems from a personal perspective and may observe deficiencies that busy providers do not notice."

Family Medical Spending Rises

A typical U.S. family of four will account for about \$16,711 in medical spending this year, up \$1,162 from last year, according to a report from actuarial firm Milliman Inc. Of the total, employers paid 59% and families 41%, according to the annual Milliman Medical Index report, which looks at the average yearly health care costs when the family of four is covered by an employer-sponsored preferred provider organization. Employer subsidies have increased about \$500 since last year, and employees picked up about \$650 more of the health care tab, including about \$500 for employee contributions toward coverage and \$150 for employee out-of-pocket expenses, according to the Milliman Index.

Patients Want Internet Advice

Patients expect to rely on computers and other electronic technology in the future for many routine medical issues, and seem to be less concerned about privacy issues than providers are, a study in the *Journal of General Internal Medicine* found. The investigators convened focus groups of frequent Internet users, and then analyzed the transcripts. They found that the participants want customized health information from the Internet, and also want complete access to their own health record. In addition, they expect that in the future, home monitors and other technologies will communicate with clinicians, increasing efficiency and quality of life for patients and providers. "Patients know how busy their doctors are and they want to reserve us for what they really need us for—treating serious illness and conditions," said coauthor Dr. Tom Delbanco, professor of general medicine and primary care at Harvard Medical School, Boston.

Medicaid Plans Cut State Costs

Medicaid health plans appear to be saving money for most states, increasing access to and quality of care, according to a study performed by the Lewin Group for insurer group America's Health Insurance Plans. Lewin analyzed 24 existing studies and found states achieved savings ranging from less than 1% to 20% after implementing private Medicaid health plans. A large part of the cost savings reported came from reducing unnecessary utilization. For example, California found that preventable hospitalizations were as much as 38% lower in health plans than in fee-for-service Medicaid, according to the report. Beneficiary drug costs in Medicaid health plans were 10%-15% lower than for fee-for-service programs.

—Jane Anderson

ICD-10 More Complicated But Also More Useful

BY JOYCE FRIEDEN

WASHINGTON — The upcoming ICD-10 diagnosis and procedure coding system is more complicated than its predecessor, ICD-9, but it will allow for a greater level of clinical detail and will be better able to keep up with advances in technology, several speakers said at a meeting sponsored by the American Health Information Management Association.

"ICD-9 badly needs to be replaced," said Nelly Leon-Chisen, director of coding and classification at the American Hospital Association. "It's 30 years old, and the terminology and classification of some conditions are obsolete."

There are two parts to ICD-10, formally known as the International Classification of Diseases, 10th revision, which goes into effect in the United States on Oct. 1, 2013: ICD-10-CM, which is the clinical modification of the World Health Organization's ICD-10 diagnostic coding system; and ICD-10-PCS, an inpatient procedural coding system developed under contract to the Centers for Medicare and Medicaid Services.

ICD-10 "will have better data for evaluating and improving quality of care. It will provide codes for a more complete picture," she added, noting that the new code set will allow health officials to be "better able to track and respond to global health threats."

Because ICD-10 can more precisely document diagnoses and procedures, it will bring better justification of medical necessity for billing purposes, "but not from day 1," Ms. Leon-Chisen said. "It will take a little while" for people to adjust to the new codes. The new system also may reduce opportunities for fraud, she added.

Ms. Leon-Chisen outlined a few basic differences between ICD-9 and ICD-10 diagnosis codes:

- ▶ ICD-9 codes contain 3-5 characters, whereas ICD-10's contain 3-7 characters.
- ▶ In ICD-9 codes, the first character can be alphabetic or numeric, but in ICD-10, the first character is always alphabetic.
- ▶ ICD-10 codes can include the use of a placeholder "x," but ICD-9 codes can't.

She gave an example, showing the differences between the two revisions. Under the ICD-9 coding system, a patient with a pressure ulcer on the right buttock might receive a diagnosis code of 707.05, "pressure ulcer, buttock." Under ICD-10,

ICD-10 Resources

Sue Bowman of the American Health Information Management Association recommended these resources for more information about ICD-10:

National Center for Health Statistics/CDC

www.cdc.gov/nchs/about/otheract/icd9/abticd10.htm

Centers for Medicare and Medicaid Services

www.cms.hhs.gov/ICD10

The American Hospital Association's ICD-10 Resource Center

www.ahacentraloffice.com/ahacentraloffice_app/ICD-10/ICD-10.jsp

American Health Information Management Association

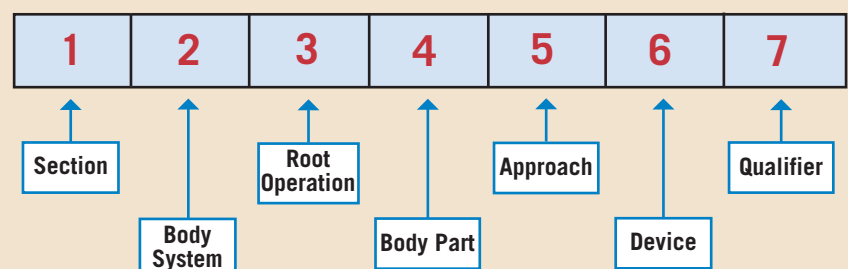
www.ahima.org/icd10

the same patient would get L89.111, "decubitus ulcer of right buttock limited to breakdown of the skin." A pressure ulcer on the left buttock or a more severe one including necrosis of the bone would get a different ICD-10 code.

Sue Bowman, director of coding policy and compliance for the American Health Information Management Association, noted that ICD-10-PCS can have even more complexities. For example, under ICD-9, there is only one code for artery repair; under ICD-10-PCS, there are 276 codes. However, "once you work with it, you're struck by the logic of the system," she said. "It's really not that difficult." Under the ICD-10 code structure, each character has a specific meaning. (See box below.)

One issue that Medicare officials and others dealing with ICD-10 are wrangling with, Ms. Bowman noted, is when—or whether—both ICD-9 and ICD-10 should be "frozen"—that is, when no more new codes should be added to either code set so that they will be stable while people are making the changeover from ICD-9 to ICD-10. Both code sets are currently updated annually, she said. ■

ICD-10-PCS Structure – Characters (Med/Surg)



Source: AHIMA