April 1 , 2007

Michael O. Leavitt
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Secretary Leavitt:

This letter is intended as a follow-up to our February 11, 2008, meeting with several members of the ICD-10 coalition, Special Counsel Thomas Barker, and others on your staff regarding the U.S. Department of Health and Human Services' (HHS) plan to mandate implementation of the International Classification of Diseases, 10th edition (ICD-10).

Given that the adoption of ICD-10 will be an extremely complex and costly endeavor for all industry stakeholders, we would like to underscore our recommendation that HHS develop a consensus-driven implementation process and timeline for moving from the ICD-9 to ICD-10. We contend that if the transition to ICD-10 is not conducted in an orderly manner, the industry will be adversely affected given the current shortage of adequately trained medical coding and billing specialists. By establishing an implementation process and timeline, we can avoid delays in the delivery of care and significant costs resulting from an inadequate transition plan, including the divergence of resources away from the acquisition of critical health information technologies.

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 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 has 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 strongly urge HHS to consider the following key steps for establishing a constructive implementation process and timetable for moving to ICD-10:

- **Adopt, Test, and Verify 5010 First:** As the Committee on Vital and National Health Statistics (NCVHS) recommended in their September 26, 2007, letter, implementation of ICD-10 should not take place simultaneously with the adoption of the 5010 version of the ASC X12N HIPAA transactions standards.
    - NCVHS recommends a two-level approach to testing the 5010 transactions — a first level for internal testing within a covered entity and a second level for external testing between covered entities. 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 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."*

- NCVHS emphasized that a compliance date for the forthcoming Claims Attachments final rule should not coincide with either 5010 or ICD-10 implementations due to *"significant system changes."*

- **Implement Comprehensive Pilot Testing of 5010 and ICD-10 Prior to National Roll-out:** We recommend that HHS pilot test both the 5010 transaction standards and ICD-10 in order to identify potential issues and problems, allow time to develop solutions, and gather feedback from pilot participants that will assist in the national implementation process. As experienced with Centers for Medicare & Medicaid Services' (CMS) successful electronic claims attachment pilot in New York with Empire Medicare Services, Montifiore Medical Center, NexGen, and the Workgroup for Electronic Data Interchange, pilot testing helps to identify problems and solutions prior to widespread implementation.

- **Adequate Time to Train Coders:** A transition from ICD-9 to ICD-10 will require an appropriate supply of coders. According to the American Health Information Management Association (AHIMA), "there is a nationwide shortage of certified medical coders in hospitals, physician practices, and other healthcare facilities. The American Academy of Professional Coders (AAPC), who certify coders for physician offices and other outpatient facilities, are certifying 10,000 coders per year, all of whom are quickly finding jobs, indicating a shortage of qualified coders in the outpatient community. 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.

- **Aggressive Outreach to Covered Entities and Vendors:** An important lesson from the transition to the 4010 electronic transaction standards and the current transition to the NPI is the urgent need to begin educating the covered entities and vendors—especially the smallest practices and software vendors—as early and as often as possible. Rural providers and those offering services to underserved populations require additional outreach as they typically face the greatest resource challenges when implementing federal mandates. The industry's experience with HIPAA has proven that the lack of vendor readiness can significantly impact a provider's ability to comply with regulatory compliance dates. We urge HHS to work with appropriate industry organizations to develop outreach initiatives such as online and face-to-face training sessions, training workshops, conference calls, print ad placement, frequently asked questions materials, and a toll-free hotline for questions and assistance.

- **Share Your Implementation Timeframe:** We urge HHS to share with covered entities and other stakeholders, your detailed timeframe with realistic milestones for how the Department envisions transitioning to electronic claims attachments, 5010, and ICD-10, given the significant resources, administrative complexities, and advance planning that are required. In order for covered entities and non-covered entities to prepare and budget for these and other mandates, it is critical for HHS to articulate a clear and reasonable timetable.

- **Transparency with the AHIMA Contract and Results:** We urge CMS to share, as a part of the overall planning process, the Statement of Work for the recent contract awarded to AHIMA for the purpose of studying Medicare changes needed to move to ICD-10. We are concerned whether AHIMA can be "independent" in its work because the implementation of ICD-10 should be a significant growth driver in their business. Accordingly, we request the ability to review and comment on results provided to CMS from AHIMA under this contract.

While the change 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 that the change from ICD-9 to ICD-10 will be even more complex and challenging than was the transition to the HIPAA 4010 electronic standards, it is critical that we apply lessons learned from previous experiences to the implementation of the 5010 standards, and ultimately ICD-10. In addition, rushed implementation could hinder progress towards physician adoption of electronic medical records and become a tipping point for a segment of the physician population to retire rather than spend the resources implementing ICD-10.

We appreciate the opportunity to provide input on this critical transition to ICD-10 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 Audiology
American Academy of Dermatology
American Academy of Ophthalmology
American Academy of Otolaryngology – Head and Neck Surgery
American Academy of Professional Coders
American Association of Clinical Endocrinologists
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American Chiropractic Association
American Clinical Laboratory Association
American College of Gastroenterology
American College of Osteopathic Surgeons
American College of Physicians

American College of Rheumatology
American Gastroenterological Association
American Geriatrics Society
American Medical Association
American Optometric Association
American Osteopathic Academy of Orthopedics
American Osteopathic Association
American Podiatric Medical Association
American Physical Therapy Association
American Society of Anesthesiologists
American Society of Hematology
American Society of Plastic Surgeons
American Thoracic Society
Blue Cross Blue Shield Association
Congress of Neurological Surgeons
HEAL Coalition
Heart Rhythm Society
Infectious Diseases Society of America
Medical Group Management Association
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions