AMA
AMERICAN MEDICAL ASSOCIATION

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The Honorable Tom Coburn, MD
United States Senate
172 Russell Senate Office Building
Washington, DC 20510

Dear Dr. Coburn:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am pleased to express our strong support for S. 972, which would prohibit the Secretary of the U.S. Department of Health and Human Services from replacing the current International Classification of Diseases, 9th Revision (ICD-9) with the ICD-10 diagnostic code set. Your bill also would require the Government Accountability Office to conduct a study on ways to mitigate the disruption of health care providers resulting from a replacement of ICD-9 with new coding standards required by the Health Insurance Portability and Accountability Act (HIPAA).

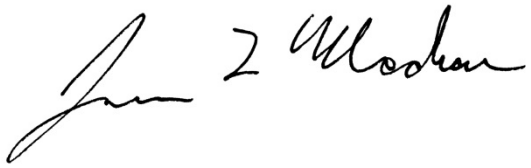
The differences between ICD-9 and ICD-10 are substantial, and physicians are overwhelmed with the prospect of the tremendous administrative and financial burdens of transitioning to the ICD-10 diagnosis code set with its 68,000 codes—a five-fold increase from the approximately 13,000 diagnosis codes currently in ICD-9. Implementation will not only affect physician claims submission, it will impact most business processes within a physician's practice, including verifying patient eligibility, obtaining pre-authorization for services, documentation of the patient's visit, research activities, public health reporting, and quality reporting. This will require education, software, coder training, and testing with payers. Depending on the size of a medical practice, the total cost of implementing ICD-10 ranges from $83,290 to more than $2.7 million. As HIPAA-covered entities, physicians will be responsible for complying with this ICD-10 mandate, and therefore will bear the entire cost of such a transition. Furthermore, not only will physicians face the prospect of significant disruption in claims processing and payment during the transition to ICD-10, any physicians who are unable to transition to ICD-10 by the implementation date simply will not get paid.

The timing of the ICD-10 transition could not be worse as many physicians are currently spending significant time and resources implementing electronic health records (EHRs) into their practices. Physicians are also facing present and future financial burdens in the form of penalties if they do not successfully participate in multiple Medicare programs already underway, including e-prescribing, EHR meaningful use, the Physician Quality Reporting System, and value-based modifier programs. In addition, these burdens on physicians are compounded as they face the ongoing threat of steep Medicare physician payment cuts due to the flawed sustainable growth rate (or SGR) formula,

including a 24.4 percent cut on January 1, 2014, along with the two percent deficit reduction sequester cut that is currently in place.

The AMA's House of Delegates approved a policy in 2011 to repeal the transition to ICD-10 so that physicians and other stakeholders could assess an appropriate alternative to such a costly, burdensome, regulatory requirement. Consistent with this policy, we believe your bill takes the prudent approach to set aside the implementation of ICD-10 and seek solutions that mitigate the disruption to physician practices when advancing to a new diagnostic code set. We appreciate your leadership on this important matter and look forward to working together to achieve this goal.

Sincerely,



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