CMS Proposes to Switch to ICD-10 Codes by 2011

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Officials at the Centers for Medicare and Medicaid Services plan to replace the ICD-9-CM diagnosis and procedure code set with a significantly expanded set of codes—the ICD-10—by Oct. 1, 2011.

But physician groups are calling the agency's plan rushed and unworkable and want the agency to reconsider its compliance date. In addition to the requirements for using the ICD-10 code sets, the CMS also is proposing to require entities covered under HIPAA to implement updated versions of electronic transmission standards—the Accredited Standards Committee X12 Version 5010 and the National Council for Prescription Drug Programs Version D.0. Both electronic standards have a compliance date of April 1, 2010. The X12 Version 5010 must be in place before the ICD-10 codes can be used.

The switch to ICD-10 has been under consideration by the Department of Health and Human Services since 1997. Size and specificity are two of the biggest drawbacks of the ICD-9-CM code set, according to the CMS.

The ICD-9-CM also fails to provide adequate clinical details, according to the CMS.

"Because of the new and changing medical advancements during the past 20-plus years, the functionality of the ICD-9-CM code set has been exhausted," CMS officials wrote in the proposed regulation.

The CMS also is urging a switch to the ICD-10 code sets in an effort to keep in step with other countries. As of October 2002, 99 countries had adopted ICD-10 or a clinical modification for coding and reporting morbidity data. And the CMS contends that because it continues to use ICD-9-CM, it has problems identifying emerging recent global health threats.

Under the proposal, physicians, hospitals, health plans, and other covered health care entities would be required to use the ICD-10-CM for reporting diagnoses and the ICD-10-PCS for reporting procedures. The ICD-10 code sets offer significantly more codes, about 155,000 across the two sets, compared with about 17,000 for codes within the ICD-9-CM.

In addition to size, the ICD-10 code sets also provide greater specificity, such as being able to reflect the side of the body that is related to the diagnosis or procedure. The more detailed information available through the ICD-10 codes also will aid in the implementation of electronic health records and transmission of data for biosurveillance or pay-for-performance programs, according to the CMS.

But physician groups say the CMS is asking physicians and other health care providers to do too much too fast.

The American Medical Association balked at the idea of implementation of both the updated X12 Version 5010 electronic transaction standard and the ICD-10 coding system in just 3 years. The X12 Version 5010 standard should first be pilot-tested before physicians and others are asked to implement it, AMA said.

"This is a massive administrative undertaking for physicians and must be implemented in a time frame that allows for physician education, software vendor updates, coder training, and testing with payers—steps that cannot be rushed and are needed for a smooth transition," Dr. Joseph Heyman, AMA board chair, said in a statement.

The Medical Group Management Association also objected. While the MGMA supports the switch to the ICD-10 code sets, it said that 3 years is not enough time for the industry to implement the new system. Instead of a simultaneous implementation of the X12 Version 5010 standard and the ICD-10 code sets, the MGMA is asking the CMS to wait at least 3 years after the switch to X12 Version 5010 before implementing the ICD-10.

The switch to ICD-10 needs to be done separately because it will require significant changes from medical groups, according to the MGMA. Recent MGMA research indicates that most medical practices will have to purchase software upgrades for their practice management systems or buy all new software.

Officials at the American College of Physicians were still analyzing the CMS proposal at press time, but said they continue to have concerns about the switch to ICD-10. In a letter to the CMS in January 2007, the ACP said it opposes the change to ICD-10 for outpatient diagnosis coding and that such a switch would be expensive and time consuming for physicians. ■

Pages 64a—64b◊