

# Hill Briefing on ICD-10: Background and Current Status

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# What are ICD-10-CM and ICD-10-PCS?

- ICD-10-CM (International Classification of Diseases -10th Revision-Clinical Modification) is a US clinical modification of the WHO's ICD-10, developed to support US health information needs. ICD-10-CM is designed for classifying and reporting diseases in all US healthcare settings.
- ICD-10-PCS (Procedure Classification System) was developed by CMS and is not based on an international coding system. ICD-10-PCS replaces the ICD-9-CM procedure coding system and will only be required for facilities reporting procedures on hospital inpatient services.
- ICD-10-PCS will NOT affect use of American Medical Association's Current Procedural Terminology (CPT®).

# Why Does ICD-9-CM Need To Be Replaced?

- Developed in the 1970s, the ICD-9-CM code set no longer fits with the needs of the 21st century healthcare system.
- ICD-9-CM is used for many more purposes today than when it was originally developed and is no longer able to support current health information needs.
- Continuing to rely on the outdated and imprecise ICD-9-CM platform adversely affects the value of healthcare data.
- ICD-10-CM and ICD-10-PCS must be adopted as soon as possible to reverse the trend of deteriorating health data. Never in US history have we used the same version of ICD for 35 years.

# What are the Benefits of ICD-10?

- Modernize and expand capacity to keep pace with changes in medical practice and healthcare delivery by providing higher-quality information for measuring service quality, outcomes, safety, and efficiency
- Enable better patient care through better understanding of the value of new procedures, improved disease management, and improved ability to study and understand patient outcomes
- Improve data capture and analytics of public health surveillance and reporting, national quality reporting, research, and data analysis, and provide detailed data to inform healthcare delivery and health policy decisions

# What are Benefits for Providers?

- More accurate reflection of clinical complexity and severity
- Ability to demonstrate value in healthcare
- Improved ability to manage population health
- Improved ability to identify high-risk patients that require more intensive resources
- More accurate representation of provider performance
- Improved efficiencies and lowered administrative costs
- More accurate and fair reimbursement
- Less misinterpretation by auditors, attorneys, other third parties

# ICD-10 Implementation Timeline

- 2008: Proposed rule adopting ICD-10 code sets on October 1, 2011
- 2009: Final rule adopting ICD-10 code sets on October 1, 2013
- 2012: Proposed and final rules changing ICD-10 compliance date from October 1, 2013 to October 1, 2014
- 2014: Protecting Access to Medicare Act of 2014 (PAMA) prohibiting HHS Secretary from adopting ICD-10 code sets prior to October 1, 2015
- 2014: Final rule implementing PAMA by changing ICD-10 compliance date from October 1, 2014 to October 1, 2015

# Impact of Delay

- All segments of health care industry have invested significant time and resources in financing, training, and implementing necessary changes to systems, workflow processes, and clinical documentation practices.
- HHS estimated cost to healthcare industry of a single one-year delay to be as much as \$6.8 billion, or a thirty percent (30%) cost increase.
- Significant costs are being incurred by failure to replace ICD-9-CM
  - erroneous decisions based on faulty or imprecise data
  - coding errors due to code ambiguity and outdated terminology
  - lost opportunity costs
- Latest delay jeopardized employment prospects for more than 25,000 students in health information management (HIM) associate, baccalaureate and coding certification educational programs, as many learned to code exclusively in ICD-10.
- Each delay is disruptive for healthcare delivery innovation, payment reform, public health, and healthcare spending.

# About AHIMA

- Premier association of health information management (HIM) professionals
- More than 71,000 members working in diverse roles in healthcare and employed in a variety of work settings, including hospitals, physician offices, ambulatory care facilities, managed care facilities, post-acute care organizations, consulting firms, information system vendors, colleges and universities, insurance providers, pharmaceutical companies
- Founded in 1928 to improve health record quality, AHIMA has played a leadership role in the effective management of health data and medical records needed to deliver quality healthcare to the public