ICD-10 Delay Impacts All Sectors of Healthcare: Industry Attempts to Answer the Question 'What Now?'

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By Chris Dimick

As news of the ICD-10 implementation delay sinks in, government, providers, and educators assess the impact.

"The ICD-10 deadline will not be delayed. October 1, 2013 will be the first day of its use. Prepare or get left behind."

This mantra had been repeated by government spokespeople, healthcare associations, and industry advisors for nearly three years since the Centers for Medicare and Medicaid Services (CMS) first announced in 2009 that the US would transition to ICD-10-CM/PCS. So when CMS acting administrator Marilyn Tavenner told a group of physicians in February that CMS would "reexamine the pace" of the ICD-10 implementation, followed by similar talk of a possible delay by the Department of Health and Human Services, reactions were as strong as they were varied.

In April, HHS issued a proposed rule that would officially push back the ICD-10 compliance date one year, to October 1, 2014. While a firm date for the final rule had not been publicly announced at press time, some industry analysts expected the rule as early as June.

Some physicians and groups that had fallen behind on their ICD-10 implementation rejoiced at the delay news, while stakeholders who had already invested thousands of dollars and hours into ICD-10 were left to wonder what impact a delay would have on their efforts. Others, including many HIM professionals, were outright shocked and angered by the original delay announcement.

Although there are two sides arguing whether the effects will be positive or negative, it is inevitable that an ICD-10 implementation delay will impact the healthcare industry. Physician groups like the American Medical Association (AMA) have said the delay will give providers more time to implement ICD-10 at a time when multiple government initiatives are already costing precious time and money, ranging from the EHR meaningful use incentive program to pay-for-performance initiatives like accountable care organizations.

AHIMA's HIM experts have said that any ICD-10 delay hurts the healthcare industry by prolonging the switch to a more modern and specific code system that will improve healthcare reporting, and even care itself. The longer the delay, the worse the impact, according to Dan Rode, MBA, CHPS, FHFMA, vice president of advocacy and policy at AHIMA. While a one-year delay is more manageable than an extended one, it is still likely to have a negative impact on the healthcare industry, Rode says.

Conflicting Studies

It is up for debate whether the delay of ICD-10 was a political move aimed at appeasing powerful sectors of the healthcare industry or a necessary action that gave a struggling industry more time to convert to a complex code set.

Various studies have been performed that give ammunition to both sides. A February survey from the Workgroup for Electronic Data Interchange (WEDI) showed that some of the healthcare industry was not on track to meet the ICD-10 compliance date of October 1, 2013.

Based on the premise that impact assessments should have been completed by the end of 2011 if entities were to remain on track, the survey results showed that nearly half of provider respondents indicated that they did not know when they would complete their impact assessment, according to a WEDI press release.

However, the survey respondents were mostly small providers, who historically have tracked behind larger provider groups and health systems in ICD-10 readiness.

In a December 2011 survey conducted by CMS titled "Version 5010 and ICD-10 Readiness Assessment," the results were much different. A total of 82 percent of providers said they believe they would be compliant by the original October 1, 2013 deadline, while 88 percent of payers and 75 percent of vendors said they would have been ready.

General Delay Impact

Just as ICD-9 has roots secured deep within healthcare, ICD-10 has already begun to embed itself within the industry. Postponing ICD-10 has a far-reaching impact, touching multiple government health initiatives, healthcare providers' budgets, and even classrooms across the country. When ICD-10 is implemented, it will be required by HIPAA-covered entities-with CMS eventually imposing fines for non-compliance. While some procrastinated in the last few years, others made it a point to take the oft-promised deadline of October 1, 2013 to heart.

The biggest fear of ICD-10 supporters is that a delay in the ICD-10 deadline will cause people to either halt their implementation plan or continue to procrastinate. Neither is recommended. AHIMA has urged the healthcare industry to remain vigilant in their ICD-10 transition efforts despite an implementation delay.

"The longer the US delays implementation of ICD-10-CM/PCS the more healthcare data will continue to deteriorate at a time when the need for data integrity is urgent," AHIMA wrote in a policy statement. "Accurate healthcare data is required to support other national healthcare initiatives such as quality measurement, patient safety, value-based purchasing, and widespread use of health information technology and interoperability."

While AHIMA prefers no delay of ICD-10, CEO Lynne Thomas Gordon, MBA, RHIA, FACHE, said in a press release shortly after the delay announcement that the association is gratified that HHS recognized "the hard work and efforts already expended in the implementation process" in proposing only a one-year delay.

Thomas Gordon noted that AHIMA's call for HIPAA-covered entities to continue their ICD-10-CM/PCS implementation was justified when looking at the HHS analysis. "The transition to ICD-10 is inevitable and remains the future for coding classification systems," she said. "We are sorry to see that our members and organizations following HHS' initial calendar may suffer from the delay, as will our many higher education colleges and universities that changed their curricula to meet this same requirement date."

AHIMA offered its help to any provider struggling to implement ICD-10. "We are empathetic to the pressures many small providers and practices have meeting the current requirements," Thomas Gordon said. "But a continued delay and uncertainty in the implementation date is in no one's best interest. Further delays in our nation's efforts to implement electronic health records and information exchange will only increase costs in the long run and result in lost benefits from having health information available where and when it is needed."

Benefits of a Delay

If organizations keep advancing their implementation plans, one benefit of a delay is that providers will have a longer time to test ICD-10 within their systems. Many vendors and health plans have said they will be ready to test ICD-10 in the third quarter of 2012. Using all of 2013 to test a system will allow the industry to work out more bugs and lead to a smoother transition when the compliance deadline arrives, Rode says.

"That's a much bigger window than we had originally," he says. "Although the original window was certainly long enough if everybody was moving in the same direction, which apparently they were not."

The delay could also be used to align the various federal initiatives-one current hardship cited by the AMA as a reason for delay-like meaningful use, ACOs, and other programs involving quality measures and ICD-10 so it is easier for all providers to become compliant, Westhafer says.

"As all of these various initiatives came forward separately, you do start to wonder about 'Did anybody think how to sequence and line them up so they all work together for good?'" she says. "If truly that is done, I do think that could be a positive coming out of this. I worry, however, that there is just too much politics at play."

Impact on Government

Several government programs and initiatives are planning to use ICD-10 codes beyond the CMS healthcare reimbursement system. ICD-10 is being tied to several quality improvement initiatives that will use the more specific code set to better track care. For example, the stage 2 meaningful use program's proposed rule includes quality measures that require reporting through ICD-10 codes, Rode says.

AHIMA recently worked with the National Quality Foundation to integrate ICD-10 into quality measurements, enabling the measures to now track aspects like patient status and severity. A delay of ICD-10 means programs like meaningful use will need to evaluate when they start requiring ICD-10 and possibly hold off on aspects of the program. Other initiatives that were designed to reimburse physicians based on quality rather than charges also used ICD-10 codes and may be altered or delayed.

"Whether it is associated with meaningful use or it is associated with one of the reporting programs, CMS just won't have the detail, and plans that were made to change (to ICD-10) will be impacted," Rode says. "An option they have is holding the program off, and given that one of the caveats is just all the other changes associated with the implementation of electronic records, they may decide that it is easier to just go one more year under the existing program than to make a change."

Using the old code set in these programs delays the planned improvement that ICD-10 would bring and also jeopardizes current investment in the code set. The longer the delay, the more likely the government will have to redo ICD-10 efforts in order to bring stalled programs up to speed once again, Rode says. This equates to wasted money.

Despite a delay, AHIMA has urged HHS to embed ICD-10 compatibility and use in the stage 2 meaningful use measures and certification standards. This will ensure that anyone who upgrades their health IT systems to meet stage 2 will also be ICD-10 compatible. ICD-9 is used in various ways in an electronic health record system. Organizations that want to meet meaningful use and implement an EHR that only supports ICD-9 codes will face additional expenses when they are eventually forced to use ICD-10.

Working ICD-10 into official government EHR certification now will save facilities from having to retrofit those systems to ICD-10 as the industry nears the revamped implementation deadline, Rode says.

Advocates fear an ICD-10 delay will take some of the pressure off the government and EHR vendors to utilize ICD-10 in their programs and systems now.

"The longer we delay, presuming there is not a certification requirement (for ICD-10), then the more retrofitting that would have to be done by an organization when the compliance date is put in," Rode says.

In addition to the technical headaches, delaying ICD-10 also cheats the healthcare industry out of using a code set that offers more granular information that can be used internally to view trends and track outcomes, Rode says.

Impact on Providers

Healthcare providers' opinions vary as to whether an ICD-10 delay is justified. While groups like the AMA have called the possible delay a "win" for physicians, other industry stakeholders like the American Hospital Association and AHIMA have

asked HHS to keep any delay short in order to minimize the impact on facilities that have been working hard to meet ICD-10 implementation.

"The problem with any delay is there is always going to be a group of people who will procrastinate and not use the delay period to catch up," Rode says. "So certainly AHIMA and HHS itself and many organizations are urging their constituents to keep moving, keep on the implementation schedule they had."

While some timetables may need to be adjusted, including holding off on intensive coder training, facilities should continue upgrading their systems and clicking into place the pieces of ICD-10 conversion that are not tied to the implementation date.

Following the delay announcement, healthcare institutions like Christiana Care Health System, based in Delaware, had to pause their implementation efforts and reexamine their plan. Christiana, a longtime leader in ICD-10 implementation, had serious concerns about what an implementation delay could mean financially.

Christiana was well into detailed planning when CMS announced a possible delay, having already upgraded several health IT systems and begun high-level coder training, according to Kathy Westhafer, RHIA, CHPS, program manager, clinical information, information technology at Christiana Care Health System. The system has just begun assessing their coders on ICD-10 in order to develop specific and focused training.

"We didn't want to do anything too early, but we felt we were just in time in doing that assessment (before the delay announcement)," Westhafer says. "But now it turns out we will be a little early in doing that."

The system was on track to meet the original October 2013 deadline, but won't use a delay to back off their implementation efforts, Westhafer says.

The delay's impact on Christiana and other hospital systems will really depend on its length, Westhafer says. An additional year, as currently proposed by CMS, could be beneficial by giving the health system more time to complete various initiatives.

"If it is a year, I'm actually looking at it as 'Okay, we can maybe adjust some timing on things and we also have an opportunity to more fully implement new things, for example computer assisted coding,'" she says. "A year delay gives us another year under our belts."

But Westhafer's level of concern elevates if the delay should be longer than a year. After modeling various delay scenarios and the impact on their institution, the negative impact rose exponentially with delays longer than one year, Christiana found.

"When we have longer than a year, then you have to start to look at what do you stop and restart, and what are the implications of that," she says. "An adjustment is easier and less costly than just saying 'Look, this is going to be another five years from now' and you just stop implementation."

Any delay will impact Christiana financially. But just how much depends on the efforts Christiana and other facilities take to minimize that impact.

"On the surface it certainly could really dramatically impact the budget," Westhafer says. "But we want to be smart about it and see where we can make other adjustments to maybe have less of an impact."

A one-year delay would require adjusting some implementation plans and working in more test time. A two-year delay would require halting some plans, leading facilities to possibly redo their impact assessment and "re-spend" money on implementation efforts, such as retraining ICD-10 trainers and re-
allocating staff who were once dedicated to the switch-both of which could lose some expertise on ICD-10 during a delay.

That costs money, though Westhafer declined to comment on exact costs. "We certainly are cognizant of what the costs of the various scenarios might be," she says.

While ICD-10 efforts need to continue, hospitals should be thoughtful about what they are doing and prioritize working on ICD-10 projects that need to get done eventually anyway.

For example, Christiana is reevaluating and slowing down its coder training schedule but going forward with upgrading its coding and abstracting system, as well as building ICD-9 to ICD-10 mapping and crosswalks.

"We said, 'You know what, we are going to have to do that sooner or later anyway.' We don't think that is wasted work so we are proceeding there," Westhafer says.

But even delaying for a year could quell some of the momentum Westhafer and her staff have built encouraging staff to prepare.

"We have already lost a little bit of people's attention saying 'Okay, there is going to be a delay.' So you lose some of that tension of keeping things moving," she says. "Our steering group has said keep marching, and so we are, but in a smart way," Westhafer says.

Impact on Education

The ICD-10 delay has caused some chaos for educators trying to offer their HIM and coding students an up-to-date, but relevant, education. Education programs have had to reevaluate their ICD-10 transition timelines and continue to teach both ICD-9 and ICD-10 to new students.

For example, educators at Alfred State College, based in Alfred, NY, have required students to learn both ICD-9-CM and ICD-10-CM/PCS since early 2011. The plan was to stop teaching ICD-9 by late 2012 to ensure that students who graduate from the two-year RHIT or one-year coding and reimbursement specialist certificate programs could code ICD-10 by October 2013.

With the delay, however, educators must continue to teach the ICD-9 coding system, a requirement unfair for both teachers and students, according to Michelle Green, MPS, RHIA, CPC, FAHIMA, a State University of New York distinguished teaching professor at Alfred State College. Students must currently learn ICD-9-CM, ICD-10-CM, ICD-10-PCS, CPT, and HCPCS level II in their coding courses.

"I was willing to teach all of these coding systems, which is really a burden on students, but I was willing to do it because it was a temporary measure, and we knew it was going to end fairly soon," Green says. "Delaying implementation to October 1, 2014, means that students must continue to learn ICD-9-CM with ICD-10-CM/PCS for an extra year. We took the government at its word about an October 1, 2013 implementation date, and educators appropriately prepared ourselves and our students."

In a letter sent to HHS Secretary Kathleen Sebelius, Green said that it is important for educators to focus on teaching ICD-10 since it is a superior code set, and that any delay in implementing ICD-10 hurts students trying to prepare for their careers.

Splitting their effort between ICD-9, an antiquated 30-year-old classification system on the way out, and ICD-10 is a disservice to students, Green says. It is very difficult for people new to coding to learn multiple code sets at once.

Most facilities plan to offer multi-code set training until the year before the new implementation deadline. At that point they will switch to teaching only ICD-10 so new graduates can enter the workforce with ICD-10 training.

Many students have expressed their disappointment with the delay, Green says. Some put off coder training until the end of their program in order to receive just an ICD-10 education and possibly get an edge in the marketplace. Now they must learn all the coding systems and will likely need a refresher on ICD-10 before the implementation deadline. Students graduating in 2012 and 2013 will likely lose some of their ICD-10 training if all they code with upon graduation is ICD-9. To help graduates, Alfred State College plans to offer a non-credit ICD-10-CM/PCS refresher course that former students can take closer to the implementation deadline.

The delay will also have a financial impact on schools. Alfred State College devoted 20 percent of its budget last year to the ICD-10 transition, spending thousands of dollars on training faculty and redesigning its life science and medical terminology courses that support coder training. Delaying implementation will cost the college more money in training new educators and redesigning their transition plan to account for the added time that dual coding education is needed, Green says.

"In academia, you get a budget and there is limited funding," she says.

Credibility with students has also been impacted by the delay. For years, educators have been assuring students that ICD-10 would not be delayed. When the opposite happened, there is the possible perception that educators "look like we don't know what we are talking about," Green says.

Educators' faith in government to implement ICD-10 as promised has also been shaken by the delay.

"I really think the secretary of DHHS has lost credibility with some in the healthcare community because no matter what date comes out now, we are going to look at each other and say, 'Well, maybe,'" Green says.

ICD-10 is Coming… Eventually

While CMS works through the rulemaking that will finalize the new ICD-10 deadline, industry stakeholders should continue to prepare for ICD-10. CMS has made it quite clear that a new deadline will be set.

"The (delay) announcement indicated two things. One, we are going to implement ICD-10. There is no question those two code sets are going to be implemented," Rode says. "And two, there is no question that there is going to be a new compliance date. So people need to be thinking about 'Okay, when is the compliance date going to happen and if I haven't started I better get started.'"

The use of ICD-10 in the stage 2 meaningful use program also shows that the government is not just interested in the new code set for reimbursement purposes, but for improving the quality of physician documentation and better outcomes tracking.

"This is a cultural change for many," Rode says. "I think especially in the medical profession, it was just seen as another reimbursement code."

While implementation does take time and money, AHIMA is certain that effort will pay off in the form of a better coding classification system. Organizations just need to stay the course and work toward the new compliance date, be that 2014, or beyond.

"Keep on, be thoughtful about what you are doing and the timing of it," Westhafer says. "But by all means, don't look at this as a reason to take your eye off the ball."

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