Not So Fast! Congress Delays ICD-10-CM/PCS: Examining How the Delay Happened, Its Industry Impact, and How Best to Proceed

By Mary Butler [illustration in print version by Marla Campbell]

On April 1 health IT stakeholders that had been diligently speeding down the road to ICD-10-CM/PCS compliance were once again forced to pull over.

This time, the mother of all gapers' delays didn't come from the Centers for Medicare and Medicaid Services (CMS), which delayed ICD-10 in 2012. A rare display of stealthy bipartisanship in Washington, DC—starting in the US House of Representatives and ending at President Obama's desk—delayed implementation of the new code set until at least October 1, 2015. Since the latest implementation delay was the result of legislative maneuvering, key stakeholders, including AHIMA, had a short timeframe to mobilize and advocate against a delay.

While some healthcare stakeholders had been pushing for an ICD-10 implementation delay—namely physician groups and associations representing rural providers—it was an unanticipated and costly blow to providers, coders, and health information management (HIM) professionals who have spent hundreds of hours and millions of dollars getting their systems ready for the transition. The delay also impacts the job prospects for HIM students who learned the new code set exclusively, and not the increasingly obsolete ICD-9-CM.

But Sue Bowman, MJ, RHIA, CCS, FAHIMA, AHIMA's senior director of coding policy and compliance, emphasizes that individuals trained in ICD-10 are still valuable and in demand because "ICD-10 is still the future." "ICD-9 has a limited factor to it, whether there's a delay or not," Bowman says.

And it's precisely because ICD-10 is considered by many industry stakeholders to be the future of coding that AHIMA and others have asked the industry to push forward with training and implementation efforts. That doesn't mean it's going to be easy or inexpensive.

To understand what the delay means to the industry, it is important to look at how the latest delay happened, what the government's next steps are, the delay's impact on providers, payers, and public health, and how best to move forward. Congress and regulators may find themselves playing traffic police right now, but there's little evidence to suggest that this delay will become a permanent roadblock.

New Compliance Date Set for October 2015

Exactly one month after President Obama signed the legislation containing the ICD-10 delay into law, on May 1 CMS announced that it would soon be releasing an interim final rule establishing October 1, 2015 as the new compliance deadline for ICD-10. The rule would require all HIPAA-covered entities to continue to use ICD-9-CM through September 30, 2015.

The announcement came as a relief to ICD-10 proponents, who for a month lived in delay limbo trying to figure out how to proceed with ICD-10 implementation efforts in the absence of a new implementation date. AHIMA applauded the CMS announcement that the delay would not be any longer than required by Congress, a sign, AHIMA officials say, that CMS is committed to implementing the new code set as soon as possible.

"We know that the industry has already invested considerable time and money in implementation. We have long advocated for a coding system that offers flexibility and specificity, enables us to properly assess healthcare services, understand public health needs, and get the best rate of return from our national investment in EHRs and meaningful use," AHIMA officials said in a press release.

AHIMA urged its members to "stay the course" and recommended that the industry continue to prepare for ICD-10 through the delay by strengthening clinical documentation improvement programs, working with vendors on transition readiness, training coders and other stakeholders, and proceeding with dual coding.

Unorthodox Legislative Maneuvering Leads to Delay

While the new implementation date was welcome news, many ICD-10 proponents are still upset that the October 1, 2014 date was pushed back in the first place. The entire industry was caught by surprise by the delay, including CMS, who had been offering public assurances as late as February that the October 2014 implementation date would stick.

AHIMA's Director of Congressional Relations Margarita Valdez characterized the circumstances under which congressional leadership passed H.R. 4302, the "Protecting Access to Medicare Act of 2014"—the bill that delayed ICD-10—as "completely out of the ordinary" and "unprecedented."

H.R. 4302 was originally a bill that provided a temporary patch to the Sustainable Growth Rate (SGR), a formula used by Medicare to reimburse physicians. Physician groups were opposed to a short-term patch, favoring long-term reform of the system instead. A long-term fix had been in negotiation for months until efforts failed toward the end of March. When those talks broke down, House Speaker John Boehner (R-OH) and Senate Leader Harry Reid (D-NV) announced they were working in cooperation on the SGR patch bill in order to prevent a 24 percent reduction in physician Medicare payments that would go into effect March 31.

In a move to appease physicians opposed to the patch bill, H.R. 4302, introduced by Representative Joe Pitts (R-PA) on March 26, had language added that delayed implementation of ICD-10 by one year. In an AHIMA webinar following Congress's action, Valdez characterized the inclusion of the ICD-10 delay as a "carrot" to physician and specialty medicine groups that wanted to delay the transition from ICD-9.

A seven-line section of the law states: "The Secretary of Health and Human Services may not, prior to October 1, 2015, adopt ICD–10 code sets as the standard for code sets under section 1173(c) of the 13 Social Security Act (42 U.S.C. 1320d–2(c)) and section 14 162.1002 of title 45, Code of Federal Regulations."

The unorthodox voting process on the bill started when Boehner placed H.R. 4302 on the "suspension calendar," which meant that the House could suspend traditional voting requirements and vote on the bill with an up or down voice vote, by only the representatives present when the vote was called to order, instead of a roll call vote.

Under suspension rules, 40 minutes of debate are typically allotted for representatives to express opposition to a bill. However, in the case of H.R. 4302, Boehner called for a recess and then called for the House to reconvene and vote before most representatives were even aware the vote was going forward. The bill was passed with five or six House members present, before moving along to the Senate.

The voting process caught Mary Beth Haugen, MS, RHIA, president of Haugen Consulting, off guard, as she was not anticipating the delay. "Then watching it go through the House, to me it was such a joke, of how our Congress functions," she says. "I just couldn't believe it. You couldn't tell how many people were in the room."

Now in the Senate, there was a chance to pass a different SGR bill that didn't contain ICD-10. But Senate Finance Committee Chairman Ron Wyden (D-OR) was unable to pass a Senate version of an SGR patch bill that did not contain a delay in ICD-10 implementation. During the debate on H.R. 4302 in the Senate ICD-10 was not mentioned, though many senators expressed disapproval with the way the bill was being pushed through Congress. After passing the Senate, the bill was signed into law by President Obama on April 1.

Many AHIMA members, like Thea Campbell, MBA, RHIA, director of HIM at Cedars-Sinai Medical Center, wrote e-mails and made calls to local legislators to lobby against the delay. Thousands of people advocated against the delay. Ultimately, they had to face reality and refocus their energies on moving forward, which includes renewed ICD-10 training. As Campbell put it, "OK, we're done with the pity party, here's the strategy."

Delay Stalls Momentum

A major concern of vendors, providers, and other industry stakeholders is that this delay will cause all the momentum behind transition planning to grind to a halt—or at least put the industry in neutral. While this isn't the first time the industry has seen the implementation date moved, the stakes—and the costs—are higher this time. A letter sent to CMS and signed by AHIMA and other stakeholder groups pointed to the agency's own financial estimates about the cost of a delay.

"In 2012, CMS estimated the cost to the healthcare industry of a one year delay to be as much as $6.6 billion, or approximately 30 percent of the $22 billion that CMS estimated had been invested or budgeted for ICD-10 implementation," the letter states.

Even with CMS setting the new implementation date for October 1, 2015, it still leaves a year and a half to keep momentum going on ICD-10 planning efforts. Haugen says some of her clients have reported a lack of engagement with transition planning even before Obama signed the delay into law.

"How do you plan and lean forward and engage? I think that engagement piece is going to falter quickly," Haugen said shortly after the delay was enacted.

One industry survey shows that Haugen and other HIM professionals are justifiably worried about engagement, especially from physicians and other clinicians, following the delay. The healthcare technology company NueMD surveyed 1,300 healthcare professionals just before the delay was announced and reported their results "validate the delay." Fifty-five percent of their respondents thought the transition should be delayed or that it shouldn't happen at all.

Even with the announcement of the 2015 deadline, some could accuse HIM professionals as being "the boy who cried wolf" and rely on the new code set implementation being delayed yet again. Several comments to this effect popped up on AHIMA's Facebook page after the October 1, 2015 date was announced. Bowman worries that a constant specter of more delays and reluctance to take preparations seriously will lead to people not being prepared for the wolf of ICD-10 once it finally arrives.

"Some people are never going to believe a date. So they're just going to hold off and say 'That will probably get delayed too, so I'm not going to work too hard on this,'" Bowman says.

HIM professionals and other supporters of ICD-10 must work hard to convince those naysayers that ICD-10 is coming, CMS is committed to its implementation, and press the fact that great financial harm will come to those organizations and providers who don't prepare, Bowman says.

Although Campbell says she has strong support from the executive team at her organization, she also expressed a sense that she'd lost credibility with her superiors after the delay. A vice president asked her if she honestly thought this would be the last delay. Campbell found it disheartening that the government repeatedly said the 2014 date would stick, only to see it change yet again.

"I had 75 physician champions who were backing me about the importance of this," Campbell says, "and now we have to take it on the chin and say 'Oops, you were right. The AMA [American Medical Association] was right, it was delayed again.'"

Campbell and Bowman aren't alone in their frustration. According to another industry survey of 1,250 healthcare professionals from the Deloitte Center for Health Solutions, 58 percent of respondents were disappointed with the delay. Asked for their preferences about what they hoped the government would do next, 49 percent hoped for an October 2015 deadline, 30 percent wanted to find a way to restore the 2014 deadline, and only 6 percent wanted a deadline set beyond 2015. Also, a poll conducted at AHIMA's April ICD-10-CM/PCS and Computer-Assisted Coding Summit showed 86 percent of attendees were dissappointed with the delay.

Abrupt Change of Course Comes with Costs

While the voices arguing for a delay ultimately were the loudest, many organizations were very far along in their preparation plans. Health insurer Cigna is one example of a payer very much against the delay. Daniel Sullivan, Cigna's vice president of program delivery, said a delay could cost his company over $1 million, with a majority of the costs related to staffing.

Cigna had conducted extensive claims testing with providers, both large and small, before the delay was announced. A delay means terminating design codes set to accept claims coded in ICD-10, which comes with a significant cost burden. Sullivan says the transition to ICD-10 should remain a priority for the healthcare industry, even with a delay.

"The change expands the language we use to communicate about health, and with the more extensive language, we can fine tune the value we add to the delivery of healthcare," Sullivan says. "Whether that be aspects of life, health coaching, pain management, all of those activities can be better served by more granular information."

Essentia Health ICD-10 Manager Carlee Butler, MS, RHIA, says her organization was definitely not expecting a delay and questioned how to proceed in the days immediately following the H.R. 4302 vote.

"We didn't have a contingency plan for that. We really thought we were good to go this year," Butler says. "I think a big fear at this point is will it continue to be delayed."

Butler says her organization was about 65 percent done with its training, and as a result there's definitely been "a lot of switching gears here very quickly."

Cedars-Sinai's Campbell admits that right after the delay came down, she felt like the $15 million her organization had spent to comply with the 2014 deadline was wasted. Those funds were spent largely on dual coding labor, system remediation, peer-to-peer physician training, and online training.

The biggest chunk of her preparation spending was focused on dual coding, Campbell says, adding that her system was almost in a payer pilot mode having completed payer data exchange with five different payers. She had also started exchanging information with her organization's clearinghouse and had done some testing with CMS. Campbell is confident her organization would have been ready by October of this year. When the delay was announced, she estimated that her system was already 75 percent finished with their preparations.

"Our coders have been trained; went through all our coder training in 2012. In 2012 and 2013, we were doing practical application of it. We had a third of our medical staff trained," Campbell says. She adds that with the delay there will be additional unforeseen costs including personnel for project management and training. "By the time we implement, we'll have been playing with this for four years."

ICD-10 Delay Stymies Students

HIM and health IT students were definitely left in a lurch due to Congress's action this spring.

Dave Krueger, 36, graduated March 1, 2014 with a degree in health IT (HIT) after spending 10 years in another industry. Krueger already had a bachelor's degree from Purdue University and had planned to use his new HIT degree—from a large education network specializing in adult education—for a coding position.

Toward the end of his degree program, his college cancelled the two ICD-9 courses he was enrolled in and instead automatically enrolled him in ICD-10-CM and ICD-10-PCS courses. The school then discontinued its ICD-9 courses.

"With the ICD-10 delay, I now not only paid for two courses I may not need for years, but now will need to teach myself ICD-9," Krueger says. "This may take a couple months or more, which will delay my ability to take the RHIT exam, ultimately delaying my ability to find employment in the field."

He added that he is not financially prepared for an extended delay—with his student loan bills coming in he needs to put his education to work as an ICD-10 trained coder. Fortunately, his financial plan did allow him to volunteer in an HIM setting to gain experience during his schooling, which will help him find a job. But this doesn't help pay the bills.

Classroom students weren't the only students affected by the delay. Essentia's Butler and Cedars-Sinai's Campbell also had to face questions from students on their own staff who wondered whether their apprenticeship positions would be put on hold or continued.

While recent HIM grads and students trained only in ICD-10 might struggle in the short term, a coder shortage will continue to be a long-term problem, and that's good news for students.

AHIMA's Bowman says that anyone trained in ICD-10 is going to be in demand. "Because with or without the delay, people are looking for an expert to help with their training, with their implementation projects, and so forth," she says. "I still think their ICD-10 expertise is valuable to the healthcare industry right now."

Preparing Without Delay

AHIMA has urged HIM professionals and others in the industry to "stay the course" and continue their ICD-10 preparations despite the delay. That includes keeping coders immersed in ICD-10 training as well as keeping pressure on legislators and federal agencies to not, once again, move the date back any further.

AHIMA officials and other ICD-10 consultants do not want providers, vendors, and payers to lose the momentum they have already put into transition preparations. If stakeholders halt all ICD-10 training and testing now, rather than continuing to roll it out slowly, many are worried about losing physician buy-in and wasting previous efforts.

"I think the biggest concern that I have involves most of our clients keeping that level of engagement," Haugen says. "At the first of the year we turned the corner as far as the executive team physicians, getting organizations as a whole engaged in ICD-10 and really participating, identifying roadblocks and removing those roadblocks. I think we all have a great deal of concern for how will we maintain that."

AHIMA's Bowman advises that healthcare providers should continue preparing, despite the government delay. "The longer we delay moving forward, the longer it is until we have better data to do all the things we need better data for," Bowman says. "We've been in a code freeze. If we thought ICD-9 was obsolete before, it's even more obsolete now because we've not been updating it the last year or two because of the code freeze."

In her presentation at the ICD-10 Summit titled "ICD-10 Readiness: What Should Be on Your Agenda for the Next 18 Months," Rose T. Dunn, MBA, RHIA, CPA, FACHE, chief operating officer at First Class Solutions, gave attendees a detailed list of activities to keep the ICD-10 momentum going.

One of the most important things providers should do is continue clinical documentation education and training, since this is beneficial in ICD-9 and ICD-10. Documenting emergency department encounters is an area that many providers need to work on, says Dunn, who sees it as a lost revenue opportunity. They should also keep looking for payers willing to do claims testing, since many payers want ICD-10 to be implemented and will likely use the delay for more testing.

Additionally, providers should "keep considering growing your own coding pools. When you grow your own, you may need to start at a young age, an apprentice program may be appropriate," Dunn says.

Dunn pressed providers to keep physicians practicing ICD-10-level documentation and keep coders training on the new code set. "Let's let ICD-10 standards be the gold standard. Have them continue to practice their [ICD-]10 coding," Dunn urged. "Remember that productivity learning curve? We now have 18 months to get rid of that curve."

Healthcare desperately needs the more granular data the new code set will provide, Bowman says, especially as the US healthcare system moves toward initiatives such as value-based purchasing and develops accountable care organizations.

"I know this whole move toward value-based purchasing, for example, if you want to look at cost and outcomes of care, then you need data about what the condition was and what the treatment was. And if you don't have good data about healthcare encounters, how are you going to say whether you've got value or not?" Bowman says.

The granularity of ICD-10 codes is also expected to assist healthcare researchers. In an interview with National Public Radio, 3M Health Information Systems' JaeLynn Williams said that ICD-9's vastly less specific codes could hinder cardiology research. Under ICD-9, for example, it is difficult for researchers to differentiate between the dozens of different kinds of implants now commonly used to open clogged arteries. This makes it hard to know which types of implants had better outcomes. ICD-10 allows the tracking of these various types of implants.

"We can't use the data to determine which implant results in the shortest recovery time. You won't be able to use the data to understand which implant had the best long-term success," Williams told NPR.

The longer ICD-10 is delayed, the more expensive it gets to implement, Bowman says. "A lot of people have pointed out, if we had implemented ICD-10 several years ago, like most of us wanted, it would've been cheaper and easier. Every year we push it down the pike, there's more systems, and more EHRs, and more complicated patients, and the more challenging and expensive the project gets," Bowman says.

Every time ICD-10 implementation is pushed back, some within the healthcare industry float the notion that the US should skip straight from ICD-9 to ICD-11. But Bowman says this possibility is unlikely given that the World Health Assembly has pushed the release of the ICD-11 code set back until 2017. ICD-10 is the necessary stepping stone to get from ICD-9 to ICD-11—making the leap from ICD-9 to ICD-11 would likely result in failure.

"As we've been stating for years, adoption of ICD-11 by the World Health Assembly doesn't mean it can be immediately implemented by the US. It will take several years of review, and perhaps some US modifications for US-specific data needs, before it will be ready for implementation in the US. And ICD-11 only includes diagnosis codes—we would still need to develop a procedure coding system," Bowman says.

Essentia's Butler says she has been able to find some silver linings in the delay—including broad support from executive leadership—despite her disappointment. Even though she feels her clinical documentation improvement (CDI) programs were up to speed, she says she will embrace and make the most of the extra time provided by the delay to prepare.

"I think what we're hoping to get out of this is more time to work with our physicians," Butler says. "Definitely our two major focuses are improving clinical documentation efforts across all settings and, for our coders, helping them prepare for ICD-10 and getting them very experienced in ICD-10."

The delay also helps address nagging concerns Butler had about being able to test with Medicare and Medicaid. The limited testing CMS offered wasn't reassuring to Butler and other providers.

"So the CFOs are a little relieved that it's not this year. But overall, the feeling that I've gotten from everyone I've talked with is 'we move forward,'" Butler says. "Since January, we've had really good momentum. So we don't want to lose that."

Mary Butler (mary.butler@ahima.org) is associate editor at the *Journal of AHIMA.*

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