HHS Proposes One-year Delay for ICD-10

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2012-04-11

Vendors eagerly await the transition to the ICD-10 diagnosis code set, but a 2014 implementation deadline would give providers time to adopt software that supports the standard.

As Department of Health and Human Services Secretary Kathleen Sebelius announced plans on April 9 to push back the deadline for the International Classification of Diseases (ICD)-10 claims-coding system to 2014, the health care IT industry responded with mixed feedback.

The proposed delay of one year strikes a fair balance of giving more time to providers to implement the coding system while trying to minimize any excess costs to IT vendors as a result of the delay, according to Kristine Weinberger, senior health care business consultant at Edifecs, a developer of health care claims and billing software that helps providers transition to ICD-10.

"It appears to strike a balance in meeting the needs of those health care entities that would have met the original compliance date and those who were behind in their efforts," Weinberger wrote in an email to eWEEK. "It gives health care entities additional time to thoroughly assess the business impact of ICD-10, identify and mitigate the various risks involved, do a better job of mapping codes from ICD-9 to ICD-10, and then thoroughly test from both a technology and business standpoint."

HHS had already pushed back the deadline from Oct. 1, 2011, to Oct. 1, 2013, but now the government is targeting Oct. 1, 2014.

The new medical claim code identifier has been developed to streamline the billing processes for health care providers and health insurance payers. Companies such as VitalWare produce software such as VitalView, which has a dashboard that allows hospitals and doctors' offices to compile reports and perform analytics while keeping track of claims deadlines and diagnostic codes.

"These important simplifications will mean doctors can spend less time filling out forms and more time seeing patients," Sebelius said in a statement.

ICD-10 would streamline the process of identifying health plans in a standard length and format in doctors' databases, according to HHS. A lack of a standard format leads to misrouted transactions and transactions rejected due to errors in insurance identification, HHS reported.

"We believe this change will give covered entities the additional time needed to synchronize system and business process preparation and changeover to the updated medical data code sets," HHS wrote in its proposal document, available for download from the Federal Register. The department is accepting health care industry comments for 30 days.

In addition to ICD-10, the proposed rule would also push back to Oct. 1, 2014, the deadline to comply with codes for classifying diseases and health problems.
Dr. Wendy Whittington, chief medical officer for Anthelio, a Dallas-based provider of health care IT services, didn't think the delay would help the health care industry in its move toward synergy in electronic health record implementation and diagnostic coding. However, she said she was pleased that the government didn't delay the ICD-10 implementation longer than one year.

"We understand that some providers of health care were going to have a hard time being ready for ICD-10 in 2013, but CMS had been so clear in their previous communications that the deadline was set in stone that to delay now seems kind of crazy," Whittington wrote in an email to eWEEK.

"We at Anthelio didn't think that any delay in the Oct. 1, 2013, ICD-10 deadline was a good idea, but we are somewhat relieved today to see that it is only one year as opposed to two or more years," said Whittington.

Those vendors who have already made the investments in applications that support the new standard will have time to adjust to meeting the documentation requirements, she noted.

"There is the reasonably good argument that those providers who were already on track to achieve the deadline can now really take their time and focus on doing a great job, particularly when it comes to getting the nuances of appropriate clinical documentation down," said Whittington.

Still, she suggested that the delay could be frustrating for vendors already prepared for the change. "This doesn't seem like a very nice way to reward the majority that were on track to be ready on time," she said. "As far as vendors go, they will all find ways to make the new deadline work for them."

Health care providers have fallen behind insurance providers in using software compatible with ICD-10, according to Edifecs’ Weinberger. This lag is due to a lack of resources for some small providers, she said.

"The additional year gives providers time to catch up with payers," Weinberger said. "They now have another year to implement business processes, conduct training and better collaborate with payers, all of which will yield big dividends after the compliance deadline."

Edifecs conducted a survey of more than 50 health plan representatives at the company's 2012 ICD-10 Summit, held Feb. 15-16. Edifecs published its findings March 12.

According to the survey's results, 57.7 percent of respondents said that delaying ICD-10 implementation by one year would be "costly but manageable."

Many health care providers have hired IT experts with expertise in ICD-10, and a delay in implementation would force increases in budgets they've allotted for the code set change, Weinberger noted.

Although 36.5 percent of health care organizations Edifecs surveyed found a one-year extension helpful in providing more time for implementation and testing, most of insurance payers will continue working toward October 2013 compliance despite a government extension, Weinberger predicted.

"Many of our clients—and we believe most payers—are continuing to work toward the original compliance deadline of October 2013, with the goal of using the additional year to conduct broader and deeper external testing with partners," said Weinberger.