March 1, 2012

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Secretary Sebelius,

The Medical Group Management Association (MGMA) appreciates your recent decision to postpone the compliance date for adoption of the International Classification of Diseases, Tenth Revision (ICD-10). As part of this decision, we urge you to consider modifying the implementation process to focus on conducting the due diligence necessary for a potential change of this magnitude.

MGMA-ACMPE is the premier association for professional administrators and leaders of medical group practices. Since 1926, the Association has delivered networking, professional education and resources, political advocacy and certification for medical practice professionals. The Association represents 22,500 members who lead 13,200 organizations nationwide in which some 280,000 physicians provide more than 40 percent of the healthcare services delivered in the United States.

ICD-10 is expected to be one of the most significant changes the physician practice community has ever undertaken. This new code set will impact not only billing, quality reporting and other administrative transactions, but will also require changes to clinical documentation and workflow processes and necessitate extensive clinician training. The adoption of ICD-10 should not be considered without a revised implementation process in place. Failure to complete these critical steps will divert scarce intellectual, educational, and financial resources away from the adoption of HIT and other more critical patient care-focused endeavors.

The industry is currently experiencing a significant challenge transitioning to HIPAA Version 5010. It is clear that migration to ICD-10 will be even more complex and costly. As a consequence, it is critical that the government and industry stakeholders work together to identify and address concerns and agree on a more appropriate implementation approach.

Recommendations

Prior to any move to ICD-10 (or any other administrative mandate) we strongly urge that the Department of Health and Human Services (HHS) take the following steps to minimize healthcare delivery system disruptions:

1. **Complete a comprehensive cost benefit analysis.**

   HHS should complete and make public a comprehensive cost-benefit analysis that determines how each sector of the healthcare industry will be impacted by a change to ICD-10. This analysis should include consultations with provider and other stakeholder organizations and appropriate HHS advisory groups. This analysis should delineate how the benefits to outpatient facilities and other stakeholders outweigh the significant

HEADQUARTERS
104 Inverness Terrace East
Englewood, CO 80112-5306
phone: 303.799.1111
fax: 303.643.4439

GOVERNMENT AFFAIRS
1717 Pennsylvania Avenue
North West, Suite 600
Washington, DC 20006
phone: 202.293.3450
fax: 202.293.2787

www.mgma.com

costs (estimated in 2008 at more than $285,000 for a 10-physician practice) of transitioning from ICD-9 to ICD-10.

2. **Pilot test ICD-10.**

HHS should conduct comprehensive pilots of ICD-10 and utilize the results from these pilots prior to any final decision with respect to national implementation. These pilots should include a wide range of practice types and sizes, small and large hospitals, providers in both electronic and paper health record settings, and safety net providers. While we recognize the expected complexity of these pilots, and the requirement that participants run dual coding systems, we believe they are critical to identify issues and roadblocks prior to national implementation. Further, to encourage stakeholder participation in these pilots, they should be fully funded by HHS.

3. **Analyze the administrative and financial impact of overlapping initiatives.**

Existing federal health information technology mandates on physicians such as meaningful use, e-prescribing, and quality reporting must be evaluated in the context of the enormous burden and cost of ICD-10.

4. **Evaluate additional code set approaches.**

HHS should fully examine the current ICD-9 code development, retirement and allocation process. HHS should assess the changes necessary to improve the ICD-9 code set and the more rapid assignment of new codes as an alternative to ICD-10.We recommend that HHS also explore the option with hospital stakeholders of considering the implemention ICD-10 in the inpatient setting only—mirroring the approach taken by many other nations, including the often-cited efforts of Germany, Canada and Australia.

5. **Stagger implementation dates**.

Prior to implementation of any administrative mandate affecting the claims revenue cycle, the government should delineate staggered compliance dates for different sectors. Clearinghouses and health plans should comply first and then providers would comply with the standard a minimum of 12 months later.

6. **Develop appropriate crosswalks**.

HHS should mandate a single ICD-9 to ICD-10 and ICD-10 to ICD-9 set of crosswalks and freely distribute these mapping tools to permit stakeholders to make the transition with minimal loss of historical data.

7. **Require Certification.**

It is critical for provider trading partners to be prepared for any claims revenue cycle mandates. HHS should adopt the approach of Section 1104 of the Patient Protection and Affordable Care Act of 2010 and require certification for all affected health plans. As covered entities, clearinghouses should also be required to be certified under the same criteria. Furthermore, we urge HHS to move forward with a certification process for practice management and billing system software.

Certification of these products would greatly assist physician practices in identifying software necessary to comply with federal mandates and take advantage of the numerous administrative simplification

initiatives. Certification can also drive implementation by standardizing software requirements and leveraging market forces to ensure practices can meet federal requirements. Certification could be accomplished by HHS partnering with one or more existing certification entities currently participating in the EHR Incentive Program.

We look forward to working with the government to implement these recommendations and ensure that transitions to all new federal administrative mandates are completed utilizing the most cost-effective and efficient approach possible. We appreciate the opportunity to offer our comments on this important issue. Should you have any questions, please contact Robert Tennant at rtennant@mgma.org or 202-293-3450.

Sincerely,

Susan Turney, MD, MS, FACP, FACMPE
MGMA president and CEO

CC:
Marilyn Tavenner, Acting Administrator, Centers for Medicare & Medicaid Services
Robert Tagalicod, Director, Office of eHealth Standards and Services (CMS)
Lorraine Tunis Doo, Acting Deputy Director and Senior Policy Advisor, (OESS-CMS)