How the ICD-10 Delay Affects Physicians, Healthcare

Congress decided that physicians need one more year to prepare for ICD-10. Here’s what it means for your medical practice and the healthcare industry overall.

Source: Physicians Practice

Without the actual coding system being uttered by a single member of the U.S. House or Senate, Congress approved a one-year extension for the move to ICD-10.

The U.S. Senate passed HR 4302 on Monday evening, executing the 17th short-term patch to delay Medicare payment reductions under the Sustainable Growth Rate (SGR) formula and also delaying enforcement of the "two-midnight" rule, where Medicare would not reimburse hospitals for inpatient services that do not span two midnights. Recovery Audit Contracts are now unable to audit claims under the rule for another six months, through March 31, 2015.

Without the one-year delay to the SGR-associated cuts, physicians would have faced a 24 percent drop in Medicare reimbursement April 1. And while there was legislation before Congress this year to repeal the SGR, paying for it proved harder to garner support in the House and Senate.

Section 212, HR 4302
"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."

But perhaps the part of the legislation no one in healthcare saw coming was a provision preventing CMS from enacting the ICD-10 coding system until October 2015, at the earliest. The language was put into a bill crafted through a compromise on the SGR by House Speaker John Boehner (R-Ohio) and Senate Majority Leader Harry Reid (D-Nev.), and introduced by Rep. Joe Pitts (R-Pa.). The House debated HR 4302 on March 27, but absent a quorum, could not take official action. Nearly two hours later, however, the congressional body took a "voice vote" of those in the chamber, decided the two-thirds majority was present, and passed the bill along to the Senate with its approval. (Video of the vote, which took less time than reading the name of the bill, is here.) The Senate debated a full reform of the SGR formula for more than two hours on Monday, but the focus largely centered on whether to take up several bipartisan bills to completely repeal the formula or pass another short-term fix. No members of the Senate that spoke mentioned the ICD-10 transition before passing HR 4302 with a vote of 64 to 35. The medical coding switch from ICD-9 to ICD-10 was originally proposed in 2005, and it has twice since been delayed. The implementation date of Oct. 1, 2014, was one CMS reassured physicians numerous times would not change, including most recently at the Health Information Management Systems Society annual conference in February.

But now, the healthcare industry will reset their countdown clocks from Oct. 1, 2014, to Oct. 1, 2015, or even later. We asked the experts what this delay means for physicians, health IT vendors, and medical coding overall.

Impact on Physicians
Impact on Vendors
Impact on Coding

Impact on Physicians

For many physician practices, the ICD-10 delay is a relief, Betsy Nicoletti, founder of Codapedia.com and the author of "A Field Guide to Physician Coding," told Physicians Practice.

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"Large health systems and hospitals were prepared, but many physician practices lagged behind,"
she said. "I have yet to see how ICD-10 improves care. It does add to cost and complexity."
Still, she added, the delay raises uncertainty among physicians and the healthcare system as a whole. "Will we ever transition to ICD-10?" said Nicoletti. "When will we know it is the right time to commit the resources to prepare?"
Rose T. Dunn, MBA, RHIA, chief operating officer for consulting firm First Class Solutions, said "now it's time for providers to wrap up the loose ends on their EHR implementation and ensure their EHR will be ICD-10 ready."
Dunn, an ICD-10 trainer, added: "[Medical practices] should tailor screens to prompt physicians to document the elements needed to support complete and detailed codes. Don't put off these steps. Refined documentation will help ward off denials."
The ICD-10 delay until 2015 is likely to cost the healthcare industry between $1 billion and $6.6 billion, according to American Health Information Management Association (AHIMA). Health IT vendor Kareo told Physicians Practice that figure is approximately 10 percent to 30 percent of what has already been invested by providers, payers, vendors, and academic programs.
"This delay will be hard on physicians and practice staff who, over the last year, put forth a significant effort and investment to prepare themselves for the ICD-10 transition," said Tom Giannulli, Kareo's chief medical information officer. "We are now looking for clear direction so that we can confidently prepare our company and customers for this significant transition."

Impact on Vendors
Like physicians, the nations' health IT vendors have been preparing and pitching their ICD-10 solutions for years. And they are sharing the same frustrations with the latest delay.
Dan Haley, vice president of government and regulatory affairs for athenahealth, told Physicians Practice Congress' latest action is "yet another unfortunate example of government's tendency to cater to the technological laggards who are keeping health IT, and the care delivery system, mired in the 20th century."
He added: "The originally proposed ICD-10 implementation deadline was in 2011; if a code switch can cause this much angst and delay, it forces us to question our industry’s willingness to embrace change, evolve, compete, and tackle bigger initiatives."
Haley said some vendors, did the "hard work" to ensure clients could meet the 2014 ICD-10 deadline without a problem, but others unfortunately, did not. He added that whether it is meaningful use or ICD-10, "time after time" too many health IT vendors are leaving providers in the lurch.
"Repeated government concessions only reinforce those behaviors, giving laggard vendors reason to believe that policy deadlines are not real," he said. "Ultimately it is the nation’s doctors who suffer the consequences, stuck with underperforming health IT and paying through the nose for the dubious privilege of using it."
Kareo said its ability to support providers "is negatively impacted when the regulated environment in which we, and our customers operate is constantly in flux." The company added that dealing with such an environment "wastes valuable time and resources, ultimately leading to higher healthcare costs and less focus on what’s most important — the patient."
Jeff Burton, CEO and president of Pulse Systems, Inc., said his firm is "ready" for ICD-10, having successfully tested its software solutions with multiple clearinghouses and finalized provider preparations.
"Unfortunately, this is the second delay as it pertains to the rollout date of ICD-10," he told Physicians Practice. "Healthcare providers will now needlessly experience more disruptions and spend even more resources due to the new delay. Continued delays by lawmakers are not in line with CMS' eHealth Initiatives and the goals of allowing providers to focus on delivering quality patient care."

Impact on Coding
While physicians and vendors are left scratching their heads as to what's next, so are the nation's coders, who have spent hours learning the new coding system.
AHIMA said in a statement that despite the Senate's vote today, the transition to ICD-10 "remains inevitable and time-sensitive because of the potential risk to public health and the need to track, identify, and analyze new clinical services and treatments available for patients."
AHIMA said it will continue to help lend assistance to healthcare stakeholders now "forced to navigate the challenge" of preparing for ICD-10 while still using ICD-9.
"On behalf of our more than 72,000 members who have prepared for ICD-10 in good faith, AHIMA will seek immediate clarification on a number of technical issues such as the exact length of the delay," said AHIMA CEO Lynne Thomas Gordon.
And while current medical coders will now continue their training with a longer timeline, AHIMA noted
the more than 25,000 students in health information management (HIM) associate and baccalaureate educational programs who have to date only learned ICD-10.

“As demands for quality healthcare data continue to increase, this delay will add an additional significant hurdle for the healthcare system to fill these important HIM positions,” said Thomas Gordon. “It is truly unfortunate that Congress chose to embed language about delaying ICD-10 into legislation intended to address the need for an SGR fix in [its] effort to temporarily address the long outstanding and critically important physician payment issues.”

But not all organizations reacted negatively to the Senate’s vote. In an e-mail to its members after the Senate vote, the AAPC acknowledged that the delay may be difficult for those healthcare systems that are ready for the transition, but it also said that the change provides an opportunity to those that need additional time to prepare.

"If you need another year, then this change offers an opportunity to increase your readiness through proactive education, practice, and testing," AAPC, the nation's largest training and credentialing organization for the business side of medicine, stated. "The postponement allows improvement of anatomical knowledge, review and adjustment of documentation quality and clinician education, and adjustment of coding and billing procedures."

Matthew Doyle, director of marketing for medical billing firm CRT Medical Systems, told Physicians Practice while he was surprised the ICD-10 delay was tied to the SGR patch, it isn't necessarily a bad thing.

"It has been widely agreed to that ICD-10 will not deliver the results that CMS anticipates," said Doyle. "That being said, CRT Medical as a [revenue cycle management] company also welcomes this delay since the costs for ramping up would have exceeded $400,000 this year."

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