

TED POE  
TEXAS  
2ND DISTRICT



FOREIGN AFFAIRS COMMITTEE  
Terrorism, Nonproliferation and Trade Subcommittee - Chairman  
JUDICIARY COMMITTEE  
Congressional Victims' Rights Caucus - Chairman  
P.O.R.T.S. Caucus - Co-Chairman

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-4302

## Stop Unfunded Government Mandates

Cosponsor H.R. 2126, the "Cutting Costly Codes Act of 2015" to stop implementation of ICD-10

*Supported by: American Medical Association, American Association of Orthopaedic Surgeons,  
American College of Rheumatology, American College of Allergy, Asthma and Immunology  
Texas Medical Association, Harris County Medical Society*

Dear Colleague:

Have you run into a lamppost? That's ICD code W22.02XA, and if it's the second lamppost you've run into, that's ICD code W22.02XD. Do these questions sound ridiculous? That's because they are, and they're part of a burdensome set of standards that medical professionals will have to implement in their practice as of October 1, 2015.

Medical professionals around the world use the International Classification of Diseases (ICD) to classify diseases and injuries, permitting comparison of data across countries. Currently, in the U.S., healthcare professionals use ICD-9, which includes 14,000 separate codes. On October 1, 2015, healthcare professionals are required to implement ICD-10, which includes 69,000 codes, a 5 fold increase from the current standards. Not only is this a significant burden administratively on our medical professionals, but it's also expensive.

Please join me as a cosponsor of H.R. 2126, Cutting Costly Codes, to halt implementation of the new ICD-10 codes and require a short term study of a more practical replacement standard in coordination between HHS and the medical community. For more information or to become a cosponsor, please contact Blair Bjellos at (202) 225-6565 or [Blair.Bjellos@mail.house.gov](mailto:Blair.Bjellos@mail.house.gov).

Sincerely,

Ted Poe  
Member of Congress

HARRIS COUNTY EAST  
1801 KINGWOOD DRIVE, SUITE 240  
KINGWOOD, TX 77339  
PHONE: (281) 446-0242  
FAX: (281) 446-0252

WASHINGTON OFFICE  
2412 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
PHONE: (202) 225-6565  
FAX: (202) 225-5547

HARRIS COUNTY WEST  
710 N. POSTY OAK RD, SUITE 510  
HOUSTON, TX 77024  
PHONE: (281) 446-0242  
FAX: (281) 446-0252

## Switching to ICD-10: The impact on physicians

By Lindsay Law and Mary Ann Porucznik

### Cost impact could range from **\$83,000 to \$2.7 million per practice**

After years of discussion, the U. S. Department of Health and Human Services (HHS) has finalized the adoption of the International Classification of Disease-10th Revision (ICD-10) code set, which would replace the current ICD-9 diagnosis and procedure codes. Under the HHS final rule, the switch will be completed by October 1, 2013.

The impact of this shift is substantial. Not only does the new code set include five times as many codes as the ICD-9 code set, the different arrangement of codes will require more documentation, revised forms, retraining of staff and physicians, and changes to software and other information technology. Changes in reimbursement patterns may also result from the increased specificity of the new code set.

The adoption of ICD-10 will also require the implementation of the next generation version of the nine Health Insurance Portability and Accountability Act (HIPAA) electronic transaction standards, known as 5010. As recommended by the National Committee on Vital and Health Statistics, 5010 must be completely implemented prior to the adoption of ICD-10 because the ICD-10 code set cannot operate with the current HIPAA transaction standards (4010).

### Measuring the impact

Implementing these two requirements—the next generation HIPAA transaction standards (5010) and the ICD-10 code sets—will result in many potential costs to physicians. Among these costs are staff education and training, changes in health plan contracts, coverage determinations, increased documentation, changes to superbills, information technology system changes, and possible cash flow disruption.

The AAOS along with 11 other healthcare organizations, released a study conducted by Nachimson Advisors, LLC, which suggests that HHS has underestimated the cost of implementing the ICD-10 code set. According to the study results, the implementation cost for a three-physician practice could be as much as \$83,290, while a 100-physician practice might pay more than \$2.7 million ([Table 1](#)). ([View the full study](#))

Training clinical and administrative staff to use the new ICD-10 code set may require up to 16 hours for coding staff, 8 hours for administrative staff, and 12 hours for providers, according to the analysis. Costs may vary depending on the type of training materials used and the resources available.



Published on *The Weekly Standard* (<http://www.weeklystandard.com>)

## Code Chaos

### Another nightmare for doctors, courtesy of the federal government

Stephen F. Hayes

March 10, 2014, Vol. 19, No. 25

*Jacksonville, Fla.*

Ever considered suicide by jellyfish? Have you ended up in the hospital after being injured during the forced landing of your spacecraft? Or been hurt when you were sucked into the engine of an airplane or when your horse-drawn carriage collided with a trolley?

Chances are slim.

But should any of these unfortunate injuries befall you after October 1, 2014, your doctor, courtesy of the federal government, will have a code to record it. On that date, the United States is scheduled to implement a new system for recording injuries, medical diagnoses, and inpatient procedures called ICD-10—the 10th version of the International Classification of Diseases propagated by the World Health Organization in Geneva, Switzerland. So these exotic injuries, codeless for so many years, will henceforth be known, respectively, as T63622A (Toxic effect of contact with other jellyfish, intentional self-harm, initial encounter), V9542XA (Forced landing of spacecraft injuring occupant, initial encounter), V9733XA (Sucked into jet engine, initial encounter), and V80731A (Occupant of animal-drawn vehicle injured in collision with streetcar, initial encounter).

The coming changes are vast. The number of codes will explode—from 17,000 under the current system to 155,000 under the new one, according to the Centers for Medicare and Medicaid Services (CMS).

The transition to ICD-10 was planned long before Congress passed the Affordable Care Act in 2010. But Obama administration officials say it is a critical part of the coming reforms. "ICD-10 is the foundation for health care reform," said Jeff Hinson, a CMS regional administrator, in a conference call about ICD-10 for providers in Colorado.

It will affect almost every part of the U.S. health care system—providers and payers, physicians and researchers, hospitals and clinics, the government and the private sector. That system—already stressed with doctor shortages, electronic medical records mandates, and the broader chaos of Obamacare—is nowhere near ready. And that has lots of people worried.

Health care professionals use ICD codes to talk to one another. The codes record diagnoses and services provided, and third-party payers—government, insurance companies—use the codes to determine reimbursements and to deter fraud. Coding errors can mean unpaid claims or costly audits—or both.

Virtually everyone agrees that the transition will mean decreased productivity and lost revenue, at least for a time. Some experts, dismissed as alarmists by ICD-10 enthusiasts, are predicting widespread chaos in a sector of the economy that can little afford it.

"I'm very nervous about whether once we flip that switch on October 1 this is all going to work," says William Harvey, an assistant professor of medicine and the clinical director of the Division of Rheumatology at Tufts Medical Center in Boston.

# BACKGROUND

No. 3013 | MAY 18, 2015

## The New Disease Classification (ICD-10): Doctors and Patients Will Pay

John Grimsley and John O'Shea, MD

### Abstract

*The mandatory adoption of the latest International Classification of Diseases (ICD-10) will add to the already considerable financial and administrative burdens on physician practices. Instead of imposing this unfunded mandate, Congress should delink the disease classification system from reimbursement policy, and make the adoption of the new ICD-10 code system voluntary until a less burdensome billing process is in place.*

On October 1, 2015, a new standardized system of classifying disease will be imposed on practicing physicians and others in the health care sector. The World Health Organization's (WHO) International Classification of Diseases (ICD) is a system of diagnostic codes established for defining and reporting disease, identifying global health trends and collecting global statistics, and providing a common language for health information distribution.<sup>1</sup>

Since the 1980s, the United States has linked this system of diagnostic codes to reimbursement for health care services. The current ICD-9 is scheduled to be replaced by a newer—vastly more complex—system, the ICD-10.

While an updated diagnostic system for disease classification might be in order, there are significant costs and trade-offs. To protect practicing physicians and other health care workers from such an unfunded mandate, Congress should delink the disparate goals of research and reimbursement, and develop a more appropriate coding system that makes the billing process less, not more, burdensome. In the interim, Congress should allow providers to have the choice of continuing to use the current ICD-9 system or adopt the new ICD-10

### KEY POINTS

- The International Classification of Diseases (ICD) is a system of diagnostic codes for reporting disease, identifying global health trends, and collecting global statistics.
- Since the 1980s, the U.S. has conflated the disparate goals of research and reimbursement by linking the ICD codes to payments for health care. This unwise policy will be compounded by replacing the current ICD-9 with the newer—vastly more complex—ICD-10 to be imposed on doctors on October 1, 2015.
- A more detailed disease classification system has the potential to facilitate research and improve disease prevention and management, but continuing to conflate research and billing carries significant costs.
- Congress should delink the ICD system from reimbursement policy and establish a smooth and equitable transition to a system that is more appropriate to the medical billing process and less burdensome to doctors and patients.

This paper, in its entirety, can be found at <http://report.heritage.org/bg3013>

The Heritage Foundation  
214 Massachusetts Avenue, NE  
Washington, DC 20002  
(202) 546-4400 | [heritage.org](http://heritage.org)

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.