

# New Codes, New Compliance Date

## HHS DELAYS IMPLEMENTATION OF ICD-10 UNTIL 2013.

Editorial Staff

On Jan. 15, the [U.S. Department of Health and Human Services](#) (HHS) released a final rule intended to "facilitate the United States' ongoing transition to an electronic health care environment through adoption of a new generation of diagnosis and procedure codes." [The rule replaces the International Classification of Diseases, 9th Revision, Clinical Modification \(ICD-9-CM\) code sets with ICD-10 code sets and establishes a compliance date of Oct. 1, 2013](#) - two years later than the original proposed implementation date, which had been criticized by some health care organizations as being too soon to allow for proper preparation.

According to HHS, ICD-10 expands the list of available codes substantially and increases flexibility of the code sets, accommodating emerging diagnoses and procedures while providing greater specificity. While ICD-9 has 24,000 codes in a seven-digit series, the ICD-10 code set is substantially more complex, featuring more than 200,000 codes in a nine-digit alphanumeric series. An HHS fact sheet lists some of the major limitations of the ICD-9 and expected benefits of ICD-10:

### *Limitations of ICD-9:*

- outdated, with only a limited ability to accommodate new procedures and diagnoses;
- lacks the precision needed for a number of emerging uses such as pay-for-performance and biosurveillance - the automated monitoring of information sources that may help in detecting an emerging epidemic, whether naturally occurring or as the result of bioterrorism;
- limits the precision of diagnosis-related groups (DRGs) as a result of very different procedures being grouped together in one code;
- lacks specificity and detail, uses terminology inconsistently, cannot capture new technology, and lacks codes for preventive services; and
- will eventually run out of space, particularly for procedure codes.

### *Benefits of ICD-10*

- supports Medicare's value-based purchasing initiative and antifraud and abuse activities by accurately defining services and providing specific diagnosis and treatment information;
- provides the precision needed for a number of emerging uses such as pay-for-performance and biosurveillance;
- supports comprehensive reporting of quality data;
- ensures more accurate payments for new procedures, fewer rejected claims, improved disease management, and harmonization of disease monitoring and reporting worldwide; and
- allows the United States to compare its data with international data to track the incidence and spread of disease and treatment outcomes because the United States is one of the few developed countries not using ICD-10.

Developed by the World Health Organization (WHO) and released for use in 1994, the ICD-10 is already in use in Canada, the United Kingdom, Denmark, Finland, Iceland, Norway, Sweden, France, Belgium, and Germany. In the U.S., [numerous health care organizations, including the American Chiropractic Association \(ACA\), voiced concern when the 2011 implementation date was first proposed](#); the ACA had proposed that an Oct. 1, 2012 date be considered.

"Because of ICD-10's greater complexity, ACA is concerned that doctors of chiropractic will be ill-prepared for full implementation in three years," stated then-ACA executive vice president Kevin Corcoran in 2006. "As most doctors of chiropractic practice in small firms, the cost associated with an expanded code set is very significant; doctors need time to prepare for the expense of the software, as well as any new upgrade requirements that it might entail. Given the scale of the new ICD-10 system, a tremendous amount of time and money will be required for education and training. ... Even with implementation in 2012, many doctors of chiropractic will be hard-pressed to make a smooth transition to the new system."

Of note, [HHS released a second final rule on Jan. 15 regarding electronic transactions](#). The second rule "adopts an updated X12 standard, Version 5010, for certain electronic health care transactions, an updated version of the National Council for Prescription Drug Programs (NCPDP) standard, Version D.0, for electronic pharmacy-related transactions, and a standard for Medicaid pharmacy subrogation transactions. Version 5010 includes updated standards for claims, remittance advice, eligibility inquiries, referral authorization, and other administrative transactions. Version 5010 also accommodates the use of the ICD-10 code sets, which are not supported by Version 4010/4010A1, the current X12 standard" (emphasis added).

"HHS received more than 3,000 comments on the ICD-10 proposed rule, and support for transition to the ICD-10-CM and ICD-10-PCS code sets is strong throughout the health care industry," said Kerry Weems, acting administrator of the Centers for Medicare & Medicaid Services (CMS). "A number of commenters asked for a delay in the compliance dates for both ICD-10 and Version 5010, citing implementation costs, the need to train health care personnel, and to assure ample time for testing between trading partners. HHS recognized these concerns, and the final rules delay the implementation dates between the proposed and final rules by 21 months for the 5010 standards, and by 24 months for the ICD-10 codes. We look forward to working with all parties to ensure a smooth conversion to the updated transaction standards and ICD-10 code set."

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