March 2, 2012

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Re: Possible Delay of Deadline for Implementation of ICD-10 Code Sets

Dear Madam Secretary:

The National Committee on Vital and Health Statistics (NCVHS) is the statutory advisory committee with responsibility for providing recommendations on health information policy and standards to the Secretary of the Department of Health and Human Services (HHS). Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), NCVHS is to advise the Secretary on the adoption of standards and code sets for HIPAA transactions, including the transition from ICD-9-CM to ICD-10 code sets.

These are unprecedented times in health care. The pace of change is extraordinary and the opportunity to improve the health and health care of our nation accelerates with each passing month. Ironically, our success in the pace of advancement has also become our challenge. Nearly 20 years ago, NCVHS introduced the importance of timely conversion to ICD-10 code sets (see attached timeline). With this letter, the Committee strongly urges that, if you choose to delay the scheduled implementation of the ICD-10 code sets, such delay should be decided upon and announced **as soon as possible**, and the delay should **not be more than a year** from the current deadline, recognizing the significant financial burden that accrues with each month of delay. Furthermore, we recommend that you address in the Notice of Proposed Rulemaking the following issues:

1. Use the time to identify and address the obstacles to implementation. We believe it will be important for the Department to define and establish concrete, required steps that covered entities must take between now and the implementation deadline, along the lines of the transition steps we have recommended in previous letters, to ensure a successful transition.

2. Evaluate the financial impact on the communities that are on course with preparing for implementation by the current deadline and may incur

additional financial burden of maintaining two systems or stopping and restarting their preparation during a prolonged transition, as well as the financial burden borne by those who have not yet been able to begin their transition.

3. Take this opportunity of converting the ICD classification system from ICD-9-CM to the ICD 10 code sets to align this rule with the Meaningful Use Rule that specifies SNOMED CT as the standard clinical terminology for coding diagnoses on the problem list. The result would be that clinicians would document their diagnoses in the electronic health record (EHR) and their clinical terms and concepts would be converted by the EHR to SNOMED CT on the back-end. They would then have the capability of mapping SNOMED CT codes to ICD-10-CM using national standardized tools, such as the one recently developed by the National Library of Medicine (NLM) called I-Magic. This will ensure that each coding standard is used for the purpose for which it was designed, thereby helping to mitigate the ICD-10-CM user interface challenges. The NLM-developed I-Magic tool is a good example of a national, standardized user-friendly interface tool for the conversion from clinical language to these structured terminologies and classifications (SNOMED CT, ICD-10-CM).

Later this year we plan to hold hearings on the status of ICD- 10 Code Set industry planning and will be submitting to you additional recommendations on ways to achieve a successful transition to the new code set.

Sincerely,

/s/
Justine M. Carr, M.D.
Chairperson,
National Committee on Vital and Health Statistics

Cc: Data Council Co-Chairs

Enclosure

NCVHS and the Development of ICD-10-CM and ICD-10-PCS

The International Statistical Classification of Diseases and Health Related Problems (ICD), now in its tenth revision, has become the international standard diagnostic classification for all general epidemiological and many health management purposes. Originally designed to classify causes of death, the application of the classification to morbidity statistics has expanded with each subsequent revision. The United States and a number of other countries, however, continue to find it necessary to develop clinical modifications of the ICD to meet the needs of their respective healthcare systems that require more detailed clinical information from hospital, clinic and physician records.

ICD-9-CM
The clinical modification of ICD-9 (ICD-9-CM, Volumes 1 and 2) is adopted in the United States in 1979 for morbidity applications, at the same time that ICD-9 (published by WHO) is adopted for mortality data. No rulemaking is required.

ICD-10-CM Development Timeline

1993
The Tenth Revision of the International Statistical Classification of Diseases and Related Health Problems (ICD-10) is first released by the World Health Organization (WHO).

1994
National Committee on Vital and Health Statistics (NCVHS) sends a letter to the Assistant Secretary for Health urging the Department to consider the desirability and feasibility of developing a clinical modification of ICD-10 for morbidity purposes.

NCHS awards a contract to the Center for Health Policy Studies to evaluate ICD-10 for morbidity uses within the United States. A prototype of ICD-10-CM is developed following a thorough evaluation of ICD-10 by a Technical Advisory Panel (TAP) consisting of private and public sector stakeholders. The TAP concludes that there are compelling reasons for recommending an improved clinical modification of ICD-10 that would overcome most limitations of ICD-10 for morbidity applications. The TAP strongly recommends that NCHS proceed with implementation of a revised version of ICD-10-CM.

1995-1996
Further work on ICD-10-CM is undertaken by NCHS, including a thorough review of ICD-9-CM Coordination and Maintenance Committee proposals for modifications that could not be incorporated into ICD-9-CM and extensive collaboration with many medical/surgical specialty groups.

HCFA awards a contract to 3M HIS to develop the procedure classification system to replace Volume 3 of ICD-9-CM (hospital inpatient procedures). A Technical Advisory Panel provides review and comments throughout the development. The new procedure classification adheres to the criteria established by NCVHS for a procedure classification system in 1993.

1997
The draft of the Tabular List of ICD-10-CM, and the preliminary crosswalk between ICD-9-CM and ICD-10-CM is made available on the NCHS website for public comment during a three-month open comment period, which begins December 1997 and ends February 1998. More than 1,200 comments are

received from 22 individuals and organizations representing a variety of groups, including one governmental agency, two research institutions, three information system developers, four professional organizations, and several health care providers. Comments range from general observations to very specific and detailed analyses.

Clinical Data Abstraction Centers conduct formal testing of ICD-10-PCS.

1998
Additional formal testing is conducted for ICD-10-PCS, using ambulatory records.

Final version of ICD-10-PCS, training materials and crosswalk to ICD-9-CM procedure codes is posted on CMS website.

1997-2003
More than eight days of hearings are held by NCVHS with letters and written and oral testimonies provided by more than 80 public and private sectors groups representing the healthcare industry, the Federal and State governments, public health and research communities, insurers, and providers.

1999
ICD-10 is implemented in the United States for mortality reporting.

An overview of the comments received during the ICD-10-CM comment period is posted on the NCHS website in 1999. A summary of the comments also is presented at the November 1999 ICD-9-CM Coordination and Maintenance Committee meeting and posted on NCHS website.

1998
The Notice of Proposed Rulemaking (NPRM) for Transactions and Code sets is published by the Department, as required by the Health Insurance Portability and Accountability Act of 1996. ICD-9-CM is proposed as the initial standard for diagnoses and inpatient procedures. The NPRM includes the following language: *In addition to accommodating the initial code sets standards for the year 2000, those that produce and process electronic administrative health transactions should build the system flexibility that will allow them to implement different code formats beyond the year 2000.*

2000
The Final Rule for Transactions and Code Sets is published and states: *ICD-10-CM has great potential for replacement of ICD-9-CM.*

2000-2001
Further enhancements to ICD-10-CM continue with changes being made in response to the open comment period, as well as, input from physician specialty groups.

2003
The American Health Information Management Association (AHIMA) and the American Hospital Association (AHA) jointly conduct a pilot test of ICD-10-CM during June/July 2003. The study involves dual coding records in ICD-9-CM and ICD-10-CM. More than 6100 records from a broad cross section of health care community were dual coded by 180+ participants. The results indicated that: there is general support for adoption of ICD-10-CM; ICD-10-CM is seen as an improvement over ICD-9-CM; and ICD-10-CM is more applicable to non-hospital settings than ICD-9-CM.

NCVHS commissions a cost-benefit analysis on implementation of ICD-10-CM and ICD-10-PCS by the Rand Corporation. Blue Cross Blue Shield Association commissions Robert E. Nolan Company to prepare an alternate cost analysis; the Nolan study does not attempt to quantify benefits.

NCVHS sends a letter to the Secretary recommending replacement of ICD-9-CM with ICD-10-CM and ICD-10-PCS and initiation of the regulatory process (http://www.ncvhs.hhs.gov/031105lt.htm).

2003-2011
ICD-10-CM is updated annually every October 1 to accommodate changes made to ICD-10 by WHO and to incorporate changes made to ICD-9-CM diagnosis codes. ICD-10-PCS is updated annually every October 1 to incorporate changes made to ICD-9-CM, Volume 3.

2007
NCVHS sends a letter to the Secretary titled, "Revision to HIPAA Transaction Standards Urgently Needed." The letter states that "…there are specific and urgent business drivers (e.g., the need to accommodate ICD-10 codes) that justify adoption of Version 5010.

2008
In a letter to the Secretary on "Quality measurement and public reporting in the current health care environment", NCVHS recommends that the Department "Accelerate US adoption of ICD-10-CM and ICD-10-PCS by publishing the required notice of proposed rulemaking."

The Department publishes a Notice of Proposed Rulemaking for replacement of ICD-9-CM by ICD-10-CM and ICD-10-PCS on October 1, 2011.

2009
The Department publishes a final rule for adoption of ICD-10-CM and ICD-10-PCS by October 1, 2013.

2010
NCVHS conducts a hearing on implementation of updated versions of the HIPAA transaction standards and ICD-10 code sets. Following the hearing, the Committee sends a letter to the Secretary recommending that HHS, "Reiterate in every publication, presentation and public forum, that the deadline for Versions 5010, D.0 and 3.0 is January 1, 2012, and the deadline for implementation for ICD-10 code sets is October 1, 2013. These deadlines have been established by HHS as the law, and there is no justification for changing them. HHS, through CMS, must effectively publicize its commitment to the compliance dates."

2011
NCVHS holds another hearing on transition to updated versions of the HIPAA transaction standards and ICD-10 code sets and again recommends to the Department that "HHS should use all communication vehicles to reiterate and emphasize that the compliance dates for implementing 5010/D.0/3.0 and ICD-10 code sets are not changing."