

# Long-term Benefits Outweigh Costs

By Deborah Grider, CPC-EMS, CPC-H, CCS, CCS-P, CPC-P

I respect Brian Whitman's opinion from the American College of Physicians. He states that moving to ICD-10-CM will take incredible effort and expense. That is true. Practitioners will need to update their computer systems, train staff, and expect payment delays from insurance carriers, to name a few possible challenges.

The Rand Corporation, under the direction of the National Center for Healthcare Vital Statistics (NCVHS), performed a comprehensive and independent study on the costs and benefits of ICD-10-CM. The Rand Study indicated that the total cost for implementation will be approximately \$425 million to \$1.15 billion in one-time costs for system changes and training for providers, payers and vendors, plus between \$5 and \$40 million per year in lost productivity. Benefits were estimated between \$700 million and \$7.7 billion. These are just estimates. Is it worth it? Many in health care do not see the value of ICD-10-CM.

Based on the Rand Study, ICD-10-CM is technically superior to ICD-9-CM and represents the state of knowledge of the 90s rather than the 70s. It is more logically organized and contains more detail. Benefits include:

- Fewer miscoded, rejected and improperly reimbursed claims
- A better understanding of health care outcomes
- Improved disease management
- More accurate payment for new inpatient procedures
- A better understanding of the value of new procedures.

It may take five years to realize the benefits of ICD-10-CM. The study also suggests that the longer we wait to adopt ICD-10-CM and ICD-10-PCS, the more it will cost to adopt the system for providers in the future.

Will ICD-10-CM improve health care? That depends on how you look at it. Currently, there are 99 countries using ICD-10. The United States is still using ICD-9-CM. Our current system was

modified for clinical use in the late 70s and the system is outdated. There is very little room to expand ICD-9-CM. So much of the terminology and structure of ICD-9-CM is out of date. With ICD-10-CM, the United States will be internationally comparable with ICD-10 morbidity data. There will be a better ability to describe new diseases, along with a new understanding of diseases. ICD-10-CM entails the clinical classification and terminology that will help to transition the use of clinical terminology in electronic health records.

The House passed HR4157, Health Information Technology Promotion Act on July 27, 2006. This bill was very different from the Senate version, S1418 (the "Wired for Health Care Quality Act"). Although Congress was not able to pass legislation in 2006, supporters of ICD-10-CM are busy lobbying for passage of a bill to implement ICD-10-CM. As a result, included in HR 4157 was language that called for the implementation and use of ICD-10-CM and PCS by Oct. 1, 2010.

ICD-10-CM will provide better data for quality measurement and medical error reduction, include patient safety improvement activities, improve public health and bio-terrorism monitoring, provide more accurate reimbursement rates for inpatient coding, and provide a more comprehensive pay-for-performance initiative.

Personally, I do believe two years to prepare for ICD-10-CM once Congress passes the bill will be enough time for full implementation. However, even though many of you might not be in favor of moving to ICD-10-CM, we must begin to prepare for the inevitable. Coders and providers must be prepared to move forward with system readiness and training in order to undertake this monumental task. ■



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