



Sound Policy. Quality Care.

July 8, 2015

The Honorable Gary Palmer
206 Cannon House Office Building
Washington, DC 20515

RE: H.R. 2652, Protecting Patients and Physicians Against Coding Act of 2015

Dear Representative Palmer:

As the Alliance of Specialty Medicine (the "Alliance"), our mission is to advocate for sound federal health care policy that fosters patient access to the highest quality specialty care. In line with our mission, we applaud you for your ongoing leadership on an important issue to specialty physicians – the transition to the International Classification of Diseases – 10th Revision, or ICD-10.

Your legislation would address some of the challenges physicians face by establishing a two-year grace period where claims submitted to Medicare and Medicaid using ICD-10 would not be denied due to coding errors, and physicians would not be financially penalized in the event of coding errors, mistakes and/or malfunctions of the system. Your bill would also require the Department of Health and Human Services (HHS) to conduct a study on how the transition to ICD-10 has affected physicians and other healthcare providers, including how well HHS has helped physicians transition to the new code set. These provisions are consistent with the Alliance's policy on ICD-10, so we are pleased to support this bill.

Specialty physicians are seriously concerned about the significant disruptions to their practices and patient care as our country moves to the new coding and classification set, which is scheduled for permanent implementation on October 1, 2015. Implementing ICD-10 will result in a five-fold increase in diagnosis codes from 13,000 codes to approximately 68,000 codes. This is a massive administrative and financial undertaking for physicians who are already overwhelmed by overlapping regulatory requirements and uncertainty in a rapidly changing health care landscape.

As you know, there are significant costs associated with the conversion to ICD-10, ranging between \$50,000 to \$250,000 for small physician practices, and up to a staggering \$2,000,000 to \$8,000,000 for large practices. In addition, most of the resources and ICD-10 training developed by the Centers for Medicare & Medicaid Services (CMS) have been designed with primary care practices in mind; very little has been made available for specialty medicine providers, and even less for sub-specialty providers, if anything. Furthermore, CMS' General Equivalence Mappings (GEMs), which "map" the current ICD-9 codes to new ICD-10 codes, are not a direct "cross-walk" between the two classification systems, leaving most specialty practices -- particularly those that cannot afford to hire a "certified" coder -- to hunt through nearly 68,000 codes in hopes of finding the "right" one.

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For these, and other reasons, America's specialty physicians are deeply concerned about the impending conversion to ICD-10 and the impact of this federal mandate on their practices. Most specialty physician offices are unable to reserve the recommended three to six months of cash-on-hand to keep their doors open in the event of reimbursement delays or denials due to miscoding under the more complex ICD-10 code set. Moreover, the transition comes at a time when physicians are already feeling overwhelmed by the tsunami of current and impending regulations that continue to significantly increase their volume of "paperwork," distract from direct patient care, and are of questionable value to improving health care quality and resource use.

We appreciate CMS' recent announcement that the agency will provide a one-year "grace period" for the October 1, 2015 implementation of the ICD-10 diagnosis code set, as well as establish an ICD-10 Ombudsman and provide advanced payments to providers in certain circumstances when Medicare's contractors are unable to process claims, among other things. This is a significant step in the right direction. The Alliance will continue to work with the Congress and the Administration as implementation issues arise during the transition period.

We thank you for your leadership on this important issue for specialty physicians. Should you have any questions, or if you would like to set up a time to speak with the Alliance about our concerns, please contact Vicki Hart at 202-441-3515 or vhart@hhs.com.

Sincerely,

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