

December 20, 2012

Marilyn B. Tavenner
Acting Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Acting Administrator Tavenner:

The undersigned organizations appreciate the Obama administration's decision to delay the implementation of ICD-10 by one year to October 1, 2014. As you are aware, the American Medical Association's (AMA) House of Delegates approved new policy in November 2012, calling on the AMA to advocate that the Centers for Medicare & Medicaid Services (CMS) eliminate the implementation of ICD-10, and to immediately reiterate that the burdens imposed by ICD-10 will force many physicians in small practices out of business.

The implementation of ICD-10 will create significant burdens on the practice of medicine with no direct benefit to individual patient care, and will compete with other costly transitions associated with quality and health IT reporting programs. On top of these overlapping federal regulatory requirements, physicians face the threat of steep Medicare physician payment cuts due to the flawed sustainable growth rate (SGR), including a 26.5 percent cut on January 1, 2013, and a two percent deficit reduction sequester cut also beginning in January 2013. Stopping the implementation of ICD-10 is a critical, necessary step for removing regulatory burdens on physicians and ensuring that small physician practices are able to keep their doors open.

ICD-10 will be costly to implement

Implementing ICD-10 requires physicians and their office staff to contend with 68,000 outpatient diagnostic codes—a five-fold increase from the current 13,000 codes. This is a massive administrative and financial undertaking for physicians, requiring education, software, coder training, and testing with payers. Physicians will be responsible for all of these costs, which, depending on the size of a medical practice, will range from \$83,290 to more than \$2.7 million.

ICD-10 will disrupt physicians' efforts to implement health IT and participate in new delivery and payment reform models

The timing of the ICD-10 transition could not be worse as many physicians are currently spending significant time and resources implementing electronic health records (EHRs) into their practices. Physicians are also facing present and future financial penalties if they do not successfully participate in multiple Medicare programs already underway, including e-prescribing, EHR meaningful use, and the Physician Quality Reporting System (PQRS) and value-based modifier programs. As you well know, we do not support the financial penalties associated with these programs. Moreover, the compounding effect of these potential penalties is made worse by the up to two-year lag time between the periods for measuring performance and applying penalties—making it impossible for physicians to learn about and correct errors and avoid penalties before ICD-10 implementation begins. The number of financial, technological, and operational pressures physicians are facing today could also adversely impact physician participation rates in new delivery and payment reform models intended to support higher quality, lower cost, and more efficient care. It is imperative that the Administration work with physicians and other stakeholders to develop a roadmap outlining the various, competing health IT, quality,

and Health Insurance Portability and Accountability Act requirements to ensure that the timelines are synchronized to the greatest degree possible to minimize the burdens on physicians.

Stopping the implementation of ICD-10 and calling on appropriate stakeholders to assess an appropriate replacement for ICD-9 will help keep adoption of EHRs and physician participation in delivery and payment reform models on track and reduce costly burdens on physician practices.

Sincerely,

American Medical Association
American Academy of Asthma, Allergy and Immunology
American Academy of Dermatology Association
American Academy of Emergency Medicine
American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Family Physicians
American Academy of Ophthalmology
American Academy of Otolaryngic Allergy
American Academy of Otolaryngology—Head and Neck Surgery
American Academy of Physical Medicine and Rehabilitation
American Academy of Urgent Care Medicine
American Association of Clinical Endocrinologists
American Association of Clinical Urologists
American Association of Neurological Surgeons
American College of Allergy, Asthma and Immunology
American College of Cardiology
American College of Chest Physicians
American College of Occupational and Environmental Medicine
American College of Osteopathic Family Physicians
American College of Osteopathic Surgeons
American College of Rheumatology
American Osteopathic Association
American Society for Clinical Pathology
American Society of Anesthesiologists
American Society of Cataract and Refractive Surgery
American Society of General Surgeons
American Society of Nephrology
American Society of Neuroradiology
American Society of Plastic Surgeons
American Urological Association
Congress of Neurological Surgeons
International Spine Intervention Society
Joint Council of Allergy, Asthma and Immunology
Medical Group Management Association
North American Spine Society
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society of Cardiovascular Computed Tomography
The Endocrine Society
The Society of Thoracic Surgeons

Medical Association of the State of Alabama
Alaska State Medical Association
Arizona Medical Association
Arkansas Medical Society
California Medical Association
Colorado Medical Society
Connecticut State Medical Society
Medical Society of Delaware
Medical Society of the District of Columbia
Florida Medical Association Inc
Medical Association of Georgia
Hawaii Medical Association
Illinois State Medical Society
Indiana State Medical Association
Iowa Medical Society
Kansas Medical Society
Kentucky Medical Association
Louisiana State Medical Society
MedChi, The Maryland State Medical Society
Massachusetts Medical Society
Michigan State Medical Society
Mississippi State Medical Association
Missouri State Medical Association
Montana Medical Association
Nebraska Medical Association
Nevada State Medical Association
New Hampshire Medical Society
Medical Society of New Jersey
New Mexico Medical Society
Medical Society of the State of New York
North Carolina Medical Society
North Dakota Medical Association
Ohio State Medical Association
Oklahoma State Medical Association
Pennsylvania Medical Society
South Carolina Medical Association
South Dakota State Medical Association
Texas Medical Association
Utah Medical Association
Medical Society of Virginia
West Virginia State Medical Association
Wyoming Medical Society