Statement of Sid Hebert
Humana
On Behalf of America's Health Insurance Plans
to the
National Committee on Vital and Health Statistics' Subcommittee on Standards
Regarding the Implementation of ICD-10
June 10, 2014

Overview and Introduction

My name is Sidney Hebert. I am the ICD-10 Program Director for Humana Inc. with the primary responsibility of assisting my company with implementing the revised HIPAA electronic transaction standards, ICD-10 code sets and Administrative Simplification mandated by the Patient Protection and Affordable Care Act (ACA).

Humana Inc., headquartered in Louisville, KY., is a leading health care company that offers a wide range of insurance products and health and wellness services that incorporate an integrated approach to life long well-being. By leveraging the strengths of its core businesses, Humana believes it can better explore opportunities for existing and emerging adjacencies in health care that can further enhance wellness opportunities for the millions of people across the nation with whom the company has relationships.

Today, I am testifying on behalf of America's Health Insurance Plans whose members provide health and supplemental benefits to more than 200 million Americans through employer-sponsored coverage, the individual insurance market and public programs such as Medicare and Medicaid. Our industry processes millions of claims, eligibility requests, payments and other administrative and clinical transactions on a daily basis. The migration to the ICD-10 code sets will have a major impact on the business and administrative operations of health plans and will require significant financial and human resources for successful implementation.

On behalf of AHIP, I want to let the Subcommittee know that the health insurance industry remains committed to the implementation of ICD-10, which will allow practitioners to identify and report conditions and condition management in more specific ways that will lead to more effective measurements of quality and outcomes. Health plans invested a tremendous amount of time and resources to be ready by the October 1, 2014 deadline. To date, ICD-10 has been delayed twice and this must be the last delay. Each delay brings significant costs and additional administrative challenges for plans and providers that are ready for implementation – penalizing those who have invested the time and resources necessary to implement on time. Further delays

will also prevent providers and payers from leveraging ICD-10 to improve patient care and clinical outcomes.

As I indicated when I spoke before the Subcommittee in February, Humana began planning and executing ICD-10 remediation in 2009, recognizing that this complex coding system requires careful and systematic management for successful implementation. Currently, we anticipate maintaining our ICD-9 compatible system for 18 months, after the compliance date, only fixing any system bugs identified while we plan for a reduced claims volume submitted using ICD-9. Operating these dual systems comes at a great administrative cost and further changes to the implementation date will greatly magnify these costs.

Today, I want to speak to how we must all work together to ensure that there are no further delays beyond the October 1, 2015 date recently announced by CMS. I want to stress the importance of us not relying solely on CMS to ensure industry readiness in 2015, but instead how all healthcare stakeholders can collaborate with CMS to ensure a smooth transition across the industry. This collaboration is dependent on five things:

- a focus on provider readiness;
- vendor readiness;
- ongoing support for implementers;
- a realistic implementation approach; and
- testing.

I will now talk in more detail on these five points.

Focus on Provider Concerns
The recent enactment of H.R. 4302, the "Protecting Access to Medicare Act" demonstrated that providers still have numerous concerns about the adoption of ICD-10. To me this demonstrates a need to better educate providers regarding what exactly they need to know to successfully submit ICD-10 claims. Successful implementation of ICD-10 comes down to the plain and simple fact that providers will need to understand how to code correctly. I recommend that providers consult the AAPC guidelines that outline the mapping between ICD-9 to ICD-10. With these simple guidelines, providers can better understand the practical impact of the ICD-10 transition on their specific specialty.

Providers need clear step-by-step guidance on what they need to do to get ready for ICD-10. While the Workgroup for Electronic Data Interchange (WEDI) has issued implementation strategies and plans, providers need a more detailed implementation guide and project plan that is easily customizable for various provider types. CMS should drive this effort working closely with key provider groups to ensure acceptance and progress toward implementation of ICD-10.

Vendor Readiness
In addition to provider readiness, key pieces of the puzzle are the practice management and billing systems used by most if not all providers. Having certified practice management software (PMS) systems ensures providers will be ready by the deadline and minimizes the number of partners that health plans have to test with. Certification also makes testing much more

straightforward – allowing plans to focus more on the correct coding aspects of ICD-10 implementation, instead of the connectivity necessary to submit compliant claims. We strongly urge the Subcommittee to support the WEDI/EHNAC ICD-10 certification partnership efforts to certify practice management systems. These certified vendors also serve as an important provider education channel and ensure support for other key administrative simplification goals like electronic transactions and operating rule support. Our recommendation would benefit health plans and providers. For health plans, certification would enable plans to easily collect the documentation and certification materials necessary to demonstrate ICD-10 readiness with no additional work required by the provider. For providers, certified practice management systems would include useful tools to help them select the correct ICD-10 code – easing the transition from ICD-9 to ICD-10.

Ongoing Support for Implementers

To provide ongoing support for implementers, we recommend CMS create a repository of best industry education collateral. This way, we can combine efforts to ensure that providers are getting the best information possible from both CMS and private industry.

Implementation Approach

Some stakeholders continue to advocate for dual implementation timelines – separate implementation dates for physicians and facilities. We believe this approach is unworkable. We continue to support the implementation approach outlined in past rules, where there is a clean transition from ICD-9 to ICD-10 for all providers. Alternative approaches suggested by some stakeholders are problematic in that they would require health plans to maintain dual ICD-9 and ICD-10 capable systems to account for the run-out period of claims from services rendered prior to October 1, as well as to support the different provider types with different code bases simultaneously. Currently, we anticipate maintaining our ICD-9 compatible system for an additional 18 months, only fixing any system bugs identified while we plan for a reduced claims volume submitted using ICD-9. Operating these dual systems is administratively complex and expensive.

Testing

To improve education and testing outcomes during the delay, the focus of existing education and preparedness efforts should transition away from larger facilities (most of who are adequately prepared for ICD-10) to smaller hospitals and physician organizations. We are now deep into our implementing testing with larger facilities throughout our provider network. As part of this process, we developed a three-stage methodology to help us and our providers understand the financial implications of ICD-10 migration.

- Stage 1: Coding Test: Large facilities demonstrated that they could accurately code 10 common scenarios. We reached a strong agreement on the coding of ICD-10 claims and gained confidence that large facilities were familiar with how to code in ICD-10.

- Stage 2: Coding Mapping between ICD-9 and ICD-10. We selected 150-300 historical claims to identify participating facilities top 10 claims scenarios. We asked them to recode in ICD-10 previous actual claims coded in ICD-9. Based on detailed meetings

with facility staff to review the findings of our analysis, we understood where we had alignment.

- Stage 3: Electronic Claims Submission. We then asked around 70 facilities to re-code approximately 300-500 claims in ICD-10 and send to us electronically.

Going through these three stages with large facilities will complete end-to-end testing for select providers. However, it will not be possible to do this type of testing with all providers and we are not able to tell providers exactly how to code due to legal issues. It is our view that support for the WEDI/ENHAC ICD-10 certification program is the most effective way to ensure that providers are confident in their ability to successfully submit ICD-10 codes to payers by the compliance date.

Closing

I want to reiterate the health insurance industry's support for the implementation of ICD-10, which has numerous benefits including greater precision in the identification of diagnoses and procedures, improved reporting for public health and bio surveillance, and support for quality improvement programs. Health plans have expended significant resources to date in implementation and it is critical that this momentum is sustained and that October 1, 2015 be the last deadline for implementation of ICD-10. We recommend that CMS broaden its effort and take steps in the five areas that I have outlined in my remarks.

I thank you for the opportunity to provide input to the Subcommittee's deliberations.