GAO Highlights

Highlights of GAO-15-255, a report to the Committee on Finance, U.S. Senate

January 2015

INTERNATIONAL CLASSIFICATION OF DISEASES

CMS's Efforts to Prepare for the New Version of the Disease and Procedure Codes

Why GAO Did This Study

In the United States, every claim submitted by health care providers to payers—including Medicare and Medicaid—for reimbursement includes ICD codes. On October 1, 2015, all covered entities will be required to transition to the 10th revision of the codes, requiring entities to develop, test, and implement updated information technology systems. Entities must also train staff in using the new codes, and may need to modify internal business processes. CMS has a role in preparing covered entities for the transition.

GAO was asked to review the transition to ICD-10 codes. GAO (1) evaluated the status of CMS's activities to support covered entities in the transition from ICD-9 to ICD-10 coding; and (2) described stakeholders' most significant concerns and recommendations regarding CMS's activities to prepare covered entities for the ICD-10 transition, and how CMS has addressed those concerns and recommendations. GAO reviewed CMS documentation, interviewed CMS officials, and analyzed information from a non-probability sample of 28 stakeholder organizations representing covered entities and their support vendors, which GAO selected because they participated in meetings CMS held in 2013 or met GAO's other selection criteria.

GAO provided a draft of this report to HHS. HHS concurred with GAO's findings and provided technical comments, which GAO has incorporated, as appropriate.

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What GAO Found

The Centers for Medicare & Medicaid Services (CMS), within the Department of Health and Human Services (HHS), has undertaken a number of efforts to prepare for the October 1, 2015, transition to the 10th revision of the International Classification of Diseases (ICD-10) codes, which are used for documenting patient medical diagnoses and inpatient medical procedures. CMS has developed educational materials, such as checklists and timelines, for entities covered by the Health Insurance Portability and Accountability Act of 1996 (HIPAA)—that is, health care providers, clearinghouses, and health plans, which GAO refers to as "payers"—and their support vendors. In addition, CMS has conducted outreach to prepare covered entities for the transition by, for example, holding in-person training for small physician practices in some states. CMS officials have also monitored covered entity and vendor readiness through stakeholder collaboration meetings, focus group testing, and review of surveys conducted by the health care industry. CMS also reported modifying its Medicare systems and policies. For example, CMS documentation states that the agency completed all ICD-10-related changes to its Medicare fee-for-service (FFS) claims processing systems, which reflect the results of internal testing. At this time, it is not known what, if any, changes might be necessary based upon the agency's ongoing external testing activities. CMS has also provided technical assistance to Medicaid agencies and monitored their readiness for the transition. For example, all Medicaid agencies reported that they would be able to perform all of the activities that CMS has identified as critical by the transition deadline; however, as of November 2014, not all agencies have started to test their systems' abilities to accept and adjudicate claims containing ICD-10 codes.

Stakeholder organizations identified several areas of concern about the ICD-10 transition and made several recommendations, which CMS has taken steps to address. For example, stakeholders expressed concerns that CMS's testing activities have not been comprehensive. In addition, while all 28 stakeholders GAO contacted indicated that CMS's educational materials have been helpful to covered entities, stakeholders were concerned about the extent to which those entities were aware of and using those materials. In response, CMS officials said that the agency has scheduled end-to-end testing with 2,550 covered entities during three weeks in 2015 (in January, April, and July), and has promoted awareness of its educational materials by, for example, partnering with payers, providers, and others to direct users to available CMS and industry educational resources. Stakeholders also recommended that CMS expand its in-person training and develop additional specialty-specific materials. CMS officials said the agency has added in-person training in additional states with plans to also offer more video trainings, and planned to develop additional specialty-specific materials. Additionally, stakeholders recommended that CMS do more to engage covered entities through non-electronic methods and to make its Medicare FFS contingency plans public. CMS officials indicated that the agency employs various methods to engage covered entities—including bi-weekly stakeholder collaboration meetings and print advertisements—and also conducted a direct mail pilot project to primary care practices in four states, and plans to expand the pilot. CMS officials also indicated the information in the agency's contingency plans that are relevant to providers is currently publicly available.