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## **Dismay, relief greet latest ICD-10 implementation delay**

--By *Catherine Brandon, Arnold & Porter LLP*

*From international law firm Arnold & Porter LLP comes timely views on current regulatory and legislative topics that weigh on the minds of today's physicians and health care executives.*

On April 1, President Barack Obama signed into law the Protecting Access to Medicare Act of 2014.

In addition to providing a 13-month Medicare sustained growth rate formula "patch" that prevented a 24% cut to Medicare physician payments, the legislation pushes back national implementation of the next generation of diagnosis and inpatient procedure codes, known as ICD-10.

The new code set is designed to accommodate new diseases and procedures as well as be more descriptive and specific. The transition, however, requires anyone covered by the Health Insurance Portability Accountability Act to update their billing and medical record software and/or charge masters to accommodate more than 68,000 new ICD-10 codes (up from about 14,000 ICD-9 codes). Transition from ICD-9 to ICD-10 for all providers and insurers was originally scheduled for Oct. 1, 2013. In August 2012, however, the Department of Health and Human Services delayed ICD-10 compliance date 1 year — to Oct. 1, 2014 — to allow covered entities more time to prepare for the transition.

To the surprise of providers and payers, the new law prevents HHS from adopting the ICD-10 code sets until at least Oct. 1, 2015. Many providers and payers were shocked to learn they had collectively spent hundreds of millions of dollars preparing for a deadline that no longer exists, especially since, just last month, the Obama administration said it wouldn't delay the transition again.

The delay is likely to be well received, however, by some smaller health care providers, who may not have been prepared for the switch this fall, and will provide entities with additional time for end-to-end testing of their updated systems.

The law leaves open the possibility that HHS could delay adoption even further; thus, those who use these codes will be looking for HHS to provide clarity quickly regarding the new deadline for implementation.

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