

DEPARTMENT OF HEALTH & HUMAN SERVICES

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Washington, DC 20201



Public Affairs Office

MEDICARE NEWS

For Immediate release
October 2, 2007

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CMS AWARDS CONTRACT FOR ICD-10 IMPACT ANALYSIS

The Centers for Medicare & Medicaid Services (CMS) today announced a contract to the American Health Information Management Association (AHIMA) to begin assessing the impact on CMS of replacing the ICD-9 code sets now used in reporting health care transactions with the ICD-10 versions.

The AHIMA will analyze CMS' systems, policies and operations to determine potential impacts of transitioning from the ICD-9 to the ICD-10, including the ICD-10's ability to support more accurate payment for new procedures, efficient claims processing, and improved disease management.

"The awarding of this contract reflects CMS' commitment to ensuring that the transition from the ICD-9 to the ICD-10 code sets will be thoughtfully planned and implemented throughout CMS and the health care community," CMS Acting Administrator Kerry Weems said. "While we are still assessing the implementation and timing of the ICD-10, our proactive approach should send a signal to hospitals and others stakeholders who use the ICD-9 coding to begin making their own transition plans."

CMS anticipates replacing the ICD-9 diagnosis codes with the ICD-10 diagnosis codes, and the ICD-9 codes for inpatient hospital procedures with the ICD-10 procedural codes. The ICD-9 diagnosis and procedural codes were designated by the Secretary of Health and Human Services under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to be used for administrative transactions in both the government and private sectors to report diagnoses and inpatient hospital procedures. ICD stands for International Classification of Diseases.

All health care providers and suppliers use ICD-9 diagnosis codes, while ICD-9 procedure codes are used only by hospitals to report inpatient procedures. ICD-9 codes are used for many purposes, including reimbursement, quality reporting, pay for performance, benchmarking, health care policy, public health reporting and research.

ICD-9, which was developed nearly three decades ago, has a total of 17,000 codes, which limits its ability to accommodate new procedures and diagnoses. By comparison, ICD-10 is a more robust, descriptive code set of approximately 210,000 diagnosis and procedure codes, allowing more room for growth to reflect new diagnoses, procedures, and technology. Currently, all G-7 countries, except the United States, have adopted the ICD-10 coding system.

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The ICD-10-CM code set is maintained by the National Center for Health Statistics of the Centers for Disease Control and Prevention for use in the United States, and is based on ICD-10, which was developed by the World Health Organization and is used internationally. The ICD-10 code set is maintained by CMS.
