

**Statement of Ranking Member Frank Pallone, Jr.
Committee on Energy and Commerce
Subcommittee on Health Hearing
“Examining ICD-10 Implementation”**

February 11, 2015

I would like to thank the Chairman for calling this hearing on ICD-10 implementation. And thank the witnesses for their testimony here today.

The United States has lagged behind the rest of the industrialized world for too long, and we need to catch up. Transitioning from the outdated ICD-9 coding system will improve health care quality and save taxpayer dollars. Our country is set to implement ICD-10 on October 1st of this year; any further delay will waste more time and resources.

Our health care system has been using the ICD-9 codes to classify diagnoses and procedures since 1979. Think of the medical breakthroughs that have occurred in the last 30 plus years. Since then, there have been new medical devices created and new treatments and

conditions discovered. For example, Ebola was discovered just a couple years before the implementation of ICD-9, and a specific code for the virus only exists under ICD-10.

Under ICD-9 providers are not able to correctly classify these new procedures, and payers are not able to correctly reimburse for them. Updating the codes to ICD-10 will reduce the administrative burden of clarifying the outdated ICD-9 codes for diagnoses and procedures for both providers and payers alike.

Further, more specific codes will help us make great strides in health care quality. As we strive for our health care system to move towards paying for quality and value instead of volume, these more specific data will help payers implement incentives for better patient outcomes. And better specificity will help providers, who are increasingly held accountable for patient safety and readmission rates, examine their practices and improve patient outcomes. Practices will

better be able to help patients by analyzing risk, severity, and complexity. This will lead to more individualized patient care and better outcomes.

We simply cannot delay ICD-10 again. Another delay will be incredibly harmful to the health care sector. Many providers, health systems, and insurers have already devoted time, resources to ICD-10. With each delay, worker training has to stop and restart, wasting those providers and coders' time and the practices' money. And an estimated 25,000 students that are in school to become medical coders are learning only the ICD-10 coding system; further delay will harm their job prospects.

Meanwhile, a GAO report released last Friday revealed the unprecedented steps that CMS has taken to ensure that providers are ready to make the transition. From building a technical assistance website, to doing outreach to small providers, CMS has gone above and

beyond to ensure a smooth process. CMS is also taking steps internally, including a series of end-to-end tests with thousands of providers, to ensure that Medicare fee-for-service is ready to accept ICD-10 codes from Medicare providers.

It is clear to me that implementing ICD-10 is well worth the investment. Again, I want to thank the Chairman for calling this hearing, and I yield back the balance of my time to Representative Matsui.