

Written Statement of Kristi A. Matus
Chief Financial and Administrative Officer
athenahealth, Inc.
House Energy and Commerce Committee, Health Subcommittee
Hearing: “*Examining ICD-10 Implementation*”
February 11, 2015

Summary of key points:

- ICD-10 should be implemented on October 1, 2015, the current deadline, or it should be canceled outright. No further delays in implementation should be imposed.
- Repeated delays in deadlines associated with key goals of our nation’s ambitious, bipartisan healthcare agenda undermine the government’s credibility and impede progress on crucial initiatives.
- ICD-10 is not a silver-bullet. But on the spectrum of needed systemic changes, it is a comparatively simple one—the technological equivalent of an upgrade from a relatively simple dictionary to a more complex one.
- We know that the switch to ICD-10 is possible. Much of the developed world has already successfully made the switch. Each of athenahealth’s 60,000-plus care providers was ready before last year’s deadline, and is ready today. Many other stakeholders are equally prepared.
- Repeated delays result in uncertainty, impose significant costs, create fear and stasis in the marketplace, and provide cover for unprepared vendors. This exacerbates future unpreparedness with regard to ICD-10 specifically, and the many other, more important changes necessary to improve technological sophistication in healthcare and transition from fee-for-service to value-based models.

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Full Statement

athenahealth, Inc. provides electronic health record (EHR), practice management, care coordination, patient communication, data analytics, and related services to physician practices, working with a network of more than 60,000 healthcare professionals who serve over 60 million patients in all 50 states. All of our providers access our services on the same instance of continuously-updated, cloud-based software. Our clients’ successes, exemplified by a Meaningful Use attestation rate more than double the national average and universal readiness for ICD-10 implementation, underscore the very real potential of health IT to improve care delivery and patient outcomes while increasing efficiency and reducing systemic costs. We appreciate the opportunity to share with the Subcommittee our perspective on ICD-10 implementation.

Based on our experience of partnering with medical practices to improve efficiency and outcomes, our point of view is simple: it is decision time. The federal government should maintain the current deadline for ICD-10 implementation, October 1, 2015, or cancel it, once and for all. Do not allow another delay.

Our nation has an extraordinarily ambitious, largely bipartisan healthcare agenda. From the effort to transition the nation’s care providers to modern technology via the Meaningful Use program and other incentives, to the clear imperative of shifting from the costly fee-for service model to value-based delivery and payment structures, we have

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collectively resolved to tackle a series of very difficult, complex problems. All of these initiatives are animated by the over-arching goal of reducing costs and improving the quality and efficiency of patient care. To cite just one particularly timely example, the 21st Century Cures package of initiatives championed on a bipartisan basis by the Chairman and several Members of the Energy and Commerce Committee has tremendous potential to improve healthcare, but many of its components assume and depend upon continued technological evolution.

ICD-10 is by no means a silver-bullet solution to the many deficiencies of our current healthcare system, nor a panacea to address the specific imperatives described above. But on the spectrum of the challenges we face in healthcare, ICD-10 is a relatively easy one—the technological equivalent of an upgrade from a simple dictionary to a more complex one. Implementation will be orders of magnitude less difficult than achieving the changes in human behavior necessary for the Meaningful Use program to succeed, or achieving the fundamental evolution in healthcare business models necessary for truly accountable care. Repeatedly delaying the implementation of such a relatively simple change as ICD-10 calls into question whether we, as a country, are truly committed to improving healthcare, and potentially undermines the success of our national healthcare agenda by casting doubt on each subsequent goal and deadline the government sets.

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Fortunately, we know to a high degree of certainty that the ICD-10 switch is absolutely possible. Much of the developed world made the switch years ago, including, for example, the Czech Republic, Korea, and Thailand—where according to the World Bank the average annual healthcare spend per capita is 215 dollars, compared to nearly \$9,000 here in the United States. The ICD-10 code set was finalized in the early 1990s, at the very dawn of the consumer internet. ICD-9, still in use today in the United States, dates to the 1970s. There is simply no reason for the United States, a world leader in information technology outside of healthcare, should lag so conspicuously behind the rest of the developed world when it comes to our ability to track, document, and analyze the many millions of diagnoses made each day in this country.

More to the point, we know to a certainty that ICD-10 readiness is possible because we and others have achieved it. At athenahealth, we have already completed the work necessary to ensure that our clients were ready at last year’s deadline, as they will be ready at this year’s. We financially guarantee ICD-10 readiness for each of our tens of thousands of clients. And we are not the only solution. According to a 2014 survey by the ICD-10 Coalition, more than seventy five percent of the nation’s hospitals and health groups were ready for the transition last year. A Workgroup for Electronic Data Interchange (WEDI) September 2014 survey of 87 vendors indicated that two thirds of vendors have ICD-10 ready products available, roughly twice as many as in 2013.

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Many of our clients practice in exactly the kinds of small medical groups that have expressed significant concerns about the changes required to adapt ICD-10. Each new delay only multiplies the financial and emotional costs to such practices, which struggle not only with the implications of a possible code switch, but the persistent uncertainty created by repeated delays. Fear creates stasis, inhibiting progress not only on ICD-10, but also on the other more important systemic reforms referenced above, like the slow but steady transition to modern information technology, and the crucial shift from fee-for-service to value-based delivery and reimbursement models.

athenahealth's clients have no reason to fear. Because our services are internet-based, we will throw a virtual switch at the moment the ICD-10 requirement goes into effect and every one of our clients will be upgraded at that same moment. Our clients will not wait in implementation queues, nor will they face any degree of uncertainty about their readiness to meet the October 1 deadline. There is a solution to the perceived ICD-10 problem, and we certainly are not the only ones who can provide it.

Unfortunately, previous ICD-10 delays have exacerbated the unpreparedness that does continue to plague some of our nation's care providers, by affording cover to health IT vendors that, for whatever reason, have chosen not to prepare for implementation.

Repeated delays of supposedly firm deadlines—both in ICD-10 and in other health IT programs, like Meaningful Use—make it all too easy for some in our industry to doubt

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future deadlines. Delays unintentionally create incentives for some vendors to forego the work necessary to prepare for ICD-10, confident that their failure to prepare will not ultimately harm their clients, or their own business interests, because the government will continue to kick the can and not really move forward with the reforms that improve efficiency and patient care. The WEDI vendor survey referenced above indicated that the most recent delay to 2015 negatively impacted provider readiness, causing two thirds of providers to delay their preparation efforts or place them on hold. This is a damaging cycle of non-performance that will only be broken when the government resolves to stick to the deadlines it communicates.

In summary, our position is simple: Either ICD-10 is worth doing, or it is not. If it is, then Congress and the Administration should enforce the October 1, 2015 deadline. There will be some disruption, but our industry and the nation’s care providers will respond and adapt. Those who have not prepared for implementation will take the necessary steps to catch up to those who have.

If, however, Congress and the Administration conclude that the benefits of ICD-10 do not outweigh the potential risk of systemic disruption, then the program should be canceled outright, with subsequent regulation focused more aggressively on the few fundamental changes in healthcare that are necessary to cure our current dysfunctional system.

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On behalf of athenahealth’s 60,000-plus care provider clients and their many thousands of colleagues we urge you in the strongest possible terms: do not again kick this can down the road. Pull the trigger or pull the plug.

We appreciate the opportunity to share our perspective on this important issue, and stand ready to respond to any follow-up questions or requests for additional information.