



**American Hospital  
Association**

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November 20, 2013

Jonathan Blum  
Deputy Administrator and Director for the Center of Medicare  
Center for Medicare & Medicaid Services  
Department of Health and Human Services  
Attention: CMS-1526-P  
P.O. Box 8010  
Baltimore, MD 21244-8010

Dear Mr. Blum:

**On behalf of our nearly 5,000 member hospitals, health care systems and other health care organizations, I write to respectfully urge the Centers for Medicare & Medicaid Services (CMS) to expedite its ICD-10 testing plans to ensure that testing begins no later than January 2014 and be made available to all hospitals.** We appreciate the agency's efforts to offer extensive educational opportunities for providers. However, **extensive, end-to-end testing by Medicare contractors and state Medicaid agencies of both the electronic transaction and the adjudication of the claim will be needed to ensure a smooth transition from ICD-9 to ICD-10.** The American Hospital Association (AHA) encourages the agency to make its testing plans known as quickly as possible so that hospitals and other health care providers can be confident that all parties will be ready on Oct. 1, 2014.

Hospitals across the country have invested significant financial and human resources in preparing for the transition to ICD-10 that will occur on Oct. 1, 2014. Our members have told us that they are ready, or nearly ready, to start external testing with CMS and others. Therefore, we were concerned to read recent news articles stating that the agency would not undertake external testing of ICD-10 due to a lack of funding within the agency, according to a CMS official.

At the Nov. 5 ICD-10 stakeholder meeting, various associations gathered to discuss their efforts to help their members successfully transition by the ICD-10 compliance date. While the AHA is encouraged by the progress participants at the meeting had made in educating payers, providers and clearinghouses, we also heard about the importance and need for testing. The CMS Office of E-Health Standards and Services announced at the stakeholders' meeting that the agency will soon issue a notice on its plans for external testing of ICD-10 with providers and clearinghouses. It was not clear, however, what the scope or timeline for external testing by CMS contractors would be. Nor could the agency provide a date for when more specific information would be available.



Testing is not only essential to ensuring that the transition to ICD-10 goes as smoothly as possible, it is a legal requirement under Section 1104 of the *Patient Protection and Affordable Care Act* (ACA). Specifically, the ACA requires all health plans (including Medicare and Medicaid) to certify that they are in compliance with all HIPAA transaction standards and operating rules, including ICD-10. The ACA goes on to state that a health plan “shall not be certified as being in compliance with such standards, unless the health plan ... provides documentation showing that the plan has **completed end-to-end testing for such transactions with their partners, such as hospitals and physicians**” (emphasis added).

**It is essential that all testing be completed by the end of June so that providers, payers and clearinghouses can resolve any issues discovered during testing and complete training well in advance of the Oct. 1, 2014 transition date.** To provide sufficient time for testing by all providers by the end of June, it is important that the external testing begin no later than January 2014. Indeed, a survey we conducted earlier this year indicated that most hospitals are targeting January 2014 through June 2014 for external testing with their partners. Some have already begun testing with private-sector payers.

**As CMS rolls out external testing, we ask the agency to allow for and provide the same opportunity for small hospitals to test with your contractors as larger facilities.** We are concerned that these providers will be overlooked because in previous testing, such as the transition to the 5010 version of the transaction standards, small providers were left out of the testing phase or relegated to being last on the testing schedule.

Successful testing requires two essential components:

- **Testing connectivity and the transaction exchange for a claim containing ICD-10 codes.** Since the current 5010 transaction standard will be used to transmit the ICD-10 codes, we do not expect connectivity problems arising from the claims data exchange. Nevertheless, this testing step still needs to be done to ensure that any changes made to accommodate the ICD-10 codes in the 5010 standard did not create exchange problems. The connectivity test also should include plans for front-end edit testing of the claim to ensure that it can pass an initial review of claim integrity and then move forward to the next level – the claims adjudication process.
- **Testing the provider’s and payer’s ability to correctly handle the ICD-10 content as part of the claims adjudication process.** The test of the claims adjudication process should help providers understand whether there is a match between the anticipated payment and the payment actually assigned by the health plan. This step will allow hospitals to identify and correct any errors in their documentation and coding processes. It will also provide them with needed information to estimate how the transition might affect revenues.

**The AHA stands ready to assist CMS in defining the specifics of the testing process and disseminating information about it.** The instructions on how a hospital can register for testing

Mr. Jonathan Blum  
November 20, 2013  
Page 3 of 3

need to be communicated or made readily available on a website. Additionally, the “go-live” date for testing should be the same for all Medicare contractors. Given the narrow window to conduct testing, CMS could consider setting some volume parameters for testing that would allow all providers an opportunity to test; otherwise, it could be dominated by larger volume providers.

The transition to ICD-10 is important to our understanding of health care delivery and requires cooperation from all parties – health care providers, public and private payers and clearinghouses. As the clock runs out on preparation time, all parties must re-double their efforts to ensure a smooth and timely roll-out of the project. We urge CMS to take the necessary steps to conduct all necessary testing for ICD-10 and stand ready to help in the process.

Should you have any additional questions or concerns about the approach mentioned above, please contact me or have your staff contact George Arges, senior director of health data management, at (312) 422-3398 or [garges@aha.org](mailto:garges@aha.org). Thank you for your consideration of this important issue.

Sincerely,

/s/

Linda E. Fishman  
Senior Vice President, Public Policy Analysis and Development

cc: Robert Tagalicod, Director, Office of E-Health Standards and Services