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ICD-10 Coding Basics

Leah Nguyen Intro

I am Leah Nguyen, from the Provider Communications Group here at CMS. I would like to welcome you to today's MLN Connects video on the International Classification of Diseases, 10th Edition or ICD-10. Are you ready to transition to ICD-10 on October 1, 2014? Now is the time to prepare.

Today, we will be discussing ICD-10 basics, and we have a special guest speaker, Sue Bowman from the American Health Information Management Association or AHIMA.

Sue Bowman

Thank you, Leah.

In this video, I will be providing a basic introduction to the ICD-10-CM code set. The objective is not to provide comprehensive coding training, but to allow viewers to gain basic familiarity with the similarities and differences between ICD-9-CM and ICD-10-CM as well as a basic understanding of the ICD-10-CM structure and coding process.

Slide 3 shows the differences between the ICD-9-CM and ICD-10-CM code structure. ICD-10-CM codes have three characters before the decimal and up to four characters after the decimal. Codes are alphanumeric, with the first character always being alpha. All letters except "U" are used. Alpha characters are not case-sensitive, as depicted in the right ankle sprain example whereby the alpha characters can be either lower or upper-case without affecting the code meaning.

Leah
It sounds like a big change. Are there any similarities to ICD-9?

Sue

As indicated on the next few slides, ICD-10-CM has a number of similarities to ICD-9-CM. In both code sets, the Tabular List is a chronological list of codes divided into chapters based on the body system or condition. Both code sets have a hierarchical structure. ICD-10-CM chapters are structured similarly to ICD-9-CM, with a few exceptions. A few chapters have been restructured, and the sense organs have been moved from the Nervous System chapter to their own chapters.

In both ICD-9-CM and ICD-10-CM, the index is an alphabetical list of terms and their corresponding codes. Just as in ICD-9-CM, indented subterms appear under the main terms in the ICD-10-CM Index. The index structure is the same in both code sets, meaning there is an Alphabetic Index of Diseases and Injuries, an Alphabetic Index of External Causes, a Table of Neoplasms, and a Table of Drugs and Chemicals.

Many conventions, such as abbreviations, punctuation, symbols, and instructional notes, have the same meaning in both ICD-9-CM and ICD-10-CM. Just as in ICD-9-CM, ICD-10-CM has "unspecified" codes for use when no information is available to support a more specific code. I will be discussing unspecified codes in more detail later on.

Codes are looked up the same way in ICD-9-CM and ICD-10-CM. And in both code sets, a code is invalid if it is missing an applicable character.

Just as with ICD-9-CM, official guidelines for coding and reporting accompany the ICD-10-CM conventions and instructions, and adherence to these guidelines is required under HIPAA.

Leah
I am sure that coders will find these many areas of similarity between ICD-9 and ICD-10 reassuring, but there are differences that coders need to be aware of. Could you identify some areas where new concepts have been added to ICD-10 ?

Sue
As I indicated on slide 9, ICD-10-CM does have some important differences from ICD-9-CM. The biggest difference is the expanded detail and specificity. ICD-10-CM codes reflect modern medicine and updated medical terminology. The concept of laterality has been added to some chapters. The use of combination codes has been expanded, such as the creation of combination codes for certain conditions and their associated common symptoms or manifestations, or combination codes for poisonings and the associated external cause. Slide 10 provides a few examples of some of the new combination codes in ICD-10-CM.
As shown on slide 11, injuries are grouped by anatomical site rather than by type of injury in the Tabular List. However, you would still look up the term for the type of injury (such as fracture or sprain) in the Alphabetic Index.

Leah
We always get a lot of questions about the use of the 7th character in ICD-10. Could you explain how this will work?

Sue
A 7th character is used in certain chapters, such as Musculoskeletal, Obstetrics, Injuries, and External Causes. Seventh characters are also used in a few other places outside of these particular chapters. The 7th character has a different meaning depending on the section where it is being used. It must always be used in the 7th character position, and when a 7th character applies, codes that are missing this character are considered invalid. As shown on slide 13,

identification of the type of encounter is an example of a circumstance when a 7th character is used. For example, a 7th character identifying whether the encounter is initial, subsequent, or sequela is used in the Injury chapter. The 7th character for "initial encounter" is not limited solely to the very first encounter for the evaluation of a condition. This 7th character can be used for multiple encounters as long as the patient continues to receive active treatment for the condition. Examples of active treatment are initial evaluation of the condition, which may be in the emergency room or at a physician's office or clinic, encounter for surgical treatment of the condition, and referral for evaluation and treatment by a new physician – such as when the emergency department physician refers the patient to an orthopedist, or the first orthopedist evaluating the patient sends him to a specialist.

The 7th character for "subsequent encounter" is to be used for all encounters after the patient has received active treatment of the condition and is receiving routine care for the condition during the healing or recovery phase. Examples of subsequent encounters include cast change or removal, removal of external or internal fixation device, medication adjustments, and other aftercare and follow-up visits following active treatment of the injury or condition. Encounters for therapy, such as physical and occupational therapy, are another example of the use of the "subsequent encounter" 7th character.

When using 7th character for sequela, "S," it is necessary to use both the injury code that precipitated the sequela and the code for the sequela itself. The "S" is added only to the injury code, not the sequela code. The 7th character "S" identifies the injury responsible for the sequela. The specific type of sequela (for example, scar) is sequenced first, followed by the injury code.

Slide 14 provides examples of some of the 7th characters for fracture codes, including initial encounter for open versus closed fracture, subsequent encounter for fracture with routine healing and delayed healing, subsequent encounter for fracture with nonunion or malunion, and sequela.

Leah
That makes sense, but don't some ICD-10 codes contain an "X"? What is the purpose of the "x" and how is this used?

Sue

As explained on slide 15, another new feature of ICD-10-CM is the use of a dummy placeholder "X," which is used in certain codes to allow for future code expansion, or to fill in empty characters when a code contains fewer than 6 characters and a 7th character applies. As with all other alpha characters in ICD-10-CM, the placeholder "X" is not case-sensitive. When a placeholder character is applicable, it must be used in order for the code to be valid.
There are two different kinds of Excludes notes in ICD-10-CM.

Leah

Sue, I know a lot of coders are wondering when to use the Excludes notes in ICD-10. Aren't there two types in ICD-10?

Sue

You are right, Leah. An Excludes1 note means that the code identified in the note and the code where the note appears cannot be reported together because the two conditions are mutually exclusive. In the example on slide 16, there is an Excludes1 note under category E10, Type 1 diabetes, for other types of diabetes. Since the patient can only have one type of diabetes, codes for different types of diabetes can't be used together on the same record.

An Excludes2 note indicates that the condition identified in the note is not part of the condition represented by the code where the note appears, so both codes may be reported together if the patient has both conditions. In the example on slide 17, there is an Excludes2 note under category L89, Pressure ulcer, for other types of skin ulcers as well as skin infections, since a patient could have other types of skin ulcers or a skin infection in addition to a pressure ulcer.
Slide 18 shows some examples of the expanded specificity in ICD-10-CM.
Slide 19 shows examples of laterality.

Leah
This is great background information on ICD-10. Do you think you can walk me through a few examples of how to go about assigning an ICD-10 code?

Sue

I would be happy to. Beginning with slide 20, let's walk through a few coding examples to demonstrate how similar the process is to the ICD-9-CM coding process. To code a diagnosis of type 1 diabetes with diabetic nephropathy, start by looking up the main term "Diabetes" in the Alphabetic Index, just as you would in ICD-9-CM. Under the main term "Diabetes," there are subentries for "type 1, with nephropathy," with code E10.21 listed. Next, look up this code number in the Tabular List and verify that code E10.21 is the code for type 1 diabetes with diabetic nephropathy.

In the next example, on slide 22, look up the main term "Cystitis" in the Alphabetic Index and then find indented subterms for "acute" and then "with hematuria." ICD-10-CM code N30.01 is listed, so next go to the Tabular List to verify that this code is correct for a diagnosis of acute cystitis with hematuria. Notice there is an instructional note under category N30 indicating that an additional code can be assigned to identify the infectious agent. So if the provider has documented the infectious agent causing the cystitis, you would assign an additional code to identify the organism.

Leah
Sue, These are great clinical examples, do you have any example for an injury?

Sue

Injuries are handled somewhat differently in ICD-10. I will address how to code a fracture. In the example on slide 24, when you look up "Fracture, traumatic, scaphoid (hand)" in the Index, there are no subentries and a note directs you to "see also Fracture, carpal, navicular." When you look up "Fracture, carpal bones, navicular," there is a subentry for "proximal third." When you look up S62.03 in the Tabular, you will first notice two notes under S62 stating that a fracture not indicated as displaced or nondisplaced should be coded to displaced, and that a fracture not indicated as open or closed should be coded to closed. You will see that there are 7th characters that apply to the S62 codes. Therefore, as shown on slide 26, there are more characters to the correct code assignment than the 5 characters shown in the Index. The correct code for an initial encounter for a traumatic fracture of the proximal third of the scaphoid bone of the left wrist is S62.032A, Displaced fracture of proximal third of navicular [scaphoid] bone of left wrist, Initial encounter for closed fracture. Although the documentation of the diagnosis didn't indicate whether the fracture was displaced or nondisplaced, or open or closed, per the instructional notes under S62, it is coded as displaced and closed.
In the example on slide 27, the patient was admitted to a rehabilitation facility for physical and occupational therapy following hospitalization for a fracture of the left femoral neck. When you look up "Fracture, femur, femoral, neck" in the Alphabetic Index, a note says to "see Fracture, femur, upper end, neck." The Index entry for "Fracture, femur, upper end, neck" refers you to S72.00. When you look up S72 in the Tabular List, you will see the same notes regarding displaced versus nondisplaced and open versus closed fractures that I mentioned earlier. You will also see a number of 7th characters that are applicable to codes in category S72. As shown on slide 29, the correct code assignment is S72.002D, Fracture of unspecified part of neck of left femur, Subsequent encounter for closed fracture with routine healing. As indicated by the instructional note under S72, fractures not specified as open or closed are coded as closed. And you will recall from my earlier explanation of the 7th characters for initial and subsequent encounters that a subsequent encounter is one that occurs after the patient has received active treatment of the condition and is receiving routine care for the condition during the healing or recovery phase. This would include admissions or encounters for therapy services.

You may have noticed from some of the examples I've provided that it is important not to code directly from the Index and to always verify the code number in the Tabular. The Index may only guide you to the first few characters of the code and you will need to go to the Tabular to determine the rest of the characters, including any applicable 7th character.

Leah

Sue, that was an excellent example of how to code an injury and the use of the 7th digits. Could you give us a few more common clinical examples such as for pregnancies , morbid obesity, and pre-admission school examinations?

Sue

I would be happy to. The next coding example, on slide 30, is Placenta previa with hemorrhage, second trimester. You might know to start by looking up "Pregnancy, complicated by" in the Index. But if you didn't, and you started by looked up the term "placenta" in the index, you are directed to the term "see Pregnancy, complicated by, specified condition." So then you know to look under the main term "Pregnancy, complicated by," where you will see "placenta previa" listed as a subentry. You know from the diagnosis that it is "with hemorrhage," so look up O44.1 in the Tabular to verify the complete code number. As shown on slide 31, the correct code number is O44.12, Placenta previa with hemorrhage, second trimester.

For the morbid obesity example on slide 32, look up the main term "Obesity" in the Index and then find the indented subentry "morbid," where you'll see code E66.01 listed. When you look up E66.01 in the Tabular, you will see a note under E66 indicating that an additional code should be assigned if the body mass index, or BMI, is known. In this case, the BMI is known to be 46, so code Z68.42 is assigned in addition to code E66.01.

For a child receiving a physical for admission to preschool, look up the main term "Examination, medical" and then the indented subentries "preschool children," then "for admission to school" in the Index, as shown on slide 34. As verified in the Tabular, code Z02.0 is the correct code. Although the code title is not specific to examinations for admission to preschool, the index entry and inclusion term of "Encounter for examination for admission to preschool (education)" under this code confirm that this is the correct code.

Leah
Those were great examples, but how will unspecified codes be used in ICD-10? There have been a number of questions and concerns expressed that unspecified codes will not be accepted when reporting ICD-10 codes. Can you clarify what unspecified codes are and how they should be use?

Sue
Just as in ICD-9-CM, ICD-10-CM contains "unspecified" or "not otherwise specified" codes for use when sufficient clinical information isn't known or available about a particular health condition to assign a more specific code. As stated on slide 36, "unspecified" codes have acceptable, even necessary, uses. While specific diagnosis codes should be reported when they are supported by the available medical record documentation and clinical knowledge of the patient's health condition, there are instances when signs and symptoms or unspecified codes are the best choices for accurately reflecting the healthcare encounter. "Unspecified" codes are for use when the documentation is insufficient to assign a more specific code or the provider doesn't have sufficient clinical information about the patient's condition for a more specific code to be assigned. It would be inappropriate to select a specific code that is not supported by the medical record documentation, or conduct medically unnecessary diagnostic testing, in order to determine a more specific code. However, since the use of non-specific codes impacts the quality of coded data and limits the value of ICD-10-CM, these codes should only be used when no specific code is available or a more specific diagnosis is not yet known.

For an example of assigning an unspecified code, let's take a look at the left wrist fracture we coded earlier. This time we don't have the information about the specific bone that's fractured. All we know is that it is the left wrist. We'll also make this encounter a follow-up visit for the fracture, which is healing well. As shown on slide 37, look up the main term "Fracture, wrist" in the Alphabetic Index. You are directed to S62.10, Fracture of unspecified carpal bone, which, as indicated on slide 39, has an inclusion term for "Fracture of wrist N-O-S." You know the fracture is on the left side, so the correct code is S62.102D. The appropriate 7th character is "D" because this is a follow-up visit, so it is a subsequent encounter. The fracture is healing well, so you would assign "D" for subsequent encounter with routine healing rather than "G" for subsequent encounter with delayed healing.

On slide 40, the only information you know about the diagnosis is that it is pneumonia. Look up the main term "pneumonia" in the index, which directs you to code J18.9. On slide 41, when you look up J18.9, Pneumonia, unspecified organism, in the Tabular, you will see it is the correct code.

Leah
Finally, could you go over external cause codes?

Sue
As stated on slide 42, there is no national requirement for mandatory reporting of ICD-10-CM codes in Chapter 20, External Causes of Morbidity. Reporting of these codes is only required for providers subject to a state-based external cause code reporting mandate or a payer requirement. However, in the absence of a mandatory reporting requirement, providers are encouraged to voluntarily report external cause codes because these codes have significant value. For example, these codes provide valuable data for injury research and evaluation of injury prevention strategies. External cause of injury data are used at the national, state, and local levels to identify high-risk populations, set priorities, and plan and evaluate injury prevention programs and policies, and are potentially useful for evaluating emergency medical services and trauma care systems.

Collection and ready access to complete and reliable external cause of injury data are important for data-driven decision making on public health policy and priority setting at the federal, state, and local levels. High-quality injury morbidity data on health care utilization and costs associated with specific external causes of injury are critical to accurately estimate the impact of targeted, cause-specific prevention efforts on the health care system and society. Improving the availability of, and access to, high-quality external cause data can benefit auto insurance companies, disability insurers, health insurance plans, public payers, healthcare purchasers, employers, businesses, labor unions, schools, and other entities interested in injury prevention and safety issues.

Assigning an external cause code is similar to assigning other ICD-10-CM codes. In the example of an injury sustained from falling down ice-covered steps on slide 44, look up the main term "Fall, falling" in the External Cause Index, then the indented subterms "from, off, out of," then

"stairs, steps," and then "due to ice or snow." The index directs you to W00.1, Fall from stairs and steps due to ice and snow. Note on slide 45, codes in category W00 require a 7th character. This is an initial encounter, so the appropriate 7th character is "A." Since W00.1 only has four characters, and the "A" must appear in the 7th character position, this is an example of a situation when the placeholder "x" should be used. Insert 2 "x's" after the "1" to create 6 characters and then add the 7th character "A" at the end, for a final code of W00.1xxA.
In the example on slide 46, a bicyclist sustained injuries from a collision with a car in an intersection. A bicyclist is referred to as a pedal cyclist in ICD-10-CM. Look up Accident, pedal cycle in the External Cause Index. This term refers you to the term "Accident, transport, pedal cyclist." When you look up this term, you will see indented subentries for "Driver," then "collision (with)," then "car (traffic)," which directs you to V13.4. As shown on slide 47, this code requires a 7th character, so, since there are only 4 characters in V13.4, two placeholder "x's" are added after the "4" to create a 6 character code, and then the 7th character "A" is added at the end of the code, since this was an initial encounter. The final code assignment is V13.4xxA.

Leah Nguyen Closing

Thank you Sue. That is all the time we have, and I would like to thank our special guest speaker, Sue Bowman from AHIMA for taking time to share her knowledge of ICD-10 coding. More information on these topics is available on the ICD-10 website at www.cms.gov/icd10. Thank you and have a nice day.