Coding for ICD-10-CM: More of the 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 US Clinical Modification of the International Classification of Diseases, 10th Edition or ICD-10-CM. The objective of this video is to enhance viewers' understanding of the characteristics and unique features of ICD-10-CM and similarities and differences between ICD-9-CM and ICD-10-CM. This video is not intended to serve as a substitute for comprehensive coder training necessary for proficient ICD-10-CM coding.

As our special guest speakers today, we have Sue Bowman, Senior Director, Coding Policy and Compliance for the American Health Information Management Association, and Nelly Leon-Chisen, Director of Coding and Classification at the American Hospital Association.

Before we get started discussing the features of ICD-10-CM, could you tell us, Sue, how providers can obtain an ICD-10-CM code book?

Sue
Thank you, Leah, I would be happy to. ICD-10-CM code books are widely available at low cost from a number of vendors, in a variety of formats, including paper, electronic, and mobile applications. Code book publishers often add tools or features to facilitate accurate coding.

A PDF version is also available free of charge from the National Center for Health Statistics.

Leah
Thank you, Sue. It sounds like there are a number of options for finding the right code book to meet your needs. Could you tell us a little about the structure of the ICD-10-CM codes?

Sue
Sure. This 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
Are there any similarities between ICD-9-CM and ICD-10-CM?

Sue

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. We 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.

Leah
While these similarities will make it easier for coders to learn ICD-10-CM, I am sure there are some differences as well. Could you describe some of the ways in which ICD-10-CM is different from ICD-9-CM?

Sue
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. Here are a few examples of some of the new combination codes in ICD-10-CM. 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) in the Alphabetic Index.

Leah
The addition of a 7th character is a new concept in ICD-10-CM that often generates questions. Can you explain the use of the 7th character?

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.

Identification of the type of encounter is an example of a circumstance when a 7th character is used. 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 a new 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 evaluation and continuing treatment by the same or a different physician. The key to assignment of the 7th character for initial encounter is whether the patient is still receiving active treatment for that condition.

For complication codes, active treatment refers to treatment for the condition described by the code, even though it may be related to an earlier precipitating problem. For example, code T84.50XA, Infection and inflammatory reaction due to unspecified internal joint prosthesis, initial encounter, is used when active treatment is provided for the infection, even though the condition relates to the prosthetic device, implant or graft that was placed at a previous encounter.

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, x-ray to check healing status of a fracture, 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 rehabilitation, such as physical and occupational therapy, are another example of the use of the "subsequent encounter" 7th character. For aftercare following an injury, the acute injury code should be assigned with the 7th character for subsequent encounter.

Leah

Nelly, we've heard about the 7th character for initial and subsequent encounters, what about the 7th character for sequela? Can you tell us about that?

Nelly

Yes, the 7th character "S," for sequela, or late effect, is used for complications or conditions that arise as a direct result of a condition. A sequela is the residual effect, or condition produced, after the acute phase of an illness or injury has terminated. It is not the same as an acute complication, such as a wound infection. The most typical example of sequela is scar formation after a burn. When using 7th character "S", it is necessary to use both the injury code that precipitated the sequela (such as the burn) and the code for the sequela itself (the scarring). The 7th character "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 (e.g. scar) is sequenced first, followed by the injury code.

Not all injuries have the same three 7th characters. We have an example of the more common 7th characters found for fractures where 7th character for initial encounter distinguishes whether the fracture is open or closed. Or, for subsequent encounters for fracture, the 7th character can tell us whether there is routine healing of the fracture, or whether there are problems such as delayed healing, nonunion or malunion. There is only one 7th character for sequela.

Leah
What is the purpose of the "x" and how is this used?

Nelly
Another new feature of ICD-10-CM is the use of the letter "x" as a placeholder character at certain codes to allow for future expansion, or to fill in empty characters when a code contains fewer than 6 characters and a 7th character is required. As with all other alpha characters in ICD-10-CM, the placeholder "X" is not case-sensitive. We have a couple of examples on where you can see the letter x can be lower or upper case. When a placeholder character is applicable, it must be used in order for the code to be valid. So, the "x" is part of the code and not optional.

Leah
Nelly, I know coders have heard about the two types of Excludes notes as a new feature in ICD-10. I think a lot of coders are wondering when to use them.

Nelly
Yes, Leah, the new Excludes notes are one of my favorite new features in ICD-10. It's an improvement over the Excludes notes in ICD-9-CM. 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 cannot occur together. In the following example, there is an Excludes1 note under category Q03, Congenital hydrocephalus. In this example, the congenital form of the condition cannot be reported with the acquired form of the same condition.

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 this example, there is an Excludes2 note under category D24, Benign neoplasm of breast, for other types of breast disorders like adenofibrosis, benign cysts, benign mammary dysplasia or fibrocystic disease of the breast, but also excludes benign neoplasms of the SKIN of the breast, since a patient could have other types of breast disorders, in addition to the benign neoplasm.

Leah

Nelly, I've heard that ICD-10-CM has many more codes. Is that something that coders should be afraid of?

Nelly

You know, Leah. I think it's only natural for people to be afraid of change and it can sound scary to have to learn a new coding system. I think that that new features that Sue and I have covered are actually enhancements or improvements to the coding system. One the reasons for the increase in the number of codes, is the increased specificity of the codes. If the information is available, the codes are available to pick up that level of detail. But, if the information is not available, coders shouldn't worry about the number of codes. One way to think of it is either as a dictionary or a phone book. There may be lots of words or telephone numbers, but it doesn't mean I will be looking up every single word, or calling every telephone number. Here are some examples of the expanded specificity in ICD-10-CM.

Another reason for the increase of number of codes is that ICD-10-CM allows for specifying laterality—whether a condition is on the left side, right side, bilateral—and there are also codes for unspecified. Here are some 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?

Nelly

I would be happy to. 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 2 diabetes with diabetic polyneuropathy, 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 2, with polyneuropathy," with code E11.42 listed. Next, look up this code number in the Tabular List and verify that code E11.42 is the code for type 2 diabetes with diabetic polyneuropathy.

In the next example, look up the main term "Bronchitis" in the Alphabetic Index and then find indented subterms for "acute" and then "due to Streptococcus." ICD-10-CM code J20.2 is listed. Next, go to the Tabular List to verify that this code is correct for a diagnosis of acute bronchitis due to streptococcus.

Let's look at another example, atrial fibrillation. Let's follow the same steps. Look up the main term "Fibrillation: in the Alphabetic Index and then find indented subterm "atrial or auricular (established)." The ICD-10-CM code I48.91 is listed. Next, go to the Tabular List to verify that the code is correct for the diagnosis of atrial fibrillation, and if we don't have any more information, we have code I48.91 for Unspecified atrial fibrillation. Note that if a more specific type of atrial fibrillation was documented – paroxysmal, persistent, chronic – a more specific code could be assigned.

Leah

Thank you, Nelly. Sue, could you walk us through a few more coding examples?

Sue

Sure, I would be happy to. Let's take a look at an injury example. This patient presents to the emergency department with a dislocation of the posterior acromioclavicular joint in the left shoulder. If you look up the term "Dislocation, shoulder" in the alphabetic index, the sub-entry for "acromioclavicular" refers you to the index entry "Dislocation, acromioclavicular," where a sub-entry for "posterior" references S43.15. A dash to the right of this code in the index entry indicates that additional characters are needed to complete this code.

When S43.15 is looked up in the Tabular List, an instructional note indicates that codes in this category require a 7th character to identify whether it's an initial or subsequent encounter, or sequela. When you look up S43.15 in the Tabular List, you will see that S43.152A, Posterior dislocation of left acromioclavicular joint, initial encounter, is the correct code.

The next few examples show how to select the appropriate 7th character for type of encounter by following the same patient with the dislocated shoulder through different encounters for various phases of treatment and recovery for this injury. This patient is seen for further evaluation of his injury by an orthopedic surgeon after being referred by the emergency department physician. It is the same code, including the same 7th character for initial encounter, as the emergency department visit because it is still considered active treatment for the injury.

The same patient undergoes surgical repair of the injury. Again it is the same code, as it is still considered an initial encounter because the patient is still receiving active treatment.

The same patient has a follow-up visit to check on healing status. The 7th character is now "D" for subsequent encounter, as the patient is no longer receiving active treatment for this injury.

The ICD-10-CM code for this patient's physical therapy visit is "D," as this would be a subsequent encounter and not active treatment.

Leah

That was a great example of how to use the 7th character appropriately for different types of encounters during the various phases of recovery for an injury. Could you give us an example of how to use the 7th character for sequela?

Sue

Absolutely. Let's take a look at traumatic arthritis of the left hip following a gunshot wound 2 years ago that had caused an open fracture of the left femoral neck. Look up "Arthritis, traumatic" in the index. Follow the instructional note sending you to "Arthropathy, traumatic." The index entry for "Arthropathy, traumatic, hip" references M12.55, followed by a dash that indicates more characters are needed to fully complete the code. Look up M12.55 in the Tabular List and select M12.552 as the correct code for traumatic arthropathy of left hip.

However, we're not finished coding this case yet, as this is a sequela because the arthritis is a residual condition of a previous acute injury. Next look up the original injury in the Alphabetic Index – Fracture, traumatic, hip. Following the index entries instructing you to see Fracture, femur, neck and then Fracture, upper end, neck, you will see S72.00 listed, followed by a dash. Look up S72.00 in the Tabular List, where you will see that S72.002 is fracture of unspecified part of neck of left femur. Although not shown in this example, there is a note under S72 indicating that a 7th character is needed for all of the S72 codes. Since this is a sequela from a previous injury, 7th character "S," Sequela, is correct. So the code is S72.002S. So, the code assignments for this scenario are M12.552 for the traumatic arthritis, followed by S72.002S to show that this is a sequela of a previous injury.

As Nelly will explain a little later, not all providers are required to report external cause codes. However, for those providers that do report external cause codes, the correct external cause code for this case would be code W34.00xS, Accidental discharge from other and unspecified firearms and guns, sequela.

Leah
Nelly, how would the 7th character be used with complications?

Nelly
For complication codes, active treatment refers to treatment for the condition described by the code, even though it may be related to an earlier precipitating problem. Let's take a look at an example to see how this would be applied. This is a case of an infection after left total hip replacement and the patient is admitted for removal of the prosthesis and insertion of antibiotic impregnated methylmethacrylate cement spacer.

Using the Alphabetic Index, look up the main term "Complication" and then find the indented subterms "prosthesis, internal," followed by another indented subterm "infection or inflammation, and then, hip—and we have T84.5-. The dash tells us that we are missing a digit.

Next step, we check the Tabular List and we find that category T84 is the correct location for Complications of internal orthopedic prosthetic devices, implants and grafts. We see also that this category needs a 7th character, with the 3 most common options for 7th character, initial encounter, subsequent counter and sequela.

We see that if we look further down on the Tabular List to T84.5, we locate the specific code for the Infection and inflammatory reaction due to internal left hip prosthesis, T84.52, which specifies the left hip. Even though this case is related to a prosthesis that was previously placed, the correct 7th character is "A" for initial encounter, since the patient is receiving active treatment for the condition described in the code, namely, the infection. Then, because the code is less than 6 characters long, we add a placeholder "X" to complete the code and we end up with code T84.52xA.

Leah

Thanks for that great example. Let's talk about unspecified codes. ICD-10 is more specific than ICD-9-CM and 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?

Nelly
Just as in ICD-9-CM, ICD-10-CM contains "unspecified" or "not otherwise specified" codes are available. As stated in this example, "unspecified" codes have acceptable, even necessary, uses. Specific diagnosis codes should be reported when they are supported by the available documentation and clinical knowledge of the patient's health condition. However, there are instances when signs and symptoms or unspecified codes are the best choices for accurately reflecting the healthcare encounter. "Unspecified" codes are used 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.

Leah
Could you go over external causes of morbidity codes?

Nelly
First of all, there is no national requirement for mandatory reporting of External Causes of Morbidity ICD-10-CM codes. Reporting of these codes is only required for providers subject to a state-based mandate or a payer requirement. Providers are encouraged to voluntarily report external cause codes because these codes have significant value. Some people may have heard jokes related to ICD-10-CM codes for injuries due to animal bites and the misconceptions related to ICD-10-CM. However, external cause codes provide valuable data for injury research and evaluation of injury prevention strategies. The 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. The codes are also potentially useful for evaluating emergency medical services and trauma care systems. The majority of these external cause codes are for rather mundane, ordinary activities that many of us may be engaged in like driving.

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.

Leah
Aside from the code books, coders have in the past relied on ICD-9-CM Official Coding Guidelines for additional instructions when coding. Can you tell us what guidelines are, and whether there is a similar set of guidelines for ICD-10-CM?

Nelly
Guidelines accompany and complement the official coding conventions and instructions. They provide additional instruction on how to select codes. They do not replace what is found in the classification … nor do they serve as the single source of education on a coding system. However, adherence to these guidelines is required under HIPAA. There are similar guidelines for ICD-10-CM.

Coders familiar with the ICD-9-CM guidelines will discover many similarities, not only in the format, ICD-9-CM and ICD-10-CM share so many similarities that many of the guidelines are the same, except for the code numbers being different. The differences between the two sets of guidelines are primarily related to changes that are inherent in ICD-10-CM. For example, there are some tabular and Index instructions that actually affect the guidelines—and those changes have been incorporated into the guidelines.

Leah
After someone has had basic training on ICD-10, is there an official resource where someone needing help interpreting or understanding the ICD-10 classification can turn to?

Nelly: Yes, there are many resources available from different organizations, but I would like to highlight one in particular out and one that I'm particular proud to be working with—The AHA Central Office. We see that this is a clearinghouse service housed and primarily supported by the American Hospital Association. This is a long-standing service dating back to 1963, when only hospitals were working with ICD codes. It was established by a Memorandum of Understanding with the Department of Health and Human Services to collaborate and provide **free** assistance with ICD-9-CM advice. It serves as a sort of "triage" service where we had been providing direct advice on ICD-9-CM based on the established resources. Anything that needed additional clarification or had not been addressed before was referred to the agencies responsible for the code set. That process eventually evolved into the Coding Clinic and the Editorial Advisory Board with physician support.

Since the beginning of 2014 we have converted to solely providing ICD-10-CM and ICD-10-PCS coding advice. It's important to note though that the service CANNOT replace learning how to code. In other words, we cannot convert the entire country's encounter forms.

Questions should be submitted via our online service to www.codingclinicadvisor.com . This is a FREE service, so we ask users to familiarize themselves with the service and review the frequently asked section for details on how to submit questions. Essentially, we ask that you formulate the specific coding problem that needs clarification and don't just ask us to code a case or "what is the code for XYZ condition." Do provide supporting medical record documentation. Keep in mind that we cannot answer questions on payment or coverage issues, or on the GEMs or the general equivalence maps.

Leah
You mentioned the AHA Coding Clinic; can you tell me more about it?

Nelly
Yes, my pleasure. We have information about the AHA Coding Clinic being a quarterly publication that has provided ICD-9-CM coding advice for over 30 years. In order to support the field's preparation for ICD-10 implementation, we began providing both ICD-10-CM and ICD-10-PCS coding advice in 2012, at the same time that we provided ICD-9-CM advice. Since early 2014 Coding Clinic has solely focused on ICD-10 advice. The publication provides practical examples of frequently asked questions from the AHA Central Office clearinghouse service. We provide real life application of the classification rules and guidelines based on questions and documentation sent to us by providers who have already started dual coding and are practicing coding with ICD-10. So Coding Clinic is helping fill in those knowledge gaps on code selection identified by the early adopters, so that all providers get to share in the benefits from the advice where a consensus opinion has been achieved.

Coding Clinic is supported by the Editorial Advisory Board, which consists of the Centers for Medicare & Medicaid Services, the Centers for Disease Control and Prevention's National Center for Health Statistics; these two agencies are the maintainers of the ICD-10 code sets. In addition, Sue and I participate on the Board representing our respective organizations: the American Hospital Association and the American Health Information Management Association. Clinical guidance is provided by physicians representing the American Medical Association, the American College of Physicians, the American College of Surgeons, and the American Academy of Pediatrics. We also work with other physician specialties on an ad hoc basis, along with coding experts.

Leah
What advice would you give to viewers to take advantage of the delay?

Nelly

Now is also the best time to learn ICD-10-CM because there have been minimal updates to the codes in recent years due to the partial code set freeze in preparation for implementation. In fact, there have been no changes this year. If you have not learned ICD-10-CM yet, there are many resources available, some free of charge, so take advantage of them.

Leah

What other resources should coders be aware of?

Nelly

There are a wide variety of resources from many organizations; I will just name a few that I am more closely familiar with.

First, let's start out with the free ones from CMS and the CDC which can be found on their respective websites. The codes, official guidelines and general equivalence mappings are available. CMS also has several implementation guides, webinars, videos, and a special online resource for small practices called "Road to 10." You can also sign up to get regular email updates on any of their educational programs.

From the AHA, in addition to Coding Clinic and our clearinghouse service, we also offer free coding webinars, available on demand on our website, including a couple of the Best of Coding Clinic. We also have a textbook, the *ICD-10-CM and ICD-10-PCS Coding Handbook,* implementation executive briefings, and a monthly blog on ICD-10 Implementation, providing perspectives from a CEO, CIO and a CMO.

AHIMA has a wide variety of resources, including: an implementation toolkit, a preparation checklist, physician model for implementation of ICD-10 (developed in partnership with the American Medical Association). AHIMA also offers coding training and clinical documentation training by specialty, both on-line and face-to-face.

Lastly, the American Medical Association and several of the physician specialty societies like the American Academy of Pediatrics and the American Academy of Neurology have developed training materials that are focused on their specific areas. The AMA also has a monthly ICD-10-CM column in their publication the *CPT Assistant*.

Leah – Closing

Thank you, Nelly and Sue, for a most informative presentation. That is all the time we have, and I would like to thank our special guest speakers, Nelly Leon-Chisen from AHA and Sue Bowman from AHIMA for taking time to share their 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.