



# Medical Coding

Essential guidelines & tips to core coding procedures & practices, including: ICD-10-CM, CPT-4 & HCPCS Level II

## General Coding & Legal Guidelines

### Medical Care + Preventative Care = Health Care

- Health care is a comprehensive system that focuses on establishing and maintaining each individual's good health.
- Third-party payer** is the person or organization not involved in the health care relationship except for their obligation to pay for the encounter and services involved.
  - Party #1: The health care provider
  - Party #2: The patient
  - Party #3: The insurance carrier (third-party payer)
- ICD-10-CM stands for **International Classification of Diseases, 10th Revision, Clinical Modification**.
- ICD-10-CM used to code diagnoses.
- ICD-10-PCS contains codes used to bill for inpatient (hospital) procedures.
- CPT stands for **Current Procedural Terminology**, and is used to code procedures.
- HCPCS stands for **Health Care Common Procedural Coding System**.
- HCPCS Level II is a book containing codes used to bill for dental procedures, durable medical equipment (DME), drugs, and other services and supplies; codes are used to report services, procedures, and supplies not included in CPT.
  - Advanced Life Support (ALS)** is a level of service provided by ambulance personnel.
  - DMEPOS: Durable Medical Equipment, Prosthetics, and Orthotic Supplies**.
- Durable Medical Equipment (DME):** medical supplies that either can be used by several individuals or that last a long time, such as a cane or a wheelchair.
- Outpatient:** an individual provided health care services without an overnight stay in the facility.
- Inpatient:** an individual staying overnight in an acute-care or other health care facility.

### Legal Guidelines

- HIPAA: Health Insurance Portability and Accountability Act**, a federal law.

**TIP** If you don't know, you don't code! Don't assume! Don't guess! Don't suppose!

- HIPAA's Privacy Rule** is about protecting the patient's privacy; this law simply assures each and every person coming to any health care facility that his/her personal and private information will be protected and treated with respect.
- Coding for coverage** means that a code is changed to fit what the insurance company will pay for rather than accurately reflecting the procedure that was performed.
- Medical necessity (medically necessary)** is the determination that the provider was acting according to standard practices in providing this procedure for an individual with this diagnosis; use of **ICD-10-CM Diagnosis Codes** establishes a medical reason (medical necessity) for providing the services and/or procedures claimed.
- Mutually exclusive codes** report conditions that cannot be in the same patient at the same time.
- Supporting documentation** refers to the paperwork in the patient's file that corroborates the codes presented on the claim form for that particular encounter.
- Unbundling** means that individual parts of a specific procedure were used rather than a combination or bundle that includes all those components.
- Upcoding** means that a code is used on a claim form indicating a higher level of service than was actually performed.

### Rules of Legal & Ethical Coding

- The codes indicated on the claim form **must represent** the services actually performed, and are supported by the notes and other documentation in the patient's health record.
- Coding for coverage**—using codes not chosen for the best, most accurate code available, but rather, with regard to what procedure the insurance company will pay for (i.e., "cover")—is dishonest and is considered **fraud**.
- Upcoding**—using a code that indicates that a higher level of service was provided than was actually performed—is unethical and **illegal**.
- Submitting a claim for services that have already been billed for** is called **double billing** and constitutes **fraud**.
- Unbundling**—using individual (also known as

component) service codes when a comprehensive or combination (bundle) code is available—is **illegal**.

- The use of **mutually exclusive codes**—codes identified as not permitted to be used on the same claim form—is considered **unethical**.
- Separating codes** relating to a single encounter and placing them on several claim forms over the course of several days is **not legal or ethical**.

### Definitions

#### TIP

#### 6 Steps to Accurate Coding

- Read through the **Supplement** and the physician's notes.
- Abstract physician's notes.
- Query the health care provider if details are missing or unclear.
- Code the diagnoses.
- Code the procedures.
- Link every procedure code to at least one diagnosis code to document medical necessity.



### Methods of Administering Medications

- IA Intra-arterial (into the artery)
- ID Intra-dermal (skin test)
- IM Intramuscular (into the muscle)
- INH Inhaled solutions (breathed in by the patient)
- ID Introsseous (into the bone)
- IP Intraperitoneal (into the abdominal wall)
- IT Intra-thecal (into spinal fluid)
- IV Intravenous (into the vein)
- ORAL Orally by mouth
- OTH Other—includes suppositories, catheter injections, etc.
- SC Subcutaneous (below the surface of the skin)
- SUBQ SubQ
- VAR Various—includes administration into joints, cavities, tissues, or topical applications.

### CODING TIPS

ABC123	Never code out of the Alphabetical Index!
Back Coding	After coding a patient's encounter from the physician's notes, make certain you back code to double-check your work; wait a little while, then go into the ICD-10-CM Tabular List and into the CPT numerical listing, and look up the codes you found earlier; match the descriptions you see to the key words from the physician's notes; this may help you find any errors.
CC	Chief Complaint; concise statement about the reason for the encounter.
Medical Record Documentation	The records for each patient encounter should include: <ul style="list-style-type: none"> <li>Reason for encounter and relevant history, physical exam findings, and prior diagnostic test results.</li> <li>Assessment, clinical impressions, and/or diagnosis.</li> <li>Plan for care.</li> <li>Date and legible identity of observer or provider.</li> </ul>
Who = The Patient	
Why = Diagnosis Code(s)	• Why did the patient come to see the provider?
What = Procedure Code(s)	• What did the provider do in response to the <b>why</b> ?
How = External Cause Code	• How did the injury or poisoning happen?
	• Where did it happen?

- CLIA: Clinical Laboratory Improvement Amendments**; federal legislation created for the monitoring and regulation of clinical procedures.
- EPSDT: Early and Periodic Screening, Diagnostic, and Treatment** services; a Medicaid preventive health program for children (under 21 years of age).
- HPSA: Health Professional Shortage Area**.
- Letter Tenure:** a physician that fills in, temporarily, for another physician.

#### TIP

- Use a medical dictionary to ensure you know what the terms mean.
- Always check for symbols and notations to guide you to the correct code.

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## Medical Coding: A Quickstudy Laminated Reference Guide

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