*Medical Coding: What It Is and How It Works*

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Transition Guide

The second edition has been completely updated to include material related to significant changes in healthcare coding. On October 1, 2015, all healthcare providers will begin to use the *International Classification of Diseases – 10th Revision – Clinical Modification* (ICD-10-CM) for diagnosis coding. On the same date, hospitals will implement the ICD-10-*Procedure Coding System* (ICD-10-PCS). Healthcare professionals must be aware of, and prepared for, this huge change.

Included in second edition updates are:

Chapter 1: “ Medical Coding in History,” has new tables comparing ICD-10-CM and ICD-10-PCS to previous coding systems. Information about new codes developed during the past 8 years in response to technology improvements and societal changes is also included.

Chapter 2: “Diagnosis Coding: A Number for Every Disease,” includes a description of the process used by physicians to arrive at a diagnosis, and elaborates on the standard elements of the medical history, physical examination and medical decision-making. The remainder of this chapter is completely new, devoted to ICD-10-CM diagnosis coding. The structure, rules, guidelines, and conventions of ICD-10-CM are covered in detail, with material covering each of its 21 sections.

Chapter 3: “Procedure Coding: Location, Location, Location,” contains detail about the guidelines and structure of the new inpatient ICD-10-PCS coding system. PCS uses a “root operation” concept and code tables that are radically different from the old ICD-9-CM procedure coding system. The second edition thoroughly explains how the coding process works in PCS and includes root operation definitions and a description of each of the 16 PCS sections. The portion of Chapter 3 related to *Current Procedural Terminology* (CPT), used by physicians for procedure coding, continues to offer an overview of that system and how it is used.

Chapter 4: “How Codes Are Used for Reimbursement,” has been updated to include current versions of healthcare claim forms, both facility and professional. Changes to the DRG and APC payment systems since the first edition are also discussed.

Chapter 5: “Coding for Dollars,” has new data about fraud judgments obtained by the OIG, plus specific fraud cases and federal program exclusions occurring more recently. The *Standards of Ethical Coding* of the American Health Information Management Association are now included as well.

Chapter 6: “Solving Your Healthcare Coding Problems,” has updated information about the Medical Insurance Bureau (MIB) data warehouse on individuals who have applied for insurance. The types of medical record forms that are useful in addressing billing errors are described, along with steps patients may take to appeal payer denials of charges. New information about the Medicare Summary Notice (MSN) is discussed.

Chapter 7: “Coding as a Career,” includes updated occupational outlook and salary data for medical coding analysts. Information about two national certifying organizations for coders is mentioned, along with suggested prerequisites for the coding course of study.

Appendix A: “List of ICD-10-CM Three-Character Diagnosis Categories,” is completely new, reflecting the national move to that system.

Appendix B: “General Equivalence Mapping (GEM) Files,” is completely new. It describes in detail the tables that are available to translate from ICD-9-CM to ICD-10-CM and ICD-10-PCS, and discusses appropriate use of those files.

Appendix C: “Uniform Billing Revenue Codes,” has been updated with the new code format and individual new code listings.

Appendix D: “Remittance Advice Claim Adjustment Reason Codes,” has been updated to include new reason codes and information about the rejection category for each.

Appendix E: “Payment System Reference,” has been updated to reflect changes since the first edition, such as increases in the payment rates for Clinical Nurse Specialists.

Appendix F: “Useful Websites,” includes updated internet addresses for organizations and government agencies relevant to coding issues.

Appendix G: “Uniform Hospital Discharge Data Set,” continues to detail the regulation that defines inpatient hospital data elements.