CENGAGE

2021

3-2-1 CODE IT!

Michelle A. Green
MPS, RHIA, FAHIMA, CPC

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Introduction

Accurate coding is crucial to the successful operation of any health care facility or provider's office because reported codes determine the amount of reimbursement received. The annual (and sometimes more frequent) revision of coding guidelines and payer requirements serve to challenge coders. Those responsible for assigning and reporting codes in any health care setting require thorough instruction in the use of the ICD-10-CM, ICD-10-PCS, CPT, and HCPCS level II coding systems. Students who are completing formal coursework as part of an academic program and experienced coders who are already employed in the health care field will find that *3-2-1 Code It!* provides the required information in a clear and comprehensive manner.

Due to the comprehensive nature of the *3-2-1 Code It!* textbook, instructors may choose to cover its content in more than one course.

- Chapters 1 through 7 could be taught in an ICD-10-CM and ICD-10-PCS coding course.
- Chapters 8 through 19 could be taught in a CPT and HCPCS level II coding course.
- Chapter 20 could be included as required reading in an insurance and reimbursement course, either as an introductory or summary chapter.

Instructors for medical assistant (MA) and medical office administration (MOA) programs may choose to cover the following chapters only in their coding course(s):

- Chapters 2 through 5, and 8 in an ICD-10-CM, and HCPCS level II coding course (ICD-10-PCS is not used for outpatient or physician office coding.)
- Chapters 9 through 10, selected sections of 12 through 16, and 17 through 19 in a CPT coding course

NOTE:

Your academic program's community of interest (e.g., employers of graduates) will determine which sections of Chapters 12 through 16 (CPT Surgery) should be covered in your CPT coding course. Likewise, if your graduates obtain employment assigning and submitting CPT Anesthesia codes, your course should include Chapter 11. If your graduates do not assign radiology or pathology/laboratory codes during their employment, Chapters 17 and 18 can be excluded from your CPT coding course.

Instructors can refer to the Instructor's Manual for sample course syllabi that organize textbook content into one or two courses. For example, the syllabus for a one-semester course includes content from *3-2-1 Code It!* appropriate for an introductory course.

The *3-2-1 Code It!* text requires users to have access to paper-based coding manuals (ICD-10-CM, ICD-10-PCS, HCPCS level II, and CPT) because they are used as references when coding rules are explained and for completing exercises and reviews in each chapter.

NOTE:

Dental codes (D codes) are copyrighted by the American Dental Association. Purchase of a separate Current Dental Terminology (CDT) coding manual is required to assign dental codes.

The intended use of *3-2-1 Code It!* is for:

- Academic programs in coding and reimbursement, health information management, medical assisting, medical office administration, and so on.

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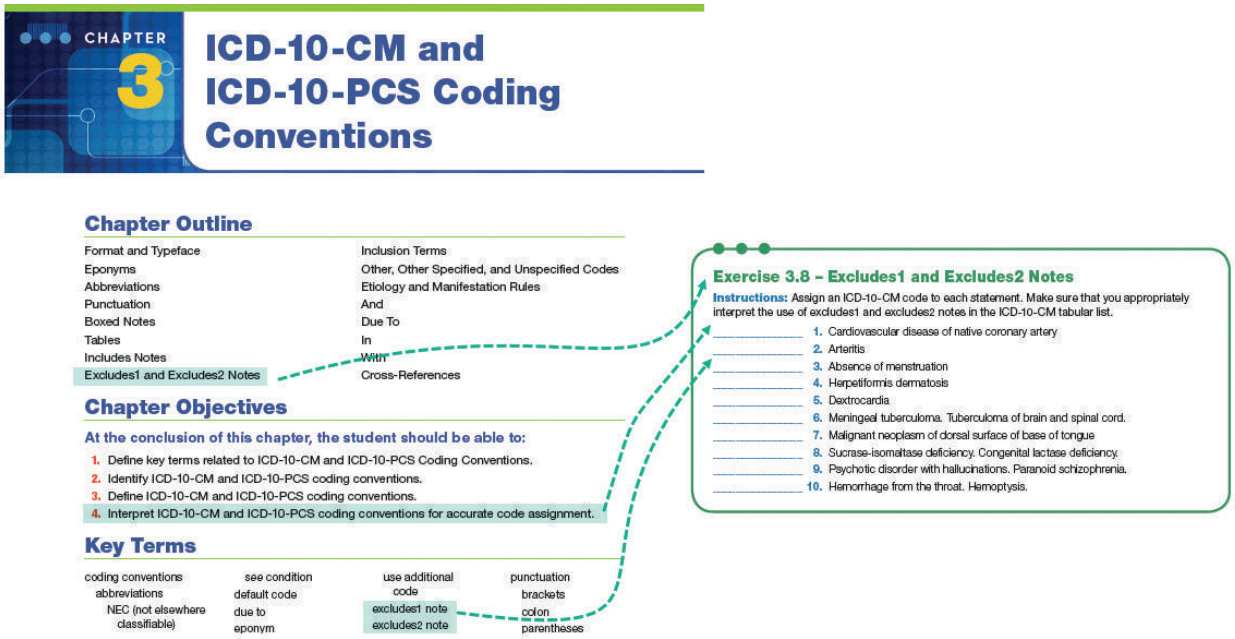
- In-service education programs in health care facilities (e.g., physicians' offices, hospitals, nursing facilities, home health agencies, hospices), health insurance companies, quality improvement organizations, and so on
- Individuals who want to use it for self-instruction to learn how to code or to update their coding skills
- Health care professionals who need a comprehensive coding reference to assist them in accurately assigning codes

It is recommended that students complete the following course work before they begin and/or during the same time they are learning concepts presented in *3-2-1 Code It!*:

- Essentials of health information management
- Medical terminology
- Anatomy and physiology
- Essentials of pharmacology
- Human diseases/pathophysiology

The text was designed and revised to support core learning objectives for the medical coder. Chapter objectives, content, and assessments are all aligned to ensure students learn and practice the concepts and skills they'll need on the job. Student learning is supported through chapter outlines and measurable objectives identified at the beginning of each chapter, as well as chapter headings and assessments that map to those chapter outlines and objectives.

Special attention was focused on selecting appropriate Bloom's taxonomy levels for each chapter along with mapping assessment items (e.g., exercises, exam questions) to each objective. In addition, the *Workbook to Accompany 3-2-1 Code It!* contains assignments that map to higher Bloom's taxonomy levels to provide students with more advanced activity-based learning experiences such as computer-assisted coding analysis, assignment of APCs and DRGs, and assigning codes to actual patient records.



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Organization of This Textbook

This textbook is organized into 20 chapters.

NOTE:

Content about long-term care, home health care, and hospice coding is located in the online Student Resources available by signing in at www.cengage.com.

- Chapter 1 includes an overview of coding systems used to report inpatient and outpatient diagnoses and procedures and services to health plans. It also focuses on coding career opportunities in health care, the importance of joining professional organizations and obtaining coding credentials, the impact of networking with other coding professionals, and the development of opportunities for career advancement. Computer-assisted coding (CAC) is also covered.
  - The *Workbook to Accompany 3-2-1 Code It!* Chapter 1 contains high level Bloom's taxonomy assignments about validating ICD-10-CM/PCS codes, computer-assisted coding, face validity of data management reports, physician query process, determining medical necessity, and SNOMED CT.
- Chapters 2 and 3 cover general ICD-10-CM/PCS coding concepts, an overview about coding guidelines, including ICD-10-CM general coding guidelines, and provide coding practice. Chapters 4 and 5 cover ICD-10-CM chapter-specific coding guidelines and provide coding practice.
  - The *Workbook to Accompany 3-2-1 Code It!* Chapters 2 through 5 contain high level Bloom's taxonomy assignments about the ICD-10-CM index and tabular list, ICD-10-CM official guidelines for coding and reporting, ICD-10-PCS index and tables, ICD-10-CM/PCS coding conventions, and general equivalence mappings (GEMs), ICD-10-CM and ICD-10-PCS coding conventions, and ICD-10-CM disease coding.
- Chapter 6 is specific to inpatient coding concepts (and not typically covered by academic programs that focus on outpatient and physician coding), and Chapter 7 is specific to outpatient coding concepts. Inpatient coding concepts apply to acute care hospitals, and the chapters include ICD-10-CM and ICD-10-PCS official coding guidelines. Outpatient coding concepts covered include the physicians' office, and hospital emergency and outpatient departments. ICD-10-CM/PCS chapters are sequenced before HCPCS level II and CPT chapters in this textbook because diagnosis codes are reported to justify the medical necessity of procedures and/or services provided.
  - *The Workbook to Accompany 3-2-1 Code It!* contains high level Bloom's taxonomy assignments about the hospital inpatient physician query process, ICD-10-PCS procedure coding, selecting/coding principal and other (additional) diagnoses and procedures, and hospital inpatient cases for coding practice.
- Chapter 8 covers the HCPCS level II national coding system, which was developed by the Centers for Medicare & Medicaid Services.
  - The *Workbook to Accompany 3-2-1 Code It!* contains high level Bloom's taxonomy assignments about using the HPCS level II index, assigning modifiers, assigning codes, and additional coding practice.
- Chapters 9 through 19 cover CPT coding concepts. Each CPT section has its own chapter, except for the Surgery section, which requires five separate chapters.
  - The *Workbook to Accompany 3-2-1 Code It!* contains high level Bloom's taxonomy assignments about the CPT index, appendices, symbols, modifiers, E/M levels of service, assigning E/M codes, determining anesthesia service payments, anesthesia modifiers, assigning anesthesia codes, coding from operative reports, coding from radiology reports, coding from pathology and laboratory reports, coding from medicine reports. All of the related workbook chapters contain a significant number of coding practice assignments.

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- Chapter 20 contains a detailed discussion of insurance and reimbursement concepts. (For comprehensive coverage of third-party payers and reimbursement methodologies, refer to Cengage's *Understanding Health Insurance: A Guide to Billing and Reimbursement*, by Michelle A. Green.)
    - The *Workbook to Accompany 3-2-1 Code It!* contains high level Bloom's taxonomy assignments about the chargemaster review process, interpreting a remittance advice, interpreting a Medicare fee-for-service payment error report, ambulatory payment classifications, interpreting diagnosis-related groups decision trees, and assigning diagnosis-related groups.

Features of the Textbook

Each textbook chapter contains the following elements:

- List of chapter headings
- Chapter learning objectives
- Key terms
- Introduction
- Exercises
- Internet links
- Summary
- Review

Textbook features include:

- Learning objectives and key terms located at the beginning of each chapter to help organize the material
- Boldfaced terms throughout each chapter to assist students in learning the technical vocabulary associated with coding systems
- Coding tips and notes that highlight important concepts presented in each chapter
- Exercises after each chapter section that reinforce content presented
- Multiple choice and coding practice reviews that allow for mastery of coding concepts

New to This Edition

- The textbook and its ancillaries have been updated to include the latest ICD-10-CM, ICD-10-PCS, CPT, and HCPCS level II code sets, conventions, and guidelines.
- Textbook and workbook coding assignments, examples, exercises, and reviews have been updated to include the most recent ICD-10-CM, ICD-10-PCS, CPT, and HCPCS level II codes.
- Answer keys have been updated in the *Solution and Answer Guide to Accompany 3-2-1 Code It*. The answer keys and other instructor resources for this product are available online. Sign up or sign in at www.cengage.com to search for this product and its online resources.
- Chapter 1 includes revised content about professional associations and professional credentials.
- Chapter 2 was revised to update ICD-10-CM and ICD-10-PCS content, and the new ICD-10-CM search tool (https://icd10cmtool.cdc.gov) website was added to the end-of-chapter list of Internet Links, which can be used to assign ICD-10-CM codes for textbook chapter 2 through 7 diagnosis statements and coding cases.
- Chapter 3 includes updated content about coding conventions in ICD-10-CM and ICD-10-PCS, and examples allow educators and students to compare the use of conventions in the classification systems. Examples, exercises, and the chapter review have also been updated.

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- Chapter 4 contains chapter-specific coding guidelines for ICD-10-CM chapters 1 through 10 only, and Chapter 5 contains chapter-specific coding guidelines for ICD-10-CM Chapters 11–22 only, which includes content about new ICD-10-CM Chapter 22. Examples, exercises, and chapter reviews have been updated in both chapters.
- Chapter 6 includes updated content about inpatient ICD-10-CM diagnosis coding guidelines and inpatient ICD-10-PCS procedure coding guidelines. Examples, exercises, and the chapter review were also updated.
- Chapter 7 contains updated content about outpatient ICD-10-CM diagnosis coding guidelines. Examples, exercises, and the chapter review have also been updated. The coding practice cases now contain a list of diagnoses, similar to the format used in Chapter 6.
- Chapter 8 contains updated content about HCPCS level II coding. Examples, exercises, and the chapter review have also been updated.
- Chapter 9 contains updated introductory content about CPT coding. Examples, exercises, and the chapter review have also been updated.
- Chapter 10 contains updated content about CPT's evaluation and management (E/M) section, including changes specific to CPT 2021 (e.g., removing history and examination as key components for selecting level of E/M service and adding the requirement that a medically appropriate history and/or examination must be performed to report codes 99202-99215; making the basis for code selection either the level of medical decision making performed or the total time spent performing the service on the day of the encounter; and changing the definition of the time element associated with codes). Examples, exercises, and the chapter review have also been updated.
- Chapter 11 contains updated content about CPT's Anesthesia section. Examples, exercises, and the chapter review have also been updated.
- Chapters 12 through 16 contain updated content about CPT's Surgery section. Examples, exercises, and the chapter review have also been updated.
- Chapter 17 contains updated content about CPT's Radiology section. Examples, exercises, and the chapter review have also been updated.
- Chapter 18 contains updated content about CPT's Pathology and Laboratory section. Examples, exercises, and the chapter review have also been updated.
- Chapter 19 contains updated content about CPT's Medicine section. Examples, exercises, and the chapter review have also been updated.
- Chapter 20 contains updated content about insurance and reimbursement. Examples, exercises, and the chapter review have also been updated.

Resources for the Instructor

Additional instructor resources are available online. Instructor assets include an Instructor's Manual, Educator's Guide, Solution and Answer Guide, PowerPoint® slides, a test bank powered by Cognero®, and a transition guide.

Sign up or sign in at www.cengage.com to search for and access this product and its online resources.

Instructor's Manual

A downloadable, customizable *Instructor Manual* containing a complete list of chapter activities and assessments, additional activities and assignments, and a list of additional resources.

Solution and Answer Guides

A downloadable, customizable *Solution and Answer Guide* containing the answers for all textbook questions and a second *Solution and Answer Guide* containing the answers for all workbook questions and patient records.

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Slide Presentations

Customizable instructor support slide presentations in PowerPoint® format focus on the most important points for each chapter.

Transition Guide

A Transition Guide, maps *3-2-1 Code It!: 2021* to the 2020 edition to make adapting your course to *3-2-1 Code It!* a snap.

Updates and Resources

Revisions to the textbook, workbook, Instructor's Manual, SimClaim™, and Cognero® test bank due to coding updates are posted. The Instructor Resources also include access to all student supplements, as well as additional textbook content.

Resources for the Student

Student Workbook

(ISBN: 978-0-357-51602-7)

The workbook follows the chapter organization of the text and contains higher-level Bloom's taxonomy assignments (that comply with academic program accreditation organization requirements, such as CAHIIM competencies), such as computer-assisted coding, assigning APCs and DRGs, and coding numerous diagnosis/procedure statements and case studies so that students can practice coding. Each assignment contains a list of objectives, an overview of content relating to the assignment, and instructions for completing the assignment. The last assignment in each workbook chapter contains review questions in multiple-choice format to emulate credentialing exam questions. The workbook also contains actual patient records.

Student Resources

Additional student resources for this product are available online. Student assets include:

- Revisions to textbook and workbook due to coding changes as they become available
- Tutorials for how to code patient records (to assist in coding patient records found in Appendices A–D of the workbook)
- Extra content about related coding topics, including long-term care, home health care, and hospice coding
- Final test for AAPC CEU approval

Sign up or sign in at www.cengage.com to search for and access the product and its online resources.

MindTap

(ISBNs: 2-Semester Instant Access Code: 978-0-357-51607-2
2-Semester Printed Access Code: 978-0-357-51608-9)

Green's *3-2-1 Code It!*: 2021 on MindTap is the first of its kind in an entirely new category: the Personal Learning Experience (PLE). This personalized program of digital products and services uses interactivity and customization to engage students, while offering instructors a wide range of choice in content, platforms, devices, and learning

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A Note About CPT Coding Manual Editions

Every attempt is made to make the material within this textbook and its ancillary products (e.g., Workbook, Instructor's Manual) as current as possible by updating to CPT 2021 just prior to publication.

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Contact the author at michelle.ann.green@gmail.com with questions, suggestions, or comments about the text or its supplements. Please realize that the publisher (www.cengage.com) authorizes the release of the Instructor’s Manual (with coding answers) to educators only.

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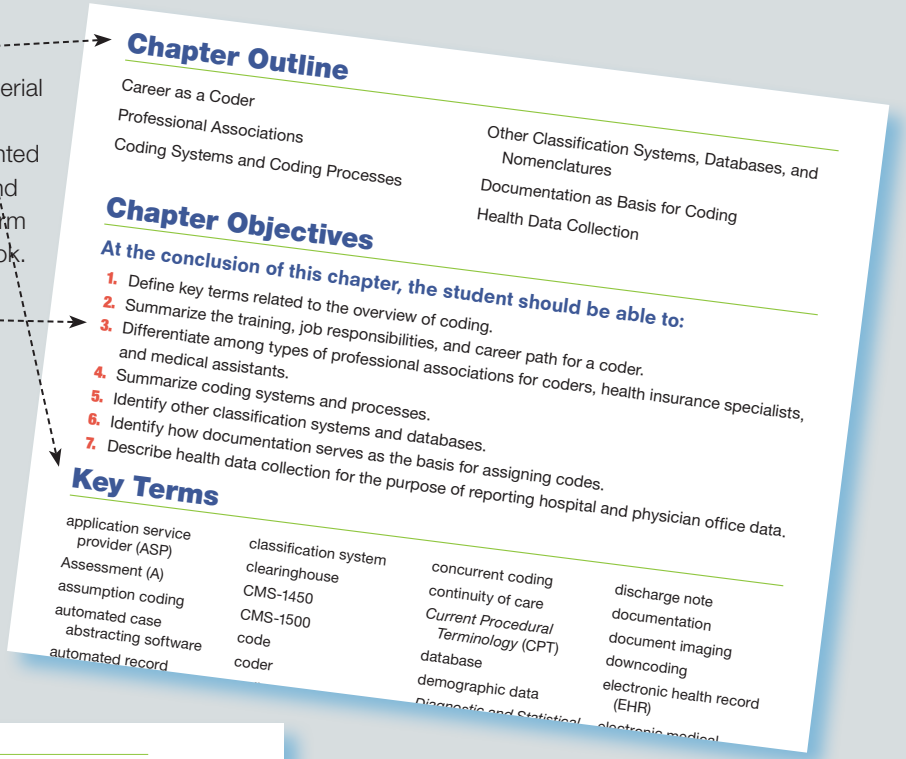
HOW TO USE THIS TEXT

Chapter Outline and Key Terms

The **Chapter Outline** organizes the chapter material at a glance. The **Key Terms** list represents new vocabulary in each chapter. Each term is highlighted in color in the chapter, where it is also defined and used in context. A complete definition of each term appears in the Glossary at the end of the textbook.

Objectives

The **Objectives** list the outcomes expected of the learner after a careful study of the chapter. Read the objectives before reading the chapter content. When you complete the chapter, read the objectives again to see if you can say for each one, "Yes, I know that." If you cannot say this about an objective, go back to the appropriate content and reread. These outcomes are critical to a successful career as a coder.



Chapter Outline

Career as a Coder
Professional Associations
Coding Systems and Coding Processes
Other Classification Systems, Databases, and Nomenclatures
Documentation as Basis for Coding
Health Data Collection

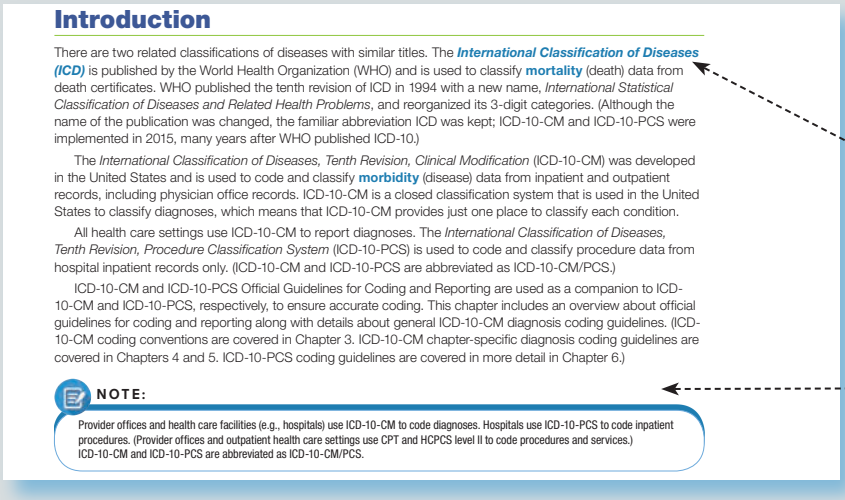
Chapter Objectives

At the conclusion of this chapter, the student should be able to:

1. Define key terms related to the overview of coding.
2. Summarize the training, job responsibilities, and career path for a coder.
3. Differentiate among types of professional associations for coders, health insurance specialists, and medical assistants.
4. Summarize coding systems and processes.
5. Identify other classification systems and databases.
6. Identify how documentation serves as the basis for assigning codes.
7. Describe health data collection for the purpose of reporting hospital and physician office data.

Key Terms

application service provider (ASP)
Assessment (A)
assumption coding
automated case abstracting software
automated record
classification system
clearinghouse
CMS-1450
CMS-1500
code
coder
concurrent coding
continuity of care
Current Procedural Terminology (CPT)
database
demographic data
discharge note
documentation
document imaging
downcoding
electronic health record (EHR)



Introduction

There are two related classifications of diseases with similar titles. The ***International Classification of Diseases (ICD)*** is published by the World Health Organization (WHO) and is used to classify **mortality** (death) data from death certificates. WHO published the tenth revision of ICD in 1994 with a new name, *International Statistical Classification of Diseases and Related Health Problems*, and reorganized its 3-digit categories. (Although the name of the publication was changed, the familiar abbreviation ICD was kept; ICD-10-CM and ICD-10-PCS were implemented in 2015, many years after WHO published ICD-10.)

The *International Classification of Diseases, Tenth Revision, Clinical Modification* (ICD-10-CM) was developed in the United States and is used to code and classify **morbidity** (disease) data from inpatient and outpatient records, including physician office records. ICD-10-CM is a closed classification system that is used in the United States to classify diagnoses, which means that ICD-10-CM provides just one place to classify each condition.

All health care settings use ICD-10-CM to report diagnoses. The *International Classification of Diseases, Tenth Revision, Procedure Classification System* (ICD-10-PCS) is used to code and classify procedure data from hospital inpatient records only. (ICD-10-CM and ICD-10-PCS are abbreviated as ICD-10-CM/PCS.)

ICD-10-CM and ICD-10-PCS Official Guidelines for Coding and Reporting are used as a companion to ICD-10-CM and ICD-10-PCS, respectively, to ensure accurate coding. This chapter includes an overview about official guidelines for coding and reporting along with details about general ICD-10-CM diagnosis coding guidelines. (ICD-10-CM coding conventions are covered in Chapter 3. ICD-10-CM chapter-specific diagnosis coding guidelines are covered in Chapters 4 and 5. ICD-10-PCS coding guidelines are covered in more detail in Chapter 6.)

NOTE:

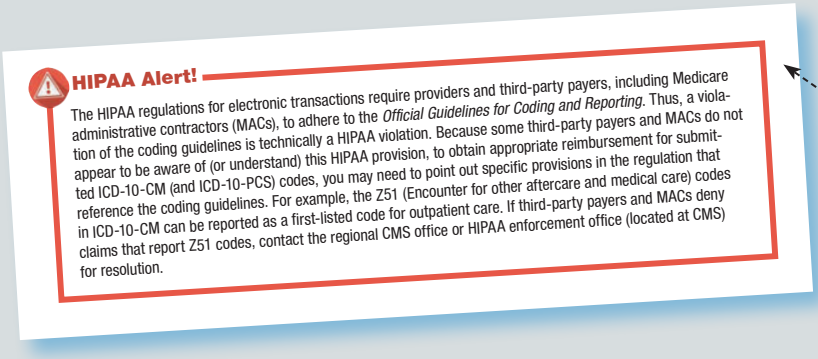
Provider offices and health care facilities (e.g., hospitals) use ICD-10-CM to code diagnoses. Hospitals use ICD-10-PCS to code inpatient procedures. (Provider offices and outpatient health care settings use CPT and HCPCS level II to code procedures and services.) ICD-10-CM and ICD-10-PCS are abbreviated as ICD-10-CM/PCS.

Introduction

The **Introduction** provides a brief overview about major topics covered in the chapter. The introduction (and the objectives) provides a framework for your study of the content.

Notes

Notes appear throughout the text and serve to bring important points to your attention. The notes clarify content, refer you to reference material, provide more background for selected topics, or emphasize exceptions to rules.



HIPAA Alert!

The HIPAA regulations for electronic transactions require providers and third-party payers, including Medicare administrative contractors (MACs), to adhere to the *Official Guidelines for Coding and Reporting*. Thus, a violation of the coding guidelines is technically a HIPAA violation. Because some third-party payers and MACs do not appear to be aware of (or understand) this HIPAA provision, to obtain appropriate reimbursement for submitted ICD-10-CM (and ICD-10-PCS) codes, you may need to point out specific provisions in the regulation that reference the coding guidelines. For example, the Z51 (Encounter for other aftercare and medical care) codes in ICD-10-CM can be reported as a first-listed code for outpatient care. If third-party payers and MACs deny claims that report Z51 codes, contact the regional CMS office or HIPAA enforcement office (located at CMS) for resolution.

HIPAA Alerts

The **HIPAA Alert** feature highlights issues related to the privacy and security of personal health information.

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Coding Tips

The **Coding Tips** feature provides recommendations and hints for selecting codes and for the correct use of the coding manuals.

Coding Tip

Make sure you read CPT code descriptions carefully. When the code description states "with or without" another procedure, that other procedure is not reported separately if it is performed (e.g., 57240, anterior colporrhaphy, repair of cystocele with or without repair of urethrocele, including cystourethroscopy, when performed).

Examples

Examples appear throughout the text to promote understanding of presented concepts.

EXAMPLE 1: ICD-10-CM TABULAR LIST OF DISEASES AND INJURIES—INCLUSION TERMS: The following inclusion terms are located in the Tabular List of Diseases and Injuries for diagnosis code M54.5, Low back pain:

- Loin pain
- Lumbago NOS

Exercises

Exercises reinforce chapter content.

Exercise 2.3 – ICD-10-CM Tabular List of Diseases and Injuries

Instructions: Complete each statement.

1. The ICD-10-CM _____ of Diseases and Injuries arranges codes and descriptions in alphanumerical order, and it contains 22 chapters that classify diseases and injuries.
2. ICD-10-CM tabular list Chapter 21 codes are reported for patient encounters when a circumstance other than disease or injury is documented (located in Table 2-1) are called Factors Influencing Health Status and Contact with Health Services or _____ codes.
3. I10 is an example of a _____ code, which has no further subdivisions.
4. Subcategory codes that require additional characters are _____ if the 4th, 5th, 6th, and/or 7th character(s) are absent.
5. The 5th and 6th characters of "X" in code O40.1XX0 are called _____.

Summary

The **Summary** at the end of each chapter recaps the key points of the chapter. The summary also serves as a review aid when preparing for tests.

Summary

The International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) and the *International Classification of Diseases, 10th Revision, Procedure Coding System* (ICD-10-PCS), abbreviated as ICD-10-CM/PCS, replaced ICD-9-CM effective October 2015. ICD-10-CM is a clinical modification of the World Health Organization's *International Classification of Diseases, Ninth Revision* (ICD-9). ICD-10-CM/PCS includes many more codes and applies to more users than ICD-9-CM because it is designed to collect data on every type of health care encounter (e.g., inpatient, outpatient, hospice, home health care, and long-term care). The ICD-10-CM Tabular List of Diseases and Injuries contains 22 chapters. It is a sequential list of codes contained within chapters based on body system or condition, and codes are then organized within major topic headings, categories, subcategories, and codes. ICD-10-CM disease and injury codes consist of three characters, but most are followed by a decimal point and between one and four additional characters. ICD-10-CM Index to Diseases and Injuries entries are organized according to main terms, subterms, second qualifiers, third qualifiers, and fourth qualifiers.

ICD-10-PCS is a procedure classification system developed by the Centers for Medicare & Medicaid Services (CMS) for use in the United States for inpatient hospital settings *only*. It uses a multiaxial 7-character alphanumeric code structure (e.g., 047K04Z) that provides a unique code for all substantially different procedures. It also allows new procedures to be easily incorporated as new codes. ICD-10-PCS contains more than 87,000 seven-character alphanumeric procedure codes.

Internet Links

Internet Links are provided to encourage you to expand your knowledge at various state and federal government agency, commercial, and organization sites.

Internet Links

ICD-10-CM/PCS updates: Go to ***www.cms.gov***, click on the Medicare link, click on the ICD-10 link under Coding, and scroll down to click on this year's ICD-10-CM or ICD-10-PCS link.

JustCoding News free e-newsletter: Go to ***www.justcoding.com***, and click on the eNewsletter Signup link at the top of the page.

Review

Each chapter **Review** includes multiple-choice questions and coding practice cases that will test your understanding of chapter content and critical thinking ability.

Review

Matching – ICD-10-CM

Instructions: Match the format in Column 2 with each line of the ICD-10-CM Index to Diseases and Injuries entries in Column 1.

ICD-10-CM Index to Diseases and Injuries	Format
_____ 1. **Abnormal, abnormality, abnormalities** (*see*	**a.** 2nd qualifier
_____ 2. *also* Anomaly)	**b.** 3rd qualifier
_____ 3. chromosome, chromosomal Q99.9	**c.** Continuation line
_____ 4. sex Q99.8	**d.** Main term
_____ 5. female phenotype Q97.9	**e.** Subterm

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PART

I

Coding Overview

1: Overview of Coding, 2

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