

MDS Alert

ICD-10 Focus: Coding for PDPM Goes Against Some Conventions

Hint: A Z code may paint a more accurate picture of why a resident enters a facility than another diagnosis.

There's a well-established urban coding legend that coders should not use Z codes as primary diagnosis codes. However, Z codes may be the correct choice for MDS coders trying to show why a resident has been admitted to a facility.

"Let's address the use of Z codes as a primary diagnosis. Any Z code that maps to anything other than 'return to provider' can be used as a primary diagnosis if that condition is the primary reason the resident is receiving skilled services in the SNF under Medicare Part A. This is very clearly documented as appropriate in the ICD-10 coding guidance," says **Jennifer E. LaBay, RN, RAC-MT, RAC-MTA, CRC**, MDS and policy consultant at **Triad Health Care LLC** in Providence, Rhode Island.

Look to Guidance Specifics

Although coders who are depicting provider encounters may not utilize Z codes very frequently, the code category is appropriate for many nursing facility residents' situations.

Background: "Z codes are key to correct coding practices as both primary and secondary codes, giving information both about the nature of the encounter and the patient's circumstances," ICD-10-CM Official Guidelines say at the beginning of Chapter 21: Factors Influencing Health Status and Contact with Health Services (Z00-Z99).

There are four factors that trigger Z code use:

- A healthy patient presenting for a specific encounter, such as organ donation, vaccination, or screening
- Aftercare of an injury or disease
- Circumstances influencing health status or potential hazards to community health
- Birth status

When residents are admitted to a nursing facility to receive care or rehabilitation, the care falls within the aftercare category.

Within the aftercare category are nine categories (emphasis original):

- Z42 (Encounter for plastic and reconstructive surgery following medical procedure or healed injury)
- Z43 (Encounter for attention to artificial openings)
- Z44 (Encounter for fitting and adjustment of external prosthetic device)
- Z45 (Encounter for adjustment and management of implanted device)
- Z46 (Encounter for fitting and adjustment of other devices)
- Z47 (Orthopedic aftercare)
- Z48 (Encounter for other postprocedural aftercare)
- Z49 (Encounter for care involving renal dialysis)
- Z51 (Encounter for other aftercare and medical care)

"Aftercare visit codes cover situations when the initial treatment of a disease has been performed and the patient requires continued care during the healing or recovery phase, or for the long-term consequences of the disease. The aftercare Z code should not be used if treatment is directed at a current, acute disease. The diagnosis code is to be used in these cases," ICD-10-CM Official Guidelines say.

Another way to think of this: If a resident is admitted to a facility from a hospital to receive rehabilitation and recover

from a heart attack, the diagnosis code shouldn't be for the heart attack itself, as the resident has already received acute care for that.

"You typically use aftercare codes as the first-listed code, but these can also be additional codes in cases where the patient presents for treatment of another condition and aftercare also takes place. You may report other codes in addition to aftercare codes to provide additional information such as status Z codes," ICD-10-CM Official Guidelines say.

Don't Use Z Codes for Injuries

Know that there is a major caveat you may need to navigate: Z codes aren't the best coding choice to describe a situation in which a resident is admitted for care after an injury, for example, due to a fall.

"Z codes are not allowed to be used at all when referring to a fracture or injury code," LaBay says.

"The aftercare Z codes should also not be used for aftercare for injuries. For aftercare of an injury, assign the acute injury code with the appropriate 7th character," ICD-10-CM Official Guidelines say.

LaBay explains: "The 7th digit of D (Subsequent care for routine healing) incorporates any aftercare that you may want to code with a Z code."

Surgeries are another exception to the Z code rule, LaBay says. "Any surgical condition that may have been done for repair would be captured in Section J2300-J2599 of the MDS to potentially get into a higher paying PDPM physical therapy/occupational therapy component."

See story, page 138, for more information on Z codes.