Module 3
ICD-10-CM Outpatient Coding and Reporting Guidelines

The majority of services that you, the coder, will code for are outpatient services. One of the most important things that you can do is to study the ICD-10-CM Official Guidelines for Coding and Reporting, specifically for outpatient services!

First-listed condition
- The term “first-listed diagnosis” is used in the outpatient setting. Principal diagnosis is used in the inpatient setting.

Unconfirmed diagnosis
- It may take several visits before the diagnosis is confirmed. Code the symptoms until a confirmed diagnosis can be established. Do not code suspected, rule-out, probable, etc. for outpatient services. The rules only apply to inpatient services.

Outpatient surgery
- Code the reason for the surgery as the first-listed diagnosis (even if the surgery is cancelled or not performed due to contraindications).

Additional diagnoses
- Code all conditions or problems that are being managed during an encounter.

Z codes
Z codes are used to report encounters other than a disease or injury and can be used in any healthcare setting. Z codes may be used as first-listed or secondary code; however, certain Z codes may only be used as first listed diagnosis. Z codes can be used to report the following:

- Possible health hazards related to communicable diseases
- Inoculations and vaccinations
- Patients who are carriers of diseases or have the residual of past diseases or conditions (status codes)
- Personal and family history of disease
- Pregnancy, genetic counseling, and testing
- Observation for suspected conditions
- Encounters for procedures (e.g., removal of breast implant, blood typing, sterilization)
- Post procedural state
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Observation stay
- Assign the code for the condition that caused the observation stay as the first-listed diagnosis.
- If a patient presents for outpatient surgery and develops complications requiring admission to observation, code the reason for the surgery as the first-listed diagnosis followed by the codes for the secondary complications as the secondary diagnoses.
- Z03 and Z04 are the two categories that report observation.
- Codes P00-P04 report observation and evaluation of newborns for suspected conditions that are not found.

First-listed diagnosis and coexisting conditions
- List codes for any coexisting conditions that are present or treated.

Uncertain diagnosis
- Do not code “probable,” “suspected,” “questionable,” “rule out,” “working diagnosis,” or other similar terms indicating uncertainty in the outpatient setting.
- Code the signs or symptoms.

Chronic diseases
- Chronic means ongoing.
- There is no limit in reporting chronic diseases. Code as many times as the patient receives treatment or care.

Documented conditions
- Code all documented conditions that coexist at the time of the encounter or visit and affect patient care, treatment, or management.
- Do not code conditions that were previously treated and no longer exist.

Diagnostic services
- Code first the diagnosis, condition, problem, or other reason for encounter/visit shown in the medical record. Codes for other diagnoses may be sequenced as additional diagnoses.
- Assign Z01.89 for routine laboratory/radiology testing in absence of any signs, symptoms, or associated diagnosis.
- For outpatient encounters in which the diagnostic tests have been interpreted by the physician and the final report is available, code any confirmed or definitive diagnosis(es) documented in the interpretation.
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**Therapeutic services**
- Code first the diagnosis or condition responsible for the encounter.
- **Exception to the rule:** If the primary reason for the encounter is chemotherapy or radiation therapy, then code the Z code first followed by the disease or condition.

**Preoperative evaluation**
- For preoperative evaluations only, use a code from subcategory Z01.81 first, followed by the reason for the surgery. Code also any findings related to the pre-op evaluation.

**Prenatal visits**
- For routine prenatal visits without complications, use a code from category Z34.
- For routine prenatal visits of high-risk pregnancies, use a code from category O09.