College of Pharmacy
Center for the Advancement of Pharmacy Practice

CAPP RESOURCE | ONE-PAGER

Introduction to ICD-10 Codes

A diagnosis-code explainer for Kentucky pharmacists

Why This Matters

Every medical claim answers two questions: what was done and why? The International Classification of Diseases, Tenth Revision (ICD-10) diagnosis codes are the "why" and are required on each claim. **Every claim submitted needs at least one ICD-10 code**, and must match what is documented.

WHAT ICD-10 IS

ICD-10 is the diagnosis code set used on all U.S. medical claims. It is maintained by the CDC's National Center for Health Statistics, together with CMS, and is free to the public. It is updated every year on October 1. ICD-10 describes the patient's condition or the reason for the encounter.

Where to Look Up Codes

Go to: **cms.gov/medicare/coding-billing/icd-10-codes** where CMS posts the complete code files and yearly updates for free. EHR or billing platforms may have a built-in search, but the CMS files are the authoritative source.

How to read an ICD-10 code:

- **Start with the first character.** Always a letter, and it identifies the chapter.
- **Read the next two characters.** Together with the letter they form the three-character category.
- **Look after the decimal.** Up to four more characters add detail e.g. complications, severity, location.

ICD-10 Code Breakdown for Z13.220 Encounter for Screening for Lipid Disorders

Z – Chapter on Factors influencing health status and contact with health services.
Z13 – Encounter for screening for other diseases and disorders.
Z13.2 – Encounter for screening for nutritional, metabolic and other endocrine disorders
Z13.22 – Encounter for screening for metabolic disorder
Z13.220 – Encounter for screening for lipoid disorders

KNOW THE TWO KINDS OF CODES YOU'LL USE

For pharmacist billing, ICD-10 codes fall into two practical groups: disease-state codes describe a diagnosed condition, and Z-codes describe the reason for an encounter when the visit isn't about treating an acute illness.

Disease-State Codes (A–U)	Z-Codes (Z00–Z99)
Describe a diagnosed condition • E11.9 – type 2 diabetes without complications • I10 – essential hypertension • E78.5 – hyperlipidemia, unspecified • J45.909 – unspecified asthma, uncomplicated **Diagnosis originates from the provider's documentation; pharmacists report it, but they don't assign it because they can't diagnose in Kentucky.**	Describe the reason for the encounter • Z23 – encounter for immunization • Z71.3 – dietary counseling and surveillance • Z79.4 – long-term (current) use of insulin • Z51.81 – encounter for therapeutic drug level monitoring The codes pharmacists select most often, because they describe the service encounter

Z-codes ("factors influencing health status and contact with health services") deserve special attention because they most often deal with services commonly provided by pharmacists, such as counseling, immunizing, disease-state monitoring, and managing long-term therapy.

Z-codes can, and should, be paired with relevant disease-state codes when appropriate. For example, a diabetes education visit typically carries both Z71.3 (Dietary counseling and surveillance) and E11.x (type 2 diabetes mellitus) codes. The documentation for the patient encounter should list the encounter reason in words that match the reported code and include sufficient detail to support its use.

KEY FACTS ABOUT ICD-10

- **Pharmacists report diagnoses, but they don't assign them.** Disease-state codes come from the collaborating provider's documentation. Pharmacists in Kentucky cannot diagnose.
- **The code set changes every October 1.** ICD-10 code timeline aligns with the federal fiscal year. Codes are added, revised, and deleted annually; Common codes should be verified each fall.
- **Code to the highest specificity, the documentation supports.** Unspecified codes are valid, but overusing them increases the likelihood of an audit.
- **ICD-10 is free and public.** Unlike CPT®, the full code set is in the public domain. No license is needed to look up, reference, or reproduce the codes.
- **ICD-10-CM is the one used for medical billing claims.** ICD-10-PCS may be mentioned, but that's an inpatient hospital procedure code set and will rarely, if ever, apply to pharmacist billing.

COMMON PITFALLS

- **Defaulting to unspecified codes.** Utilizing E11.9 for every patient with diabetes is not appropriate without first checking to see if the documentation supports a more specific code.
- **Carrying forward old diagnoses.** Codes blindly copied from previous encounters can result in the inclusion of ICD-10 codes that do not align with current documentation. Re-verify disease states and conditions at each visit.