

Patient health information is coded using the following nationally accepted standardized classification systems:

- International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM)
- HCPCS Level 1 Current Procedural Terminology, Fourth Edition (CPT-4) and Level 2 codes

To promote consistent collection of data, the following Cooperating Parties established national guidelines for the coding and reporting of all diagnoses using the ICD-9-CM classification system:

- Centers for Medicare & Medicaid Services (CMS - formerly HCFA)
- American Hospital Association (AHA)
- American Health Information Management Association (AHIMA)
- National Center for Health Statistics (NCHS)

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires the adoption of standards for transaction and code sets. HIPAA directs the use of ICD-9-CM for the coding of all diagnoses in any setting and requires adherence to the "Official ICD-9-CM Guidelines for Coding and Reporting."



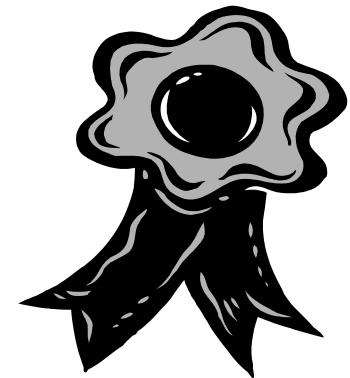
Component State Association of the American Health Information Management Association (AHIMA)

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WE ALL  
WIN!

PAYERS  
PATIENTS  
PHYSICIANS  
EMPLOYER GROUPS  
MANAGED CARE  
HEALTH CARE PROVIDERS



Quality healthcare depends on  
quality healthcare  
information...read on to learn  
how you can help contribute to  
quality healthcare.

HOW CAN YOU  
PROMOTE NATIONAL  
DATA QUALITY?

Healthcare quality is dependent  
on the quality of  
healthcare information.



### Physicians and Providers

**Document** all  
pertinent facts and  
observations com-  
pletely, accurately,  
and timely. Include

past and present history, exam, tests,  
treatments, and outcomes.

**Educate** on the importance of consistent  
and accurate data.

### Patients

**Provide** consistent and accurate health  
information.

### Payers

**Adhere** to Official Coding Guidelines.

**Review** and revise policies to ensure  
consistency with national coding  
guidelines.

**Adopt** new diagnostic and procedure  
codes at the time they are enacted to  
ensure complete and comparable data.

**Accept** coding guidelines in the  
application of payment structures to  
coded data.

### How is healthcare information processed?

- Patient receives services from a physician or other health care provider
- Physician/Provider summarizes visit in clinical terms
- Clinical terms are translated into code sets such as ICD-9-CM and CPT-4/HCPCS
- Bill is produced
- Insurer receives bill
- Provider receives payment

### Is the process really so simple?

#### Current Reality

Each payer defines a set of unique rules and directives; these may or may not adhere to the Official Coding Guidelines.

#### Negative Outcomes

- Data is not comparable payer to payer, state to state, nationwide
- Payment delays, denials, reductions
- False conclusions related to public health, strategic planning, and patient care services
- Inability to accurately evaluate trends



### Ideal World

All Payers accept  
Official Coding  
Guidelines as re-  
quired by federal

regulation (HIPAA) and as approved by  
the Cooperating Parties.

### Positive Outcomes of Quality Data

- Improve quality of patient care
- Track patient outcomes
- Monitor utilization patterns
- Develop future healthcare policies
- Establish benchmarking data
- Facilitate reimbursement process
- Improve payer and provider relationships
- Comply with HIPAA legislation

AHIMA "Payer's Guide  
To Healthcare Diagnostic and  
Procedural Data Quality"  
referencing Official Coding  
Guidelines  
[www.ahima.org](http://www.ahima.org)