ICD-10-CM Coding Rules

Specificity, 7th characters, combination codes & Excludes notes

Objective: Assign accurate, billable ICD-10-CM codes by coding to the highest documented specificity.

Core rules

- Code to the highest level of specificity the documentation supports — a category (3 chars) is billable only when it has no further subdivisions (e.g. I10).
- Code only what is documented; never assume a complication or organism that isn't stated.
- Outpatient: do not code 'probable', 'suspected' or 'rule-out' — code the sign/symptom instead.
- Sequence the first-listed (principal) diagnosis as the reason chiefly responsible for the encounter.

7th character & placeholder X

- Injuries, fractures and some externals need a 7th character: A = initial encounter, D = subsequent, S = sequela.
- If a code is shorter than 6 characters but requires a 7th, fill the empty positions with the placeholder X — e.g. T78.40XA (allergy, unspecified, initial).

Combination & multiple coding

- Combination codes capture two conditions in one — E11.621 = type 2 DM WITH a foot ulcer (then add the ulcer site/severity, L97.-).
- **Code first** — Sequence the underlying/etiology code first, then the manifestation (e.g. hypertensive heart failure I11.0, then the heart-failure type I50.-).
- **Use additional code** — Add a secondary code to fully describe the condition (e.g. the BMI Z68.- with obesity).

Excludes notes (the classic exam trap)

Note	Meaning	Action
Excludes1	NOT coded here — the two conditions are mutually exclusive	Never code both together
Excludes2	Not INCLUDED here — a separate condition	Code both if both are documented

Specificity traps

Documented	Under-coded	Correct
Type 2 DM with foot ulcer	E11.9	E11.621 + L97.-
Acute cystitis	N39.0 (UTI, site unspecified)	N30.00
GAD	F41.9 (anxiety, unspecified)	F41.1
HTN heart disease + heart failure	I10	I11.0 + I50.-