Department of Defense

INSTRUCTION

NUMBER 6040.42

June 10, 2004

ASD(HA)

SUBJECT: Medical Encounter and Coding at Military Treatment Facilities

References: (a) DoD Instruction 6040.40, "Military Health System Data Quality Management Control Procedures," November 26, 2002
(b) DoD Directive 6040.41, "Medical Records Retention and Coding at Military Treatment Facilities," April 13, 2004

1. PURPOSE

This Instruction implements policy, assigns responsibilities, and prescribes procedures for the documentation and coding of outpatient and inpatient medical encounters within Department of Defense (DoD) military treatment facilities (MTFs) in accordance with references (a) and (b).

2. APPLICABILITY AND SCOPE

This Instruction applies to:

2.1. The Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, Defense Agencies, DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as the "DoD Components").

2.2. The Coast Guard, under agreement with the Department of Homeland Security, when it is not operating as a Military Service under the Department of the Navy; and the Commissioned Corps of the United States Public Health Service (USPHS) and of the National Oceanic and Atmospheric Administration (NOAA), under agreements with the Department of Health and Human Services (hereafter referred to collectively as the

"Other Uniformed Services"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, the Marine Corps and the Coast Guard; and their respective National Guard and Reserve components. The term "Uniformed Services" refers to the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Commissioned Corps of the USPHS, and the Commissioned Corps of the NOAA.

3. POLICY

It is DoD policy that all medical encounters within the Military Health System (MHS) must be accurately and promptly documented and coded, adhering to legal and medical coding classification standards, as permitted by MHS data collection systems. Successful documentation and coding efforts assist the MTF operations.

4. RESPONSIBILITIES

4.1. The Assistant Secretary of Defense (Health Affairs), under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, shall:

4.1.1. Establish overall policy and procedures for management of the MHS medical coding program.

4.1.2. Monitor compliance with this Instruction.

4.1.3. Modify or supplement this Instruction, as needed.

4.1.4. Ensure synchrony with the civilian sector in updating annually the code reference for International Classification of Disease 9th Revision (ICD-9-CM), Current Procedural Terminology (CPT), and the Healthcare Common Procedure Coding System (HCPCS).

4.2. The Secretaries of the Military Departments shall ensure compliance with this Instruction by the Surgeons General of the Military Departments and MTF commanders.

5. PROCEDURES

5.1. The Military Department Surgeons General shall:

5.1.1. Arrange for random and targeted external audits of their MTFs to identify improvement opportunities.

5.1.2. Ensure optimal medical record coding program performance through the monitoring of metrics. As a minimum, metrics shall cover timeliness of record completion, availability of records, quality of documentation, and accuracy of coding.

5.2. The MTF commanders shall:

5.2.1. Ensure a coding compliance plan is available at the MTFs. The plan, at a minimum, should address:

5.2.1.1. Training for administrative and coding personnel. Training shall include: systems training (e.g., Composite Health Care System (CHCS), Ambulatory Data Module (ADM)), diagnostic, evaluation and management (E&M), procedural and supplies coding and medical record documentation.

5.2.1.2. Training for clinical staff. Training shall include: systems training (e.g., CHCS, ADM, diagnostic, E&M, procedural and supplies coding and medical record documentation. Training shall be documented in the provider and/or staff training file. All MTFs with in-house intern and residency training programs shall incorporate the coding training program into their intern and residency curriculums.

5.2.1.3. Data user training. Training shall include understanding coding conventions, why data were collected, how data were collected, correct use of denominators, and limitations of the data. The TRICARE Management Activity (TMA) Working Information System to Determine Optimal Management course is one training source.

5.2.1.4. Outlining an audit plan for evaluating coding compliance in accordance with DoD guidelines. This includes:

5.2.1.4.1. Providing timely feedback to MTF staff (both clinical and administrative) on coding documentation and compliance (e.g., timeliness, accuracy).

5.2.1.4.2. Incorporating metrics from the TMA/Data Quality Management Control Program, as directed in reference (a).

5.2.1.4.3. Identifying opportunities for improvement to the Military Departments' Surgeons General Offices through the monthly monitoring of metrics.

5.2.1.4.4. Evaluating coding accuracy and timeliness of both provider and medical coding staff.

5.2.1.4.5. Assessing the timely provision of coded encounters to third-party payers for reimbursement determination.

5.2.2. Incorporate external auditors as part of the compliance plan. External auditors include, but are not limited to, contract personnel; Inspectors General; Military Department Audit Agencies. An external auditor is defined as "external to the organization."

5.2.3. Ensure in-house auditors/trainers and coders have the following coding references (hard copy or electronic) available for coding use:

5.2.3.1. DoD coding guidelines - most recent version.

5.2.3.2. International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM) - most current edition.

5.2.3.3. CPT, 4th Edition - most current edition.

5.2.3.4. The Coding Clinic for the HCPCS - most current edition.

5.2.3.5. Medical dictionary.

5.2.3.6. Book of common medical abbreviations.

5.2.3.7. Physician Desk Reference.

5.2.3.8. The CPT Assistant.

5.2.4. Make available, resources permitting, the following resources:

5.2.4.1. Coding Clinic for ICD-9-CM (American Hospital Association).

5.2.4.2. "Official Guidelines for Coding and Reporting," Coding Clinic for ICD-9-CM, American Hospital Association.

5.2.4.3. Coding assist program and/or encoder software. A coding compliance editor shall reside in the CHCS and shall include a codefinder. Specific coding guidance is published by the Unified Biostatistical Utility.

5.2.5. Ensure availability of certified coders as advisors/mentors to coding instructors, auditors, and clinical staff.

5.2.6. Ensure coding instructors and auditors are current in DoD coding guidance and coding standards in the civilian medical community.

5.2.7. In accordance with medical coding practices, use the following coding standards:

5.2.7.1. 100 percent of outpatient encounters, other than Ambulatory Procedure Visits (APVs), should be coded within 3 business days of the encounter.

5.2.7.2. 100 percent of APVs should be coded within 15 days of the encounter.

5.2.7.3. 100 percent of inpatient records should be coded within 30 days after discharge.

5.2.7.4. Medical record coding for each coding area - 95 percent in FY 2004; 97 percent in FY 2005; and 100 percent in FY 2006. Coding areas are ICD-9-CM diagnosis and/or factors influencing health/external causes of injury/morphology, ICD-9-CM procedures, CPT E&M, CPT procedures and the HCPCS.

5.2.8. Effectiveness in meeting coding accuracy standards should be considered in military and civilian performance reports.

6. EFFECTIVE DATE

This Instruction is effective immediately.

William Winkenwerder, Jr., MD
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