

# Social determinants of health and medical coding: What to know

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## Andis Robeznieks

Senior News Writer

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Recognition of the impact that social determinants of health (SDOH) have on patients' outcomes is growing, as is the desire to incorporate SDOH factors into patient-care plans. But awareness of an existing data infrastructure that could help physician practices do so is limited.

"The clinical care we provide only accounts for about 50% of the health factors that ultimately determine our health outcomes," according to Margie Andreae, MD, Michigan Medicine's chief medical officer of billing compliance. "The other 50% are determined by social determinants of health, making them just as important to address if we want to improve the health of our patients."

Changes to the evaluation and management (E/M) outpatient and office-visit documentation and Current Procedural Terminology (CPT®) coding guidelines facilitate capturing SDOH data as it relates to the complexity level or length of the office visit, Dr. Andreae said during the CPT and RBRVS 2022 Annual Symposium.

"This is important because payment for the visits will now incorporate the work that is already being performed by many and is now encouraged," said Dr. Andreae, a member of the AMA/Specialty Society RVS Update Committee (RUC).

With the implementation of 2021 CPT E/M outpatient- and office-visit coding guidelines, the level of the E/M service is now based on either the total time on the date of the encounter or the level of medical decision-making (MDM).

For instance, with use of E/M codes 99204 and 99205, which are used for moderate levels of MDM for a new patient and 99214 and 99215 for established patients, SDOH factors may raise the risk of complications, morbidity or mortality by limiting treatment options and diagnosis capability.

In an example, Dr. Andreae described the case of a young man with a knee injury presenting for an initial evaluation. It's determined that he should have an MRI and be referred to an orthopaedist and

remain nonambulatory until his pain resolves. But he has a low-paying job with no health insurance, so he refuses the MRI and the referral.

“Because you're not able to get the additional data that you would like, this makes your management decisions more complicated and a higher level of risk,” Dr. Andreae explained. “So now you have in your medical decision-making: one undiagnosed new problem with an uncertain diagnosis, which makes this a moderate-level problem complexity.”

Learn how data drives health system effort on social determinants of health.

## **SDOH? There's an ICD-10 code for it**

In a related presentation, Nelly Leon-Chisen said how an important but seldom-used section of the International Classification of Diseases 10th Revision codes (ICD-10) address SDOH.

ICD-10 Z codes represent subsets of diagnosis codes describing factors influencing health status. Code categories Z55-Z65 identify SDOH.

These codes allow physicians, hospitals, health systems and payers to better track patient needs and identify solutions to improve the health of communities, said Leon-Chisen, the American Hospital Association's executive director of coding and classification and executive editor coding clinic publications.

The most common of these, according to Centers for Medicare & Medicaid Services (CMS) claims data, is Z59.0 for persons experiencing homelessness. Use of these codes is voluntary and, while CMS and commercial payers have expressed “great interest” in the use of the SDOH codes, they don't offer financial incentives to do so, Leon-Chisen said.

“There is a great interest on addressing some of these social needs, but—if you don't code it, you can't count it—and it's not showing up in the claims,” she said. “The idea is that, with enough data on specific diagnosis codes, SDOH can eventually be considered to reflect higher severity and intensity of services that will result in additional coverage and reimbursement.”

The most-recent Z-code statistics are from 2017. Of the 33.7 million Medicare fee-for-service beneficiaries, only about 467,000 (1.4%) had claims with Z-code data.

Payers are interested in collecting SDOH information by the simplest way possible—which is claims data, Leon-Chisen said.

“More importantly, for many of us, is the ability to make the case for additional funding or coverage or reimbursement for addressing the social needs that are impacting the health of patients,” she said.