Using Z Codes to Reduce Disparities in Health Outcomes in Rural Indiana

Hospitals and health systems are working to address the societal factors that influence health, including the social needs of their patients, social drivers of health in their communities and the root causes that lead to disparities in health outcomes. Hospitals can capture data on the social needs of their patient population by using the ICD-10-CM Z codes, which identify nonmedical factors that may influence a patient's health status.

Z codes became available in fiscal year 2016; however, their adoption has been slow. The Centers for Medicare & Medicaid Services reports that health care providers used Z codes for 1.6% of Medicare fee-for-service beneficiaries in 2019. Adoption has been limited due to a lack of clarity on who can document a patient's social needs, absence of operational processes for documenting and coding and unfamiliarity with Z codes. In addition, coders may need encouragement and support from hospital leaders to collect these codes that were once perceived as a lower priority. Learn more about this topic from the American Hospital Association's issue brief, **ICD-10-CM Coding for Social Drivers of Health**.

Karen Bartrom, MSN, RN, CCM
Director of Clinical Integration
Cameron Memorial Community Hospital

Cameron Memorial Community Hospital is an independent, critical access hospital in northeastern Indiana. As part of their strategy to reduce disparities in health outcomes, the hospital began using ICD-10-CM Z codes to detect and address their patients' social needs. To learn more about their efforts, **Karen Bartrom, MSN, RN, CCM, director of clinical integration at Cameron Memorial Community Hospital,** shared with **Julia Resnick, director of strategic initiatives at the AHA,** how the hospital is using Z codes to reduce disparities in health outcomes within the community they serve.

What was the impetus for Cameron Memorial Community Hospital to start using Z codes?

Bartrom: The documentation and capture of codes is important to tell a patient's full story. In 2020, the existence of Z codes and their purpose was a new concept to our case management and social work teams. We had a workflow for the social work team to ask the right questions during the initial patient assessment to identify our patients' needs and connect them with resources and services prior to being discharged from the hospital. But, we wanted our patients' answers to these questions to be hardwired in our documentation and to be visible to our clinical partners and reflected in the codes.

Prior to examining the Z codes data, we were confident that we knew what the most common social needs were in our community. Our community health needs assessment showed that areas of the greatest concern for health and service needs in this community are public and non-emergent transportation, mental health services, safe affordable housing, senior housing, substance use, poverty and affordability of health services. Looking back, we had no knowledge of what our patients' social needs were, how they were captured, how we could improve the capture rate and ultimately, what the data could tell us about our community's

needs. The potential of capturing more Z codes to quantify what we only knew anecdotally was a significant motivator in building a sustainable, scalable program.

What did it take to bring this initiative to life?

Bartrom: The engagement within the organization to embrace this work is high. We began to look broadly across the organization for optimization opportunities, particularly regarding how social needs information was collected and documented. We wanted to understand:

- Which hospital departments, provider offices, transitional care programs and hospitalists were screening for patients' social needs in their daily work;
- Where social needs data was documented in the electronic medical record (EMR) and if they flowed to the same location;
- How social needs screening could be incorporated into the emergency department's workflow;
- What other contracted service providers interact with our patients and document social needs within our EMR; and
- Visibility of social drivers documentation to the coding specialist within the patient's hospital or provider office encounter.

We starting by educating the social work and care transitions teams on the importance of asking our patients the right questions about their social needs. On the medical unit, every patient is assessed by a social worker who completes a full admission assessment including the social needs assessment questions and documents the responses in the social drivers flowsheet. A case management template pulls in the information from the progress note.

We quickly learned that some areas of the EMR with documented social needs information were not seen by the coding professional. For example, social needs information entered in the designated flowsheet in the provider's office or hospital would not be captured in coding unless it is pulled into the provider's encounter note. The coding professionals could capture Z codes in narrative documentation, yet the social driver flowsheet data would not be captured.

Once we identified what the coding professionals required to capture the code, we consolidated where this information is located to make it easy for the coding professionals to identify. To simplify the Z code capture in our patient encounters, we leveraged the templates we currently utilized and embedded a "smart" code to pull over the documentation from the social determinant flowsheet. This "smart" code addition to the templated social work progress note pulls over the desired documentation into the patient's encounter note. The hospitalists and some mid-level practitioners have also added this "smart" code in their provider templates.

The Z-code capture rate began to increase after Cameron's internal coding department learned about Z codes through an education session supported by the Indiana Hospital Association in 2020 as part of a special innovation project. Quarterly Z code capture has quadrupled since the program started. In 2021, Cameron captured 440 Z codes.

What has collecting Z codes enabled Cameron Memorial to do differently?

Bartrom: Z codes allow us to quantify and analyze the work we do every day to identify patients' social needs so we can build programs supporting a healthier population. Striving to capture the information, watching the Z-code capture rate increase, and learning more about the needs and challenges of our patients has promoted proactive care transition planning.

Collecting the Z codes has also promoted conversations within our organization to look broadly for more opportunities to address our patients' social needs. For example, we partner with a vendor who screens for social needs as part of their chronic care management services in their monthly calls with our patients. The information collected on this call is placed in the patient encounter and can be captured by coding. This allowed our patients to be screened for social needs without adding an additional administrative task for the providers.

The real catalyst to our rapid improvement was getting the Z-code education in front of those who could positively influence organizational change. Over a short period of time, we adopted new processes across multiple departments that enabled our staff to spend more time learning about our patients' lives. There is a culture of support with the Cameron leadership team that promotes innovation, creativity and a "just do it" mindset. This is a formula for success and our journey is just beginning.

What advice would you give to hospitals starting to use Z codes?

Bartrom: One significant takeaway is the potential for how Z codes will be used in the coming years and planning accordingly. For example, two large payers are considering requiring Z codes for future incentive programs. Hospitals should learn what Z codes are, find out if the coding professionals are capturing them and where they go to find the information. Then work backwards to get the key stakeholders to brainstorm on how to incorporate the process into the daily workflow.

I believe that patients want to be more than a diagnosis; they want to share their stories and trust us to help them improve their health and wellness. Get started now to find ways to hardwire the capturing of Z codes.

For more information about Z codes and how hospitals can address the societal factors that influence health, please visit www.aha.org/societalfactors.

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